

The background of the slide features a large, faint watermark of the Stanford University seal. The seal is circular and contains the text 'LELANO STANFORD JUNIOR UNIVERSITY' around the top edge and '1891' at the bottom. In the center of the seal is a tree with a figure standing beneath it, and the motto 'DIE LUXTU ET FORTUNA' is visible.

# Teacher Education Assistance for College and Higher Education Grant (TEACH Grant)

EXIT COUNSELING

Stanford University Financial Aid

Spring 2015

# Topics

## YOUR OBLIGATION

- Basic Requirements
- Low-Income School Directory
- High-Need Fields
- Length of Obligation
- Documenting Your Obligation
- Temporary Suspension and Discharge

## WHAT HAPPENS IF OBLIGATION IS NOT MET

- Conversion to Unsubsidized Loan
- Repayment and Repayment Options
- Avoiding Delinquency and Default

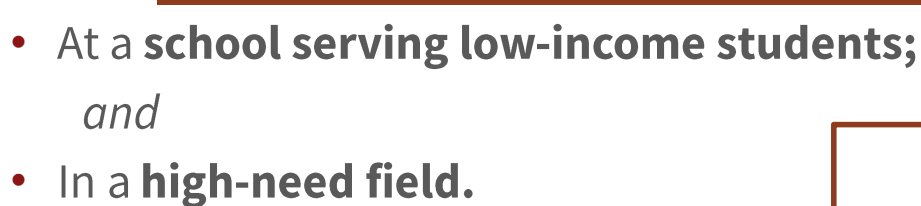
# Meeting Your Obligations

TEACH GRANT



# Basic Requirements

TO COMPLETE YOUR SERVICE OBLIGATION, YOU MUST TEACH FULL-TIME FOR AT LEAST FOUR YEARS:

- As a **highly qualified teacher**;
  - At a **school serving low-income students**;
  - *and*
  - In a **high-need field**.
- 

**DEFINITION OF TEACHER:** FOR TEACH GRANT, A TEACHER IS A PERSON WHO PROVIDES DIRECT CLASSROOM TEACHING OR CLASSROOM-TYPE TEACHING IN A NON-CLASSROOM SETTING, INCLUDING SPECIAL EDUCATION TEACHERS AND READING SPECIALISTS.

**WHAT IS HIGHLY QUALIFIED?** SECTION 9101 (23) OF THE ELEMENTARY SECONDARY EDUCATION ACT OF 1065 OR A SPECIAL EDUCATION TEACHER IN SECTION 602(10) OF THE INDIVIDUALS WITH DISABILITIES ACT.

