

MEMORANDUM

Date: February 21, 2019
To: Negotiated Rulemaking Committee
From: Kyra Taylor
Issue: A Reconsideration Process for Grant-to-Loan Conversions and Rejected Service Year Forms, Suspension Requests, and Service Discharge Requests.

This memo describes two interrelated proposals to create a reconsideration process that 1) is fair for both the Department and the TEACH grant recipient and 2) sufficiently protects the TEACH grant recipient against harms caused by servicer error. The first proposal explains why a reconsideration process should include an assessment of rejected service year certifications, requests for service clock suspension, and requests for service year discharges. The second proposal explains why heightened protections are warranted while the Secretary considers a grant to loan reconsideration request and why heightened remedies—such as credit repair—are warranted when the Secretary grants a request to reconvert a loan back to a grant.

Proposal 1: Provide a formal appeal written appeal process to all TEACH grant recipients who dispute a) grant-to-loan conversions,¹ b) rejected service-year certification, c) denied requests for service clock suspension, and d) denied requests for service-year discharge.

Rationale: Given the volume of errors that have plagued the administration of the TEACH grant program, TEACH grant recipients should have access to a written appeal process for each decision that impacts their ability to complete their service: a) grant-to-loan conversions, b) rejected service-year certifications, c) rejected requests for service clock suspension, and d) rejected requests for service year discharge. Each significant decision that affects a TEACH grant's recipient ability to complete their service could alter 1) where that teacher decides to continue to teach and 2) whether the teacher is able to complete four years of service in a high-need field in a low income school. Because these consequences impact the purpose of the TEACH grant program—to place highly-qualified teachers in high-need fields within low-income schools—recipients should be permitted to a second level of review to ensure that rejections of service certification, request for suspension or request for service discharge are correct.

The need for a written appeal process to ensure that paperwork rejections are correct is evident from current TEACH grant program administration, which has resulted in 63% of grant recipients having their grants convert to loans. Incorrectly completed forms have been a significant issue, as the current forms are unnecessarily complicated, unclear, and do not always provide check-box answers that accurately reflect a teacher's situation (the current FedLoan certification form is attached). For example, in the current administration of the TEACH grant program, teachers

¹ Because the Department and the subcommittee agree that a reconversion process is needed for grant to loan conversion, it is not discussed at length here.

- must state whether they are teaching in a high-need position in a low-income school but were not given an option to select if they were teaching but were not teaching within a “high-need” position;
- must list what “high-need” position they were teaching, but were not given instruction on how to find or appropriately record a state-specific “high-need” teaching position;
- must provide the first and last day that they taught, but were rejected on the basis of an incorrect *day* listing related the first or last day they taught. Teachers did not understand what constituted the first or last day of teaching, and questioned whether it included professional development, beginning of school preparation,² or summer school.

The problems with the forms are reflected in the exceptionally low number of service forms that have been accepted:³ **since the program’s inception, only 46,719 recipients have had any service certification form accepted.**⁴ To put that number in perspective, as of 2016, there were 138,000 TEACH grant recipients,⁵ the majority of whom likely attempted to submit a service year form the following year. Yet, *only 46,719 recipients had any service certification forms accepted, and still may have had their grant later during their eight year service period.*

Despite numerous problems with the current forms, recipients have not been permitted to request reconsideration. One teacher explained FedLoan’s inflexibility despite her efforts to comply with the service certification submission process.

I worked hard to ensure the best education for my students. Like all teachers, my first year of teaching was stressful and overwhelming. On top of the stress of being a new teacher, I did not know when I had to certify that I had completed a service year. [...] Yet, I still submitted my paperwork on the last possible day.

August 4, 2014, I was struck with a hard blow. Not only was I an underpaid, overworked, new teacher, but I also now had a loan and interest accrued of over 20,000 dollars to pay back. I could not believe it. It must have been a mistake. How could the Department of Education do this to a new teacher that has consistently struggled to ensure the best education for her students? So, I called the Department of Education and FedLoan Servicing every day during my prep period.

