



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

**Exit Counseling Guide
June 2015**

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Overview

The U.S. Department of Education's (the Department's) Teacher Education Assistance for College and Higher Education Grant (TEACH Grant) Program awards grants to students who intend to teach, to help pay for their postsecondary education. As a condition for receiving a TEACH Grant, you must agree to teach full-time for at least four years as a highly-qualified teacher in a high-need field, in a school or educational service agency (ESA) serving low-income students. You must complete the four years of teaching within eight years after you complete or otherwise cease to be enrolled in the program of study for which student received the grant. If you do not meet the terms of your TEACH Grant service obligation, all TEACH Grant funds that you received will be converted to a *William D. Ford Federal Direct Loan Program, Direct Unsubsidized Loan that you must repay in full, with interest charged from the date of each TEACH Grant disbursement. The Department's TEACH Grant servicer oversees your grant account until you meet your service obligation for each grant. The TEACH Grant servicer for 2015 – 2016 award year is, **FedLoan Servicing**.

If you are enrolled full time, you can receive up to \$4,000 each year in TEACH Grant funds, up to a maximum of:

- \$16,000 for undergraduate and/or post baccalaureate study, and
- \$8,000 for graduate study.

Your school will inform you of the actual amount of TEACH Grant funds you qualify to receive each year.

Definition of Key Terms

The Department

The U.S. Department of Education.

TEACH Grant servicer

The contractor that works on behalf of “the Department” to communicate with you in regards to your TEACH Grant service obligation, monitor your progress toward meeting your service obligation, process requests for suspension of the service obligation period, and handle other administrative matters related to your service obligation. For the 2015-2016 award year, your TEACH Grant servicer is **FedLoan Servicing**.

Loan servicer

The contractor that works on behalf of “the Department” to handle billing and other communications related to federal student loans held by the Department. If your TEACH Grant is converted to a Direct Unsubsidized Loan, your loan will be assigned to one of the Department’s loan servicers. Your loan servicer may or may not be the same as your TEACH Grant Servicer; if the Department changes servicers, you will be notified. For the 2015-2016 award year, your loan servicer is **FedLoan Servicing**.

School

The elementary school, secondary school, or educational service agency where you complete your teaching service.

School year

The elementary or secondary school or educational service agency where you complete your teaching service.

Institution

The institution of higher education that awarded you a TEACH Grant

Teacher

For purposes of the TEACH Grant program, 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.

Highly-Qualified Teacher

You must perform your teaching service as a highly-qualified teacher. The term highly-qualified teacher is defined:

- In section 9101(23) of the Elementary and Secondary Education Act of 1965, or
- If you are a special education teacher, in section 602(10) of the Individuals with Disabilities Education Act.

For more information about the requirements for being a highly-qualified teacher, please visit <http://www.ed.gov/nclb/methods/teachers/hqtflexibility.html>.

Definition of Key Terms (continued)

Schools and Educational Service Agencies Serving Low-Income Students

You must teach at an elementary or secondary school (public or private) or educational service agency (ESA) that serves low-income students (low-income school or ESA). These schools and ESAs are listed in the Department's **Annual Directory of Designated Low-Income Schools for Teacher Cancellation Benefits (Low-Income School Directory)**. 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 as a low-income school. A list of these schools is available in the BIE Directory at <http://www.bie.edu/Schools/index.htm>.

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

An **educational service agency** is a regional public multiservice agency (not a private organization) that is authorized by state law to develop, manage, and provide services or programs to local education agencies, (such as public school districts).

To search the Department's Low-Income School Directory, please visit <https://www.tcli.ed.gov/CBSWebApp/tcli/TCLIPubSchoolSearch.jsp>.