*MORE INFORMATION:*

**[WWW.ED.GOV/NCLB/METHODS/TEACHERS/HQTFLEXIBILITY.HTML](http://WWW.ED.GOV/NCLB/METHODS/TEACHERS/HQTFLEXIBILITY.HTML)**

# Schools Serving Low-Income Students

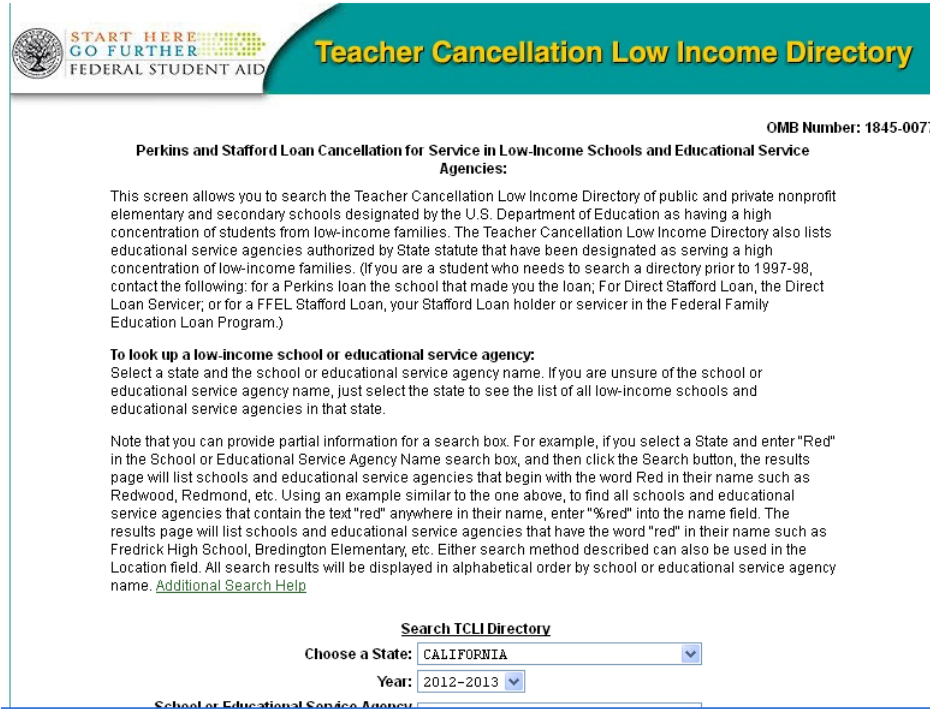
ANY PUBLIC OR PRIVATE ELEMENTARY OR SECONDARY SCHOOL LIST IN THE DEPARTMENTS **ANNUAL DIRECTORY OF DESIGNATED LOW-INCOME SCHOOLS FOR TEACHER CANCELLATION BENEFITS** QUALIFIES.

<https://www.tcli.ed.gov/CBSWebApp/tcli/TCLIPubSchoolSearch.jsp>

ANY ELEMENTARY OR SECONDARY SCHOOL OPERATED BY THE **U.S. DEPARTMENT OF THE INTERIOR'S BUREAU OF INDIAN EDUCATION (BIE)** – OR OPERATED ON AN INDIAN RESERVATION BY AN INDIAN TRIBAL GROUP UNDER CONTRACT OR GRANT WITH THE BIE ALSO QUALIFIES, EVEN IF IT IS NOT LISTED AS LOW-INCOME.

If the school where you teach qualifies as a low-income school for all or part of one of your required four years of teaching, but doesn't qualify as a low-income school during subsequent school years, your subsequent years of teaching will still count for purposes of satisfying your TEACH Grant service obligation.

# Some Low Income Schools in Our Area



**START HERE  
GO FURTHER  
FEDERAL STUDENT AID**

## Teacher Cancellation Low Income Directory

OMB Number: 1845-0077

**Perkins and Stafford Loan Cancellation for Service in Low-Income Schools and Educational Service Agencies:**

This screen allows you to search the Teacher Cancellation Low Income Directory of public and private nonprofit elementary and secondary schools designated by the U.S. Department of Education as having a high concentration of students from low-income families. The Teacher Cancellation Low Income Directory also lists educational service agencies authorized by State statute that have been designated as serving a high concentration of low-income families. (If you are a student who needs to search a directory prior to 1997-98, contact the following: for a Perkins loan the school that made you the loan; For Direct Stafford Loan, the Direct Loan Servicer; or for a FFEL Stafford Loan, your Stafford Loan holder or servicer in the Federal Family Education Loan Program.)

**To look up a low-income school or educational service agency:**  
Select a state and the school or educational service agency name. If you are unsure of the school or educational service agency name, just select the state to see the list of all low-income schools and educational service agencies in that state.