It was explained to me that the reasoning for the conversion was a late submission of the Certification of Teaching. Even though I fulfilled the requirements to teach in a low-income school in a high-need area, my service year certification was denied. When I called FedLoan, they said that I had turned in the form one day late. I called one of the numbers on the certification forms and spoke with a Department of Education representative (although it was not the federal student aid ombudsman) and they explained that while the form was in-house on-time, it was processed the following day.

² Some schools will require students to attend school before instruction begins to practice school routines, engage in team-building, and review school rules.

³ There is no public data regarding how many service certification forms have been rejected by the servicers during the same time period.

⁴ The Department shared this data with the subcommittee during the last day of our meeting.

⁵ *Study of the Teacher Education Assistance for College and Higher Education (TEACH) Grant Program*, at pg. 77, Department of Education (March 2018), available at <https://www2.ed.gov/rschstat/eval/highered/teach-grant/final-report.pdf>.

Another teacher explained that her grant was converted even though she told her servicer that she was still enrolled in a TEACH-grant qualifying program:

I am a general education teacher in a low-income elementary school in Prince Georges County, Maryland. I took out a TEACH grant in 2012 when I enrolled in a Masters of Education in Reading Specialist program. While completing my master's degree, I continued teaching. However, mid-program, I switched to teach in a school district that offered tuition assistance for teachers pursuing master's degrees in education, so I switched into the same master's degree program at a higher-ranked university. However, when I switched to the better university, I was informed that my grant converted to a loan. I got no warning before the grant converted. When I called my servicer to explain that it should not have converted, they told me that because I wasn't at the school where I received the TEACH grant, the grant had converted to a loan. I asked if it could switch back, especially because I was still enrolled in a qualifying program and I was still teaching in a low-income school. They said no. I didn't think that I could fight the conversion anymore and I have been struggling to pay my loan payments since. It doesn't feel fair, especially because I am still teaching in a low-income school and I had no idea that the grant could convert just because I switched universities.

Even with the paperwork simplification in the proposed changes the Department has advanced, the complexities inherent in 1) demonstrating which teaching positions satisfy the requirements for a service year, 2) what evidence is needed to demonstrate a request for a service clock suspension, or 3) what evidence should be submitted to support a service year discharge will still generate incorrect servicer determinations. Specifically, determining what teaching positions will qualify for service year fulfillment will pose a significant issue. Currently, there are material discrepancies 1) from state to state regarding how teacher shortage areas are listed and 2) how teacher shortage areas are reported for the same state in the PDF report of *Teacher Shortage Areas Nationwide Listing 1990-91 through 2017-18*⁶ and the digital Teacher Shortage Areas report.⁷ For example, look at the differences between the teacher shortages listed for Arizona versus what was reported for Florida in the PDF report of the *Teacher Shortage Areas Nationwide Listing 1990-91 through 2017-18*:

⁶ Available at <https://www2.ed.gov/about/offices/list/oep/pol/bteachershortageareasreport201718.pdf>

⁷ Available at <https://tsa.ed.gov/#/home/>

Teacher Shortage Areas for Arizona for 2017-18**Elementary Content Areas**

ESL/BLE/SEI	Mathematics Interventionist
Music Reading	Specialist/Interventionist
Special Education	Visual Arts (Art)

Middle Grades

ESL/ BLE/SEI	Visual Arts (Art)
Foreign Language	General Science Language
Arts/Reading Mathematics	Mathematics Interventionist
Reading Specialist/Interventionist	Music
Social Studies	Special Education

Secondary Level

Biology	Chemistry
CTE–Dual Credit	Earth Science Economics
English	ESL/BLE/SEI
Foreign Language	General Science
Geography	History
Mathematics	Music
Physical Science	Physics
Political Science/American Government	
Reading Specialist/Interventionist	
Special Education	
Visual Arts (Art)	

Teacher Shortage Areas for Florida for 2017-18

Exceptional Student Education
English for Speakers of Other Languages
English
Math
Reading
Science
General
Earth and Space

In Florida, would an elementary school teacher who teaches all academic subjects count a year teaching as a qualifying service year, given that the majority of their day would be spent teaching English, Math, Reading, or Science (all fields listed as high need in Florida)? In Arizona, would a regular English middle school classroom teacher with 62 students, 41 of whom are ESL students, be able to count his or her year teaching as a service year? How should they list their teaching position on the form—the position listed in their teaching contract? If the servicer was continually making errors when assessing whether the recipient's teaching position qualified towards their service obligation, a teacher would have no recourse to fix a mistaken service year certification rejection until grant conversion. Equally as disconcerting, the Department might not be aware that definitional issues were arising related to how actual teaching positions corresponded to how they are described for each state in the Nationwide List unless recipients are permitted to appeal what they believe to be a servicer's error.

