

Summary of Part 686 – TEACH Grants

Subpart A – Scope, Purpose, and General Definitions

§ 686.1 Scope and purpose.

- Revise the description of the TEACH Grant Program to clarify that grant recipients can satisfy the service obligation by teaching for an educational service agency serving low-income students. In addition, as a result of the change to the definition of school in 668.2, this regulation would also provide that grant recipients can satisfy their teaching obligation by teaching at a private school serving low-income students.
- Clarify that the eight-year period for completing the service obligation begins when the grant recipient ceases enrollment at the institution where he or she received a TEACH Grant unless he or she subsequently reenrolled in a TEACH grant eligible program before his or her grant converted or he or she received a service clock suspension. This is for consistency with existing regulatory language elsewhere in Part 686 and with current operational practice. Make conforming changes where needed in other sections of the regulations.
- Clarify that loans can be reconverted to grants through the reconsideration process.
- Change the reference to Direct Unsubsidized Loans to match the terminology used in the Direct Loan Program regulations. Make conforming changes in other sections of the TEACH Grant regulations.

§ 686.2 Definitions.

- Add a definition of the term “educational service agency” to reflect a statutory change that allows grant recipients to satisfy the TEACH Grant service obligation by teaching for an educational service agency serving low-income students.
- Remove an unnecessary cross-reference to the FFEL Program targeted teacher deferment regulations in the definition of the term “high-need field.”
- Revise the definition of the term “highly-qualified” —
 - For clarity, replace the existing cross-reference to the Elementary and Secondary Education Act of 1965 (ESEA) with the full text of the definition from the ESEA; and
 - For consistency with the “highly-qualified” definition used for purposes of the Direct Loan Teacher Loan Forgiveness Program, added language to cover private school teachers.
- Revise the definition of the term “school serving low-income students (low-income school)” by—
 - Clarifying that this term includes educational service agencies serving low-income students;
 - Updating the name of the Department’s directory of low-income schools;
 - Simplifying the definition of “low-income school” by removing unnecessary text that explains the criteria for inclusion of a school or educational service agency in the Department’s Teacher Cancellation Low-Income (TCLI) Directory, retaining only the requirement that the school or educational service agency must be listed in the TCLI Directory; and
 - Adding language (currently in a different section of the TEACH Grant regulations) explaining the conditions under which teaching at a school or educational service agency that no longer qualifies as a low-income school may satisfy the TEACH Grant service obligation.

Subpart B—Application Procedures

§686.10 Application.

- Replace the current references to submitting an "application" for a TEACH Grant with references to the Free Application for Federal Student Aid (FAFSA), because there is no separate TEACH Grant application. Make conforming changes elsewhere in the regulations.
- Allow institutions to require that students provide additional information prior to determining whether the student should receive a TEACH grant.

§686.12 Agreement to serve.

- Change the title of the section to “Agreement to serve and repay,” to emphasize that a grant recipient must either perform the service obligation or repay the grant as a loan. Make conforming changes elsewhere.
- Add to the agreement a requirement that the following must be explained:
 - Periods of suspension;
 - The conditions under which a TEACH Grant may be converted to a Direct Unsubsidized Loan;
 - The retroactive accrual of interest should a TEACH Grant convert to loan; and
 - The option to voluntarily convert a TEACH Grant to a Direct Unsubsidized Loan to avoid further interest accrual should the recipient no longer intend to fulfill the service requirement.
- Add a requirement for the grant recipient to promptly notify the Secretary of any changes of name, address, telephone number, or e-mail address, if the recipient has provided the Secretary with an e-mail address for receiving communications. This incorporates into the regulations language that is currently in the Agreement to Serve (ATS).
- Add language to address the treatment of grant recipients who withdraw from the institution where they received a TEACH Grant before completing the TEACH Grant-eligible program, then at a later date re-enroll in the same program, or in a different TEACH Grant-eligible program at the same academic level (undergraduate or graduate) as the prior program, at either the same school or a different school, and receive additional TEACH Grants. Specifically—
 - Provide that in the situation described above, the grant recipient must complete one service obligation for all grants received at the same academic level. This incorporates into the regulations current operational procedures for handling such situations.
 - Provide that except in cases when a grant recipient completed one or more years of qualifying teaching during the period between withdrawal and reenrollment, if the recipient requests service obligation starting date change, Secretary will adjust the starting date of the period for completing the service obligation to begin when the grant recipient ceases to be enrolled at the institution where he or she has re-enrolled.
 - Provide that for a grant recipient who completed one or more complete academic years of creditable teaching service during the period between the grant recipient’s withdrawal and re-enrollment, the Secretary does not adjust the starting date of the period for completing the service obligation and applies the completed teaching service toward satisfaction of the grant recipient’s service obligation. If the grant recipient continues to perform creditable teaching service after re-enrolling in a TEACH Grant-eligible program, the grant recipient may receive credit toward satisfaction of the service obligation for any complete academic years of creditable teaching performed

while the recipient is concurrently enrolled in the TEACH Grant-eligible program only if the recipient does not request and receive a temporary suspension of the period for completing the service obligation.