Note that you can provide partial information for a search box. For example, if you select a State and enter "Red" in the School or Educational Service Agency Name search box, and then click the Search button, the results page will list schools and educational service agencies that begin with the word Red in their name such as Redwood, Redmond, etc. Using an example similar to the one above, to find all schools and educational service agencies that contain the text "red" anywhere in their name, enter "%red" into the name field. The results page will list schools and educational service agencies that have the word "red" in their name such as Fredrick High School, Bredington Elementary, etc. Either search method described can also be used in the Location field. All search results will be displayed in alphabetical order by school or educational service agency name. [Additional Search Help](#)

**Search TCLIDirectory**

Choose a State: CALIFORNIA

Year: 2012-2013

School or Educational Service Agency:

- John O'Connell High (SF Unified)
- Martin Luther King , Jr. Elementary and Middle (Oakland Unified; Hayward Unified)
- Bishop Elementary (Sunnyvale)
- John F. Kennedy Middle (Redwood City Elementary)

# Teaching at More Than One Low-Income School

IF YOU TEACH AT MORE THAN ONE QUALIFYING LOW-INCOME SCHOOL DURING A SCHOOL YEAR, THAT YEAR OF TEACHING WILL COUNT AS ONE OF YOUR REQUIRED FOUR SCHOOL YEARS OF TEACHING SERVICE IF:

- You provide FedLoan Servicing with a certification from one or more of the chief administrative officers of the schools where you taught that your combined teaching was the equivalent of one school year of full-time employment,  
*and*
- More than half of the classes you taught were in one or more of the high-need fields as defined in the TEACH Grant counseling material.

# Basic Requirements

TO COMPLETE YOUR SERVICE OBLIGATION, YOU MUST TEACH FULL-TIME FOR AT LEAST FOUR YEARS:

- As a **highly qualified teacher**;
- At a **school serving low-income students**;
- *and*
- In a **high-need field.**





# High Need Fields (Subjects)

Mathematics

Science

Foreign language

Bilingual education

English language acquisition

Special Education

Reading Specialist

*AND*

Other identified teacher shortage areas **as of the time you begin teaching in that field** listed in **the Teacher Shortage Area Nationwide Listing (Nationwide List)** that the Department issues each year.

[www.ed.gov/about/offices/list/ope/pol/tsa.pdf](http://www.ed.gov/about/offices/list/ope/pol/tsa.pdf)

# California High-Needs Fields for 14-15 Year

## STATEWIDE ACADEMIC DISCIPLINES OR SUBJECT MATTER:

- English (Drama and Humanities)
- History/Social Science
- Mathematics/Computer Education
- Physical Education/Health/Dance
- Science
- Special Education

IF YOU BEGIN QUALIFYING TEACHING SERVICE IN A HIGH-NEED FIELD THAT IS ON THE NATIONWIDE LIST, BUT IN SUBSEQUENT SCHOOL YEARS OF TEACHING THAT HIGH-NEED FIELD IS NO LONGER LISTED, YOUR SUBSEQUENT YEARS OF TEACHING IN THAT FIELD WILL CONTINUE TO QUALIFY FOR PURPOSES OF SATISFYING YOUR SERVICE OBLIGATION.

# Length of Service Obligation

- You must complete a 4-year service obligation for each academic program for which you received a TEACH Grant **within** eight years after you complete or otherwise cease to be enrolled.
- If you later receive a TEACH Grant for a second program, any qualifying service performed before completion can only be applied to the first program service obligation. Any qualifying service performed after the second program may be applied toward your service obligation for both programs.



# Documenting Your Obligation - Initial

YOU MUST KEEP FEDLOAN SERVICING INFORMED OF YOUR PROGRESS TOWARD SATISFYING YOUR SERVICE OBLIGATION.

WITHIN **120 DAYS AFTER YOU COMPLETE OR ARE OTHERWISE NO LONGER ENROLLED** IN THE PROGRAM FOR WHICH YOU RECEIVED A TEACH GRANT, YOU MUST NOTIFY FEDLOAN SERVICING IN WRITING THAT YOU:

- Are employed as a full-time teacher in accordance with the terms and conditions of the TEACH Grant service obligation;
- or*
- Are not yet employed as a full-time teacher, but intend to meet the terms and conditions of your service obligation.