Moreover, for many teachers, rejection of a service year certification means they will leave their current school to chase a qualifying position at another school. As a result, erroneously rejected service year certifications creates insecurity for the teacher and instability for the school they leave. One special education teacher who used a TEACH grant to enable her to complete a master's degree in special education without debt explained,

I want to continue teaching [as a special education] as a teacher at my school but I will have to look for a new job in a qualifying school if teaching at my current school doesn't fulfill my service obligation. When I began in the TEACH grant program, I believed that it would help my pay for professional development to continue teaching as Special Education teacher at my school [which was on the TCLI list when she began her degree program but was no longer designated as a low-income school when she graduated]. [If my current position does not count towards my service] I will have to chase a teaching position in another school that would qualify for service. Had I known that this would happen, I

wouldn't have used a TEACH grant because it wouldn't be worth it. My grant is still in grant status, thank goodness. I would struggle to afford to pay for my grant if it were to convert to a loan—my daughter is currently in college and unexpected loan payments on a teacher's salary would just be too much.

The cost of an erroneously rejected service year certification is not just that the teacher believes a singular year of service does not count, but that they will leave their current position to find another position at another school that is more certain to count.

Finally, the Department's proposal to only allow for appeals of grant-to-loan conversions but not for these other rejections/denials is not beneficial to either the Department or TEACH Grant recipients. For recipients, the lack of a clear and transparent process for challenging a mistake by their servicer will leave them in limbo and with only a vague hope that some servicer employee will correct the mistake after enough calls and pleading. For the Department, this will likely result in more work to correct future erroneous grant-to-loan conversions that grow out of wrongly rejected service-year certifications or incorrect denials of clock suspensions; correcting these mistakes as they occur would likely require little more than an administrative correction, whereas reconverting a loan to a grant—and providing all the necessary corrections that entails—is a far more arduous process. Providing an appeals process for each step is not only more efficient but also allows the Department to identify recurring servicer errors in real time and develop solutions to address them and prevent such mistakes from compounding into a years-long detriment to the program.

Proposal 2: Provide heightened protections while the Secretary decides a grant-to-loan reconsideration request and provide a complete remedy should the Secretary decide that a grant has been wrongly converted to a loan.

The attached proposed regulatory language provides heightened protections for the recipient during the reconsideration process. It also proposes credit repair for TEACH grant recipients whose grants were wrongfully in loan status.

A. Put the loan in deferment, stop the accrual of interest while the Secretary considers a recipient's request for grant-to-loan reconsideration, and allow the grace period for repayment to begin after the request is denied.

Rationale: Putting the loan in deferment status and stopping the accrual of interest during the reconsideration process serves two purposes. First, it prevents the recipient from being forced to put continued payments towards a potentially wrongfully converted loan. Second, it allows recipients to request reconsideration without being penalized by the continued accrual of interest while their reconsideration is being decided by the Secretary. The assessment period for the Secretary to issue a judgment can take months; months of payments that burden a teacher who might never have deserved a grant to loan conversion in the first place. Moreover, some teachers may not take the risk of reconsideration out of fear that while their request is being considered their debt burden will continue to grow.

B. If the Secretary approves a request for grant-to-loan reconsideration, provide full credit rehabilitation for recipients who had their grants erroneously converted to loans in the form of 1) the deletion of all derogatory trade lines and 2) a statement of error by the Department for all TEACH grant recipients who have their loan reconverted automatically or who have their application to reconvert their loan approved.⁸

Rationale: Teachers, who already struggle with having the income necessary to purchase a house or make significant credit-based purchases, should not suffer negative credit consequences due to their improper TEACH grant conversion. The Department should correct their credit report and provide them with a letter to present to future creditors to explain any adverse credit reporting related to their grant while it was in loan status.