- Clarify that the requirements for "majoring and serving in a high-need field," are specific to teaching in a high-need field listed for each state in the Nationwide List.
- To reflect a statutory change, provide that to meet the teaching service obligation by teaching in a high-need field listed in the Nationwide List, the field must be listed in the Nationwide List for the State in which the grant recipient teaches at the time the recipient begins teaching in that field, even if that field subsequently loses its high-need designation for that State; or for teaching service performed on or after July 1, 2010, at the time the grant recipient begins teaching in that field or when the grant recipient signed the agreement to serve or received the TEACH Grant, even if that field subsequently loses its high-need designation for that State before the grant recipient begins teaching. Conforming changes were also made.
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Subpart C—Determination of Awards

§686.21 Calculation of a grant.

- Replaced the word "aggregate" with the word "total" and the word "master's" with the words "graduate study" to be consistent with statutory language.

Subpart D—Administration of Grant Payments

§686.32 Counseling requirements.

- Add to initial and exit counseling a requirement that the grant recipient must be informed that, in order for teaching in a high-need field listed in the Nationwide List to count towards the recipient's service obligation, the high-need field must be listed in the Nationwide List for the State in which the grant recipient teaches at the time the recipient begins teaching in that field, even if that field subsequently loses its high-need designation for that State; or, for teaching service performed on or after July 1, 2010, the field must have been listed in the Nationwide List at the time the grant recipient signed the agreement to serve or received the TEACH Grant associated with the service obligation for which the teaching service is going to be performed, even if that field subsequently loses its high-need designation for that State before the grant recipient begins teaching in that field.
- Add to initial, subsequent, and exit counseling a requirement to explain to the grant recipient that once a TEACH Grant is converted to a Direct Unsubsidized Loan it cannot be reconverted to a grant unless the grant has been determined by the Secretary to be converted to a loan in error or the recipient is able to provide within one year of conversion documentation showing he/she fully satisfied the service obligation within the eight-year service obligation period.
- Add to initial, subsequent, and exit counseling a requirement to explain the option to voluntarily convert a TEACH Grant to a Direct Unsubsidized Loan to avoid further interest accrual should the recipient no longer intend to fulfill the service requirement.
- Add to exit counseling a requirement to explain the treatment of a grant recipient who withdraws from then reenrolls in a TEACH-eligible program as modified in §686.12(c).

- Add to the exit counseling a requirement to explain that the Department will provide the recipient with an annual notice of how many years of service the Department has accepted and how many years the recipient still has to complete their service requirement.
- Add language to the exit counseling requirements to reflect that the Secretary will regularly remind the recipient of the requirements that must be met to satisfy the service obligation, and of the timeframe within which the recipient must complete the service obligation.
- Add language to create conversion counseling requirements that the Secretary will provide to TEACH grant recipients at the time their grant converts to a loan. Conversion counseling will include an estimated monthly repayment amount and an explanation of the interest accrued on the loan, available repayment plan options, available loan forgiveness programs, and other important loan repayment information. The conversion counseling will also include information regarding the reconsideration process for a converted TEACH Grant.
- **NOTE:** Due to oversight, committee **did not** add requirement to exit counseling that service years completed at a school that was low-income when the TEACH grant recipient began teaching, but subsequently lost its low-income status will still count towards the TEACH grant recipient's service obligation.

Subpart E—Service and Repayment Obligations

§686.40 Documenting the service obligation.