# Documenting Your Obligation – Each Year

IF YOU BEGIN TEACHING, YOU MUST PROVIDE DOCUMENTATION **AFTER EACH YEAR** OF YOUR FOUR YEARS OF REQUIRED TEACHING.

- A form for documenting your qualifying teaching service will be available from FedLoanServicing. This form must be certified by the chief administrative officer of the school where you taught for the year.

IF YOU HAVE COMPLETED YOUR PROGRAM BUT ARE NOT EMPLOYED IN A QUALIFYING TEACHING POSITION, YOU MUST NOTIFY FEDLOAN SERVICING **AT LEAST ONCE EACH YEAR** THAT YOU STILL INTEND TO SATISFY YOUR SERVICE OBLIGATION.

## Completing Less Than a Full Year of Service

IF YOU DO NOT COMPLETE A FULL SCHOOL YEAR OF QUALIFYING TEACHING SERVICE, BUT COMPLETE AT LEAST HALF OF A SCHOOL YEAR, THE HALF-YEAR OF TEACHING CAN BE COUNTED AS ONE OF YOUR FOUR REQUIRED YEARS OF TEACHING SERVICE UNDER CERTAIN CONDITIONS.

- You were unable to complete a full year because of a condition covered under the Family and Medical Leave Act of 1993 (FMLA).  
<http://www.dol.gov/whd/fmla/>
- You were called or ordered to active duty status for more than 30 days as a member of the reserve in the Armed Forces or as a full-time service member of the National Guard  
*and*  
your school employer considers you to have fulfilled your contract requirements for the school year.

## Temporary Suspension of 8-Year Period for Service Obligation

A SUSPENSION CAN BE GRANTED IN 1-YEAR INCREMENTS AND CANNOT EXCEED A TOTAL OF THREE YEARS. THE 8-YEAR PERIOD YOU HAVE FOR COMPLETING YOUR SERVICE OBLIGATION WILL RESUME AT THE END OF THE SUSPENSION PERIOD.

YOU MUST REQUEST A SUSPENSION THROUGH FEDLOAN SERVICING AND PROVIDE ANY REQUESTED DOCUMENTATION.

- You must submit a request for a suspension of the period for completing your service obligation before any conditions occur that would convert your TEACH Grant to a Direct Unsubsidized Loan.
- Once a TEACH Grant has been converted to a loan, it can't be converted back to a TEACH Grant.

# Qualifying Conditions for Suspension

IF YOU HAVE COMPLETED OR ARE OTHERWISE NO LONGER ENROLLED IN THE ACADEMIC PROGRAM FOR WHICH YOU RECEIVED A TEACH GRANT, YOU MAY REQUEST A SUSPENSION OF THE EIGHT-YEAR PERIOD FOR COMPLETING YOUR TEACHING SERVICE ONLY IF:

- You return to school and are enrolled in a program of study for which you would be eligible to receive a TEACH Grant, or a program that will satisfy state requirements for elementary or secondary school teacher certification (including an alternative teacher certification program);
- You have a condition covered under the Family and Medical Leave Act of 1993 (FMLA);  
*or*
- You have been called to active duty status for more than 30 days as a member of a reserve component of the Armed Forces named in 10 U.S.C. 10101, or service as a member of the National Guard on full-time National Guard duty, as defined in 10 U.S.C. 101(d)(5), under a call to active service in connection with a war, military operation, or national emergency.
  - Military personnel may also receive a discharge (cancellation) of all or part of their teaching requirement if qualifying active duty exceeds the three year suspension limit.