⁸ Given that the Department and the subcommittee has agreed that recipients should receive credit for payments made on their grant while it was in loan status, that remedy is not described here.

EXHIBIT A
FedLoan TEACH
Certification Form

**TEACH GRANT CERTIFICATION****Teacher Education Assistance for College and Higher Education (TEACH) Grant Program****SECTION 1: TEACH GRANT RECIPIENT IDENTIFICATION** Please enter or correct the following information.

SSN - - Name
Address City State ZIP
Telephone – Primary E-mail: Optional
Telephone - Alternate

SECTION 2: TEACH GRANT RECIPIENT'S UNDERSTANDINGS AND CERTIFICATIONS

Before completing this section, carefully read the entire form, including the instructions, definitions, terms and conditions, and important notices in Sections 4, 5, and 6.

■ **I understand that:**

- I must fulfill a teaching service obligation (service obligation) for each academic program for which I received a TEACH Grant, as stated in the Agreement to Serve (Agreement) that I signed before receiving each TEACH Grant. If I do not fulfill my service obligation, all TEACH Grant funds that I received will be converted to Federal Direct Unsubsidized Stafford/Ford Loans (Direct Unsubsidized Loans) that I must repay to the U.S. Department of Education (the Department), with interest charged from the date of each TEACH Grant disbursement.
- To fulfill my service obligation, I must teach full time for a total of at least four academic years within eight years after I complete or otherwise cease to be enrolled in the program for which I received TEACH Grant funds. My teaching service must meet the requirements specified in Section 6 and in my Agreement.
- After completing each of the four academic years of required teaching service, I must provide my TEACH Grant servicer with documentation of my teaching service by providing the information requested in Item A below and obtaining a certification in Section 3 of this form from the Chief Administrative Officer for the school or educational service agency where I taught.
- If I am not teaching, I must certify my intent to satisfy my teaching service obligation by checking the box in Item B below and signing the form. (If you did not complete your TEACH Grant program of study, see Section 6.)

■ **I certify that:**

- (A) ☐ I taught full time for one complete academic year, as certified in Section 3 (If you check this box for this reason you must complete items 1, 2 and 3 below, and sign the form. Your Chief Administrative Officer must complete Section 3.) **Or**

I am currently performing qualifying teaching service, but have not yet taught for a complete academic year (If you check this box for this reason you must complete items 1, 2 and 3 below, and sign the form. If you did not complete the program for which you received your TEACH grants, your Chief Administrative Officer must complete Section 3 and indicate that you have not taught a complete academic year using the check box provided.)

- (1) I am teaching or have taught full time as a highly-qualified teacher at a/an (check only **one** box):

☐ Low-income elementary or secondary school ☐ Low-income educational service agency ☐ Elementary or secondary school operated by the Bureau of Indian Education (BIE) or operated on an Indian reservation by an Indian tribal group under contract with the BIE.

- (2) During the year of teaching listed below and as certified in Section 3, more than half of the classes I am teaching or have taught were in one or more of the following high-need fields (**check all that apply**):

☐ Mathematics ☐ Science ☐ Foreign Language ☐ Bilingual Education ☐ English Language Acquisition
☐ Special Education ☐ Reading Specialist
☐ Other high-need field (see Section 5; list the other high-need field and grade level taught):

- (3) I am teaching or have taught at:

Name of School (Not School District) or Educational Service Agency at which I am teaching

School Web Address

Address of School or Educational Service Agency (Street, City, State, ZIP)

- (B) ☐ I am not teaching, but I intend to satisfy my TEACH Grant service obligation. (If you check this box you only need to sign below)

- (C) ☐ I did not complete my TEACH Grant-eligible program of study and am not teaching, but I have reenrolled in another eligible program of study, as defined in Section 5. (If you check this box, sign the form and have an authorized official complete Section 3 to confirm your enrollment in an eligible program. In addition, you may contact us to request a suspension of the eight-year period for completing your service obligation.)

- (D) The information I provided in Sections 1 and 2 is true and correct.

- (E) I have read and understand the definitions in Section 5 and the terms and conditions in Section 6.

- (F) My teaching service met the requirements specified in Section 6.