- Remove the requirement for grant recipients to notify the Secretary within 120 days of completing or otherwise ceasing enrollment in a program of study for which a TEACH Grant was received that they are performing qualifying teaching service, or that they are not yet teaching, but intend to satisfy the service obligation. This requirement is no longer needed due to changes in proposed §686.43.
- Remove language that relates to the determination of whether a school or educational service agency qualifies as a low-income school and move it to the definition of “school or educational service agency serving low-income students (low-income school)”.
- Remove language explaining that a grant recipient cannot satisfy the requirement to teach in a high-need field by teaching in a geographic region of a State that has been designated in the Nationwide List as having a shortage of elementary or secondary school teachers, or by teaching in a specific grade level not associated with a specific high-need field that has been designated in the Nationwide List as having a shortage of teachers.
- Remove redundant language related to the high-need field requirement and replace with a cross-reference to where the high-need field requirement is explained.
- Add “residing in or being employed in a federally declared major disaster area as defined in the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122(2))” as a new circumstance that would allow less than a full year of teaching to be counted as one of a grant recipient's required four complete elementary or secondary years of teaching.
- Clarify that service years completed at a school that was low-income when the TEACH grant recipient began teaching, but subsequently lost its low-income status will still count towards the TEACH grant recipient's service obligation.

§686.41 Periods of suspension.

- Add “enrollment in a course, or otherwise fulfilling requirements for licensure in a State” as an additional basis for a grant recipient to request a temporary suspension of the period for completing the service obligation so that a recipient could complete enrollment in a program of study to meet certification or licensure requirements or complete provisional certification requirements needed to obtain full certification to teach in their state.
- Add language for spousal relocation due to military orders or change in permanent station as an additional basis for a grant recipient to request a temporary suspension of the period for completing the service obligation.
- Add “residing in or being employed in a federally declared major disaster area as defined in the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122(2))” as an additional basis for a grant recipient to request a temporary suspension of the period for completing the service obligation. Provide for a separate 3-year limit for this suspension, and allow for a representative to submit a request for a disaster suspension on the grant recipient's behalf.
- Add language allowing the Secretary to grant a temporary period of suspension on a case-by-case basis in the event the Secretary determines a grant recipient was unable to complete a full academic year of teaching or begin the next academic year due to exceptional circumstances either significantly affecting the operation of the school or the recipient’s ability to teach.
- The subcommittee agreed that a three-year cap on all combined suspensions was likely too short, but was divided on what the appropriate maximum suspension period should be.

§686.42 Discharge of agreement to serve.

- Amend the regulations related to total and permanent disability to reflect the current procedures for discharging a TEACH Grant service obligation based on the grant recipient's total and permanent disability. The existing regulatory language is obsolete.
- For consistency with existing military suspension language, add “a reserve component of the Armed Forces named in 10 U.S.C. 10101, or the National Guard” to the meaning of Armed Forces.

§686.43 Obligation to repay the grant.

- Simplify the regulations that specify the conditions under which TEACH Grants are converted to loans to provide that, for all recipients, loan conversion will occur only if the grant recipient asks the Secretary to convert his or her TEACH Grants to loans, or the recipient fails to begin or maintain qualifying teaching service within a timeframe that would allow the recipient to satisfy the service obligation within the 8-year period.
- Add language stating that the Secretary will provide recipients with information about the service obligation requirements at least annually during the service obligation period. The notification will contain
 - A disclosure of the service years that the recipient has completed;
 - A disclosure of the remaining years left in the service obligation period;
 - An explanation of the option to voluntarily convert a TEACH Grant to a Direct Unsubsidized Loan to avoid further interest accrual should the recipient no longer intend to fulfill the service requirement; and
 - Information regarding the reconsideration process for a converted TEACH Grant.
- Add language stating that the Secretary will provide recipients with a notification of pending conversion on or about 90 days prior to the date that a grant recipient’s TEACH Grants would be

converted to Direct Unsubsidized Loan(s). The notification will include associated documentation deadlines for a recipient to demonstrate he/she has satisfied or intends to satisfy the service obligation.

- Add language to allow for reconversion of a TEACH Grant from a Direct Unsubsidized Loan should the recipient demonstrate he or she is satisfying the service obligation within one year of conversion.
- Add language to outline the process by which a recipient may request reconsideration of the conversion if they believe that the grants were converted in error. Add language to ensure any qualifying service completed during the time of the reconsideration would be counted toward satisfaction of the service obligation and that the reconsideration period will be considered a period of suspension should the recipient not complete qualifying service during the reconsideration period.
- Add language to outline the remedies a TEACH grant recipient will receive should their grant be converted in error.
- Provide that a recipient remains obligated to meet all service obligation requirements even if the recipient does not receive the notices from the Secretary previously described in this section.
- Add language stating that the Secretary will notify a grant recipient who has requested conversion reconsideration whether the request is approved or denied. If denied, add language to require the Secretary to explain the reason or reasons the loan cannot be reconverted and how the recipient may contact the FSA Ombudsman.
- The subcommittee agreed that there should be a clear grant to loan reconsideration process, but disagreed as to whether a written appeal process should be available for decisions related to service year forms, requests for suspension, and requests for service year discharge.