THE CONDITIONS ABOVE ARE THE **ONLY** CONDITIONS UNDER WHICH YOU MAY RECEIVE A SUSPENSION OF THE 8-YEAR PERIOD FOR COMPLETING YOUR SERVICE OBLIGATION. MORE DETAILS ARE AVAILABLE AT [HTTP://WWW.MYFEDLOAN.ORG/TEACH-GRANTS/INDEX.SHTML](http://www.myfedloan.org/teach-grants/index.shtml)



# Discharging your TEACH Grant Service Obligation

YOUR SERVICE OBLIGATION WILL BE DISCHARGED (CANCELED) IF:

- FedLoan Servicing receives acceptable documentation of your death from a family member or other representative.
- You become totally and permanently disabled and meet certain other requirements. You must apply for a discharge on a form that FedLoan Servicing will provide.

IF YOUR SERVICE OBLIGATION IS DISCHARGED BASED ON YOUR DEATH OR TOTAL AND PERMANENT DISABILITY, YOUR TEACH GRANT WON'T BE CONVERTED TO A DIRECT UNSUBSIDIZED LOAN, AND NEITHER YOU NOR YOUR FAMILY WILL BE REQUIRED TO REPAY THE TEACH GRANT FUNDS YOU RECEIVED.

# Results of Not Satisfying Your Obligation

TEACH GRANT



# Failure to Meet Your Service Obligation



**FAILURE TO COMPLETE SERVICE  
OBLIGATION CAUSES YOUR GRANT TO  
CONVERT TO AN *UNSUBSIDIZED LOAN!***



IF YOUR TEACH GRANT IS CONVERTED TO A DIRECT UNSUBSIDIZED LOAN, YOU'LL BE REQUIRED TO REPAY THE FULL AMOUNT OF ALL TEACH GRANT FUNDS YOU RECEIVED, WITH INTEREST CHARGED FROM THE DATE OF EACH TEACH GRANT DISBURSEMENT.

ANY TEACH GRANT THAT IS CONVERTED TO A DIRECT UNSUBSIDIZED LOAN WON'T COUNT TOWARD THE ANNUAL OR AGGREGATE LOAN LIMITS THAT APPLY TO OTHER FEDERAL STUDENT LOANS YOU'VE RECEIVED OR MAY RECEIVE IN THE FUTURE TO HELP PAY FOR YOUR EDUCATION.

# Conversion to a Direct Unsubsidized Loan

A TEACH GRANT WILL BE CONVERTED TO A DIRECT UNSUBSIDIZED LOAN IF:

- You request it (for example, you've decided that you don't want to be a teacher).
- You did not complete your program and you failed to notify FedLoan Servicing within 120 days that you are either teaching in accordance to your Agreement to Serve (ATS), or are not yet employed but intend on meeting your service obligation.
- You did not complete your program and within 1 year of ceasing enrollment you have not:
  - Been determined eligible for a suspension
  - Re-enrolled in a TEACH Grant-eligible program
  - Began teaching service per your ATS.

## Conversion to a Direct Unsubsidized Loan (Continued)

A TEACH GRANT WILL BE CONVERTED TO A DIRECT UNSUBSIDIZED LOAN IF YOU COMPLETE YOUR PROGRAM BUT:

- Do not actively confirm to FedLoan Servicing at least once each year that you intend to satisfy your service obligation.
- Do not begin or maintain qualifying employment as a teacher that would allow you to complete your required four years of service within the maximum 8-year period.

# Loan Repayment

FEDLOAN SERVICING WILL NOTIFY YOU OF THE DUE DATE OF YOUR FIRST PAYMENT AND PROVIDE YOU WITH A REPAYMENT SCHEDULE. YOUR LOAN WILL BE SUBJECT TO THE TERMS AND CONDITIONS THAT APPLY TO DIRECT UNSUBSIDIZED LOANS.

Loan Terms	
<b>Grace Period</b>	6 months beginning on the day it is converted (interest accrues during this time)
<b>Interest Rate</b>	Fixed rate of 6.21%
<b>Prepayment</b>	You may prepay all or part of the loan before it is due with no penalty.
<b>Standard Repayment</b>	10 years

# Your Loan Interest

INTEREST ON A TEACH GRANT THAT IS CONVERTED TO A LOAN IS **CHARGED FROM THE DATE OF EACH TEACH GRANT DISBURSEMENT.**

- At the time your grant is converted, you are given the opportunity to pay interest that accrued.
- If you choose not to pay the interest that has accrued, it will be added to the principal balance of your loan at the end of your grace period. This means that you will pay more interest over the life of your loan.