TEACH Grant Recipient's Signature

Today's Date (mm-dd-yyyy)

Recipient Name: _____

Recipient SSN: _____

SECTION 3: CHIEF ADMINISTRATIVE OFFICER or AUTHORIZED OFFICIAL'S CERTIFICATION

Before completing this section, carefully read the instructions, definitions, and terms and conditions in Sections 4, 5, and 6. If recipient is teaching, complete as Chief Administrative Officer. Return the completed form to the grant recipient identified in Section 1. If the recipient is enrolled in a TEACH Grant eligible program of study, complete as Authorized Official.

Chief Administrative Officer only: I certify that the grant recipient identified in Section 1 taught during the academic year as a full-time highly-qualified teacher (as defined in Section 5) from _____ (mm-dd-yyyy) to _____ (mm-dd-yyyy) at the eligible low-income elementary school, secondary school or educational service agency identified by the grant recipient in Section 2, and that during this year the grant recipient taught more than half of his or her classes in the high-need field(s) identified by the grant recipient in Section 2.

☐ Check here if certifying teaching service for less than a complete academic year.

Authorized Official only: I certify that the grant recipient identified in Section 1 is/was enrolled at _____ (Name of Institution) in an eligible program, as defined in Section 5 during the academic period from _____ (mm-dd-yyyy) to _____ (mm-dd-yyyy).

Chief Administrative Officer/Authorized Official's Name and Title (Printed) _____

Telephone _____

Chief Administrative Officer/Authorized Official's Signature _____

Today's Date (mm-dd-yyyy) _____

SECTION 4: GENERAL INFORMATION AND INSTRUCTIONS

- Type or print using dark ink. Enter dates as month-day-year (mm-dd-yyyy). Use only numbers. Example: January 31, 2013 = 01-31-2013.
- If you are certifying teaching service, the Chief Administrative Officer for the school or educational service agency where you performed your qualifying teaching service must complete Section 3. If you taught at more than one school or educational service agency during the same academic year, you may complete one certification form for each school or educational service agency at which you taught if one school or educational service agency cannot certify your complete academic year of teaching.
- If you are certifying enrollment in an eligible program of study, an Authorized Official for the school at which you are/were enrolled in the eligible program of study must complete Section 3.
- Return the completed form and any attached pages to the address shown in Section 7.