## Estimated Interest and Total Payment

	Did Not Pay Interest	Paid Interest
TEACH Grant Amount	\$5,013	\$5,013
Accrued interest for 9 years (6.8% fixed-interest rate)	\$3,068 (capitalized)	\$3,068 (paid at conversion)
Principal to be repaid	\$8,081	\$5,013
Monthly Payment (Standard)	\$93	\$58
Number of Payments	120	120
Total Amount Repaid	\$11,159	\$6,923
Plus: Interest paid at time of conversion	0	\$3,068
<b>Grand Total Repaid</b>	<b>\$11,159</b>	<b>\$9,991</b>



# Repayment Plans

IF YOUR GRANT IS CONVERTED TO A LOAN, YOU WILL BE ABLE TO CHOOSE FROM SEVERAL REPAYMENT PLANS. THE STANDARD REPAYMENT PLAN IS A 10-YEAR REPAYMENT PLAN WITH THE MINIMUM MONTHLY PAYMENT BEING \$50 A MONTH. MAKE SURE TO CHECK WITH YOUR SERVICER ABOUT REPAYMENT INCENTIVES. SIGNING UP FOR ELECTRONIC DEBIT ACCOUNT (EDA) MAY GIVE YOU AN INTEREST RATE REDUCTION WHILE YOU REPAY.

YOU CAN CHANGE YOUR REPAYMENT PLAN AT ANY TIME. OTHER PAYMENT PLAN OPTIONS INCLUDE:

- Graduated Repayment Plan
- Extended Repayment Plan
- Income Contingent Repayment Plan
- Income-Based Repayment Plan
- Consolidation

MORE INFORMATION ON LOAN REPAYMENT AND POSSIBLE FORGIVENESS PROGRAMS CAN BE FOUND AT [HTTP://WWW.STANFORD.EDU/DEPT/FINAID/LOANS/REPAYMENT](http://www.stanford.edu/dept/finaid/loans/repayment)

# The Bottom Line

IN EXCHANGE FOR RECEIVING A TEACH GRANT, YOU MUST AGREE TO THE FOLLOWING:

- You must serve as a full-time teacher for a total of at least four academic years within eight years after you complete or otherwise cease to be enrolled in the program(s) for which you received TEACH Grant funds.
- You must perform the teaching service as a highly qualified teacher at a low-income school or educational service agency.
- Your teaching service must be in a high-need field.
- You must provide the U.S. Department of Education with documentation of your progress toward completing your service obligation.



# Resources

## FEDLOAN SERVICING

FedLoan Servicing is the designated servicer for federal TEACH Grants.

### FedLoan Servicing Contact Info:

Toll free: 1-800-699-2908

<http://www.myfedloan.org/teach-grants/>

## NSLDS:

The National Student Loan Data System (NSLDS) contains information about all Title IV loans you have received, including TEACH Grants that have been converted to Direct Unsubsidized Loans. You may access NSLDS at: [www.nsls.ed.gov](http://www.nsls.ed.gov)

## FEDERAL STUDENT AID OMBUDSMAN :

The U.S. Department of Education's Federal Student Aid Ombudsman can help resolve problems related to student loans (including TEACH Grants that have been converted to loans) when other approaches have failed.

### Federal Student Aid Ombudsman Phone Number:

Toll free: 1-877-557-2575

### Federal Student Aid Ombudsman Web site:

[www.ombudsman.ed.gov](http://www.ombudsman.ed.gov)

## N'KENGE HAINES

ASSOCIATE DIRECTOR OF STUDENT AWARDS

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