SECTION 5: DEFINITIONS

- An **academic year** or its equivalent is one complete elementary or secondary school year, or two complete and consecutive half-years from different school years (excluding summer sessions) that generally fall within a 12-month period. If a school or educational service agency has a year-round program of instruction, a minimum of nine months is considered to be the equivalent of an academic year.
- An **authorized official** who may complete Section 3 is an official of the school at which you are/were enrolled in a TEACH Grant-eligible program.
- The **Chief Administrative Officer** for a school or educational service agency is the individual who has access to the employment records which establish that the grant recipient's teaching service met the requirements of the TEACH Grant Program, as explained in Section 6, and who is authorized to verify the grant recipient's qualifying teaching service. The Chief Administrative Officer may vary depending on the teacher's employer, and could include (but is not limited to) the principal or assistant principal of the school where the grant recipient taught, the superintendent, assistant superintendent, or human resources director for a school district or educational service agency, or the chief executive officer of an educational services agency.
- An **eligible program of study** is one that is TEACH Grant-eligible and is designed to prepare an individual to teach as a highly-qualified teacher in a high-need field and leads to a baccalaureate or master's degree, or is a post-baccalaureate program of study. A two-year program of study that is acceptable for full credit toward a baccalaureate degree is considered to be a program of study that leads to a baccalaureate degree. An eligible program of study is also a program of study that has been determined by a state to satisfy the requirements for certification or licensure to teach in the state's elementary or secondary schools.
- A **high-need field** includes the following: (1) bilingual education and English language acquisition; (2) foreign language; (3) mathematics; (4) reading specialist; (5) science; (6) special education; and (7) any other field listed in the U.S. Department of Education's (the Department's) annual [Teacher Shortage Area Nationwide Listing \(Nationwide List\)](#).
 - **Bilingual education** is an educational program in which two languages are used to provide content matter instruction. **English language acquisition** is the process of acquiring English as a second language.
 - **Special education** means specially designed instruction, at no cost to parents, to meet the unique needs of a child with a disability, including instruction conducted in the classroom, in the home, in hospitals and institutions, and in other settings; and instruction in physical education, i.e., physical therapy. A **child with a disability** is a child who needs special education and related services because the child has mental retardation, a hearing impairment (including deafness), a speech or language impairment, a visual impairment (including blindness), a serious emotional disturbance, an orthopedic impairment, autism, a traumatic brain injury, another health impairment, or a specific learning disability. For a child age 3 through 9, the term a child with a disability may, at the discretion of the state and the local educational agency, include a child who needs special education and related services because the child is experiencing developmental delays, as defined by the state and as measured by appropriate diagnostic instruments and procedures, in one or more of the following areas: physical development, cognitive development, communication development, social or emotional development, or adaptive development.
- A **post-baccalaureate program of study** is a program of instruction for individuals who have completed a baccalaureate degree that, (1) does not lead to a graduate degree; (2) consists of courses required by a State in order for a student to receive a professional certification or licensing credential that is required for employment as a teacher in an elementary school or secondary school in that State, except that it does not include any program of instruction offered by a TEACH Grant-eligible institution that offers a baccalaureate degree in education; and (3) is treated as an undergraduate program of study for the purposes of title IV of the Higher Education Act.
- A **school or educational service agency serving low-income students (low-income school or low-income educational service agency)** is an elementary or secondary school or educational service agency that: (1) is in the school district of a local educational agency that is eligible for assistance under title I of the Elementary and Secondary Education Act; (2) has been determined by the Department to be a school in which more than 30 percent of the school's total enrollment is made up of children who qualify for services provided under title I of the Elementary and Secondary Education Act; and (3) is listed in the Department's [Annual Directory of Designated Low-Income Schools for Teacher Cancellation Benefits](#). All elementary and secondary schools operated by the U.S. Department of the Interior's Bureau of Indian Education (BIE) or operated on Indian reservations by Indian tribal groups under contract or grant with the BIE qualify as low-income schools. If the school or educational service agency where you teach meets the low-income requirements during all or a part of a school year of my required four school years of teaching, but does not meet those requirements in subsequent school years, those subsequent years of teaching at that school or educational service agency will still qualify for purposes of satisfying my TEACH Grant service obligation.
 - An **educational service agency** is a regional public multiservice agency authorized by State statute to develop, manage, and provide services or programs to local educational agencies, as defined in section 9101 of the Elementary and Secondary Education Act of 1965, as amended.
 - An **elementary school** is a nonprofit institutional day or residential school, including a public elementary charter school, that provides elementary education as defined under State law.
 - A **secondary school** is a nonprofit institutional day or residential school, including a public secondary charter school, that provides secondary

education, as determined under State law, except that the term does not include any education beyond grade 12.

- The **Teacher Education Assistance for College and Higher Education (TEACH) Grant Program** provides funds to students who are completing or who plan to complete coursework that is required to begin a career in teaching.
- 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. School librarians, guidance counselors, and other administrative staff are not considered teachers for the purposes of fulfilling the TEACH Grant service obligation.
 - A **full-time teacher** is a teacher who meets the standard used by a State in defining full-time employment as a teacher. For an individual teaching at more than one school or educational service agency, the determination of full-time is based on the combination of all qualifying employment.
 - The **highly-qualified teacher** requirements are specified in section 9101(23) of the Elementary and Secondary Education Act of 1965, as amended, or, for special education teachers, in section 602(10) of the Individuals with Disabilities Act.

SECTION 6: TEACH GRANT PROGRAM TERMS AND CONDITIONS

- For each academic program for which you receive TEACH Grant funds, you must complete a service obligation by teaching full time for a total of at least four academic years:
 - As a **highly-qualified teacher** (see Section 5);
 - At a **school or educational service agency serving low-income students** (see Section 5); and
 - In a **high-need field** (see Section 5) in more than half of the classes that you teach during each academic year.
- You must complete the required four years of teaching within eight years after you complete or otherwise cease to be enrolled in the program for which you received the TEACH Grant.
- After completing each year of your required four years of teaching service, you must complete and submit this TEACH Grant Certification to the Department.
- If you received a TEACH Grant but do not complete the required four years of teaching service within eight years of completing (or otherwise ceasing to be enrolled in) the program for which you received a TEACH Grant, all TEACH Grant funds you received will be converted to Federal Direct Unsubsidized Stafford/Ford Loans (Direct Unsubsidized Loans) that you must repay in full to the Department, with interest charged from the date of each TEACH Grant disbursement you received.
- If you received a TEACH Grant but did not complete your program of study, within 120 days of ceasing enrollment you must certify that you are employed as a full-time teacher in accordance with the terms and conditions listed in your Agreement to Serve, or that you are not yet employed as a full-time teacher, but you intend to meet the terms and conditions of your service obligation. If you do not meet one of these requirements, your TEACH Grant will be converted to a Direct Unsubsidized Loan.
- If you received a TEACH Grant but did not complete your program of study, within one year of ceasing enrollment you must re-enroll in a TEACH Grant eligible program, begin creditable teaching service or be determined eligible for a suspension of your eight-year obligation period. If you do not meet one of these requirements, your TEACH Grant will be converted to a Direct Unsubsidized Loan.
- If you complete the academic program for which you received a TEACH Grant, you must actively confirm at least once each year that you intend to satisfy your service obligation. If you do not actively confirm your intention, your TEACH Grant will be converted to a Direct Unsubsidized Loan.
- You must maintain qualifying employment within a timeframe that allows you to complete your service obligation within the allotted eight-year period.
- For complete terms and conditions of the TEACH Grant Program, see the TEACH Grant Agreement to Serve (Agreement) that you were required to sign before you received a TEACH Grant.

SECTION 7: WHERE TO SEND THE COMPLETED CERTIFICATION FORM

Return the completed form and any attachments to:

U.S. Department of Education
FedLoanServicing
P.O. Box 69184
Harrisburg, PA 17106-9184
or Fax to: 717-720-1628

If you need help completing this form, call:

1-800-699-2908
International: 717-720-1985
TDD: 1-800-722-8189

Exhibit B
Proposed Reconsideration
Regulatory Language

686.44 Reconsideration Process

a) A TEACH grant recipient may request that the Secretary reconsider a decision to:

- 1) Convert a TEACH grant to a direct loan before the expiration of the eight calendar years the TEACH grant recipient had to complete service obligation as explained in section 686.43;
- 2) Reject a service obligation documentation as defined in section 686.40;
- 3) Reject a request for suspension of the eight-year period as defined in section 686.41;
- 4) Reject a request for a discharge of an agreement to serve as defined in section 686.42.

b) The Secretary will provide notice to the public of the evidence a TEACH grant recipient must submit to support their appeal and prove that they satisfied sections 686.40, 686.41, 686.42, or 686.43.

c) The Secretary may reverse its decision relating to a grant to loan conversion, rejection of service year documentation, rejection of a request for a suspension of the eight-year period, or rejection of a request for service discharge at any time.

d) While an appeal related to a grant-to-loan conversion is pending, the TEACH recipient's eight-year service period will be automatically suspended and a grant which has been converted to a loan will be put in deferment.

e) Should the Secretary grant a TEACH grant recipient's appeal relating to a wrongful grant to loan conversion,

- 1) The TEACH grant that has been converted to a loan will be reconverted to a grant;
- 2) The recipient will receive credit for payments made on the loan;
- 3) The Department will request deletion of all derogatory trade lines reported to the credit bureaus related to the grant while in it was in loan status; and
- 4) The Department will furnish a statement of error, where applicable, that the recipient may provide to consumers of the recipient's credit reports.

f) Should the Secretary deny a TEACH grant recipient's appeal relating to a wrongful grant to loan conversion, no interest will accrue during the pendency of the appeal and:

- 1) If the appeal was filed within one month of the conversion from a grant to a loan, the recipient's six-month grace period shall begin upon the Secretary's denial;

2) If the appeal was filed after one month but less than six months following the conversion from a grant to a loan, the recipient's six-month grace period shall be tolled during the pendency of the appeal and shall resume upon the Secretary's denial; or

3) If the appeal was filed more than six months following the conversion from a grant to a loan, the recipient's first payment shall not be made due until at least 30 days after the Secretary's denial.