TEACH Grant High-Need Fields

More than half of the classes you teach during each school year must be in a high-need field. For purposes of the TEACH Grant program, high-need fields are:

- Mathematics;
- Science;
- Foreign language;
- Bilingual education;
- English language acquisition;
- Special education;
- Reading specialist; or
- Any other field that has been identified as high-need by the federal government, a state government, or a local education agency, and that is included in the Department's annual **Teacher Shortage Area Nationwide Listing (Nationwide Listing)**. If you are planning to teach in a high-need field that is included in the Nationwide Listing, that field must be listed for the state where you teach either:
 - At the time you begin your qualifying teaching service in that field after you have completed or otherwise ceased to be enrolled in the program for which you received the TEACH Grant (even if the field later loses its high-need designation for the state where you are teaching); or
 - During any award year in which you receive a TEACH Grant, even if that field is no longer designated as high-need when you begin teaching.

To search the Nationwide Listing, please visit <http://www.ed.gov/about/offices/list/ope/pol/tsa.pdf>.

Note: The Nationwide Listing includes both subject areas and geographic shortage areas. To qualify based on teaching in a high-need field that is included in the Nationwide Listing, you must teach in a listed subject shortage area, not a geographic shortage area.

TEACH Grant Service Obligation

Basic Requirements

As a condition for receiving a TEACH Grant, you must agree to complete a TEACH Grant service obligation. To complete your service obligation, you must teach full-time for at least four years:

- As a highly-qualified teacher;
- At a school or educational service agency (ESA) serving low-income students; and
- In a high-need field.

You must complete your required teaching service within eight years after you:

- Complete the academic program for which you received your TEACH Grant; or
- Are otherwise no longer enrolled in that program (for example, if you withdraw from school or if you change to a different program for which you are not eligible to receive a TEACH Grant).

You must complete a four-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 in the program.

Each service obligation begins when:

- You completed the academic program for which you received the TEACH Grant funds; or
- You are no longer enrolled in an academic program for which you received TEACH Grant funds (for example, because you have withdrawn from the institution where you received your TEACH Grant or have enrolled in a different academic program for which you are no longer eligible to receive a TEACH Grant).

For example, if you receive a TEACH Grant for an undergraduate program and later return to school and receive another TEACH Grant for a graduate program, you will have a separate four-year service obligation for each program.

Separate TEACH Grant Service Obligations

If you receive a TEACH Grant for one academic program and later receive a TEACH Grant for a second program, any qualifying teaching service that you perform before you complete or otherwise cease to be enrolled in the second program may only be applied toward fulfillment of your service obligation for the first program.

If you receive a TEACH Grant for a second program before you have completed your service obligation for an earlier program, qualifying teaching service that you perform after you complete or otherwise cease to be enrolled in the second program may be applied toward your service obligation for both programs.

TEACH Grant Service Obligation (continued)

The following examples illustrate the service obligation requirements described on the previous page:

Example 1. You complete an academic program for which you received a TEACH Grant and immediately enroll in another academic program for which you will receive a TEACH Grant, before you begin teaching.

- You request and receive a suspension of the eight-year period for completing your service obligation for the first program while you are enrolled in the second program.
- After completing the second program, you must complete four years of qualifying teaching service that will concurrently fulfill your service obligations for both programs.

Example 2. You complete an academic program for which you received a TEACH Grant and begin qualifying teaching service to satisfy your service obligation.

- After completing one year of qualifying teaching service, you stop teaching and enroll in a second academic program for which you will receive a TEACH Grant.
- You request and receive a suspension of the eight-year period for completing your service obligation for the first program while you are enrolled in the second program.
- After completing the second program, you must complete four years of qualifying teaching service that will fulfill your service obligation for the second program and will concurrently fulfill the remaining three years of your service obligation for the first program.

Example 3. You complete an academic program for which you received a TEACH Grant and begin qualifying teaching service to satisfy your service obligation.

- After teaching for one year, you enroll in a second academic program for which you receive a TEACH Grant.
- You are enrolled in the second program for two years, and during that period you continue to teach full time.
- After completing the second program, you must complete four years of qualifying teaching service that will fulfill your service obligation for the second program and will concurrently fulfill the remaining year of your service obligation for the first program.
- The qualifying teaching service that you perform while enrolled in the second program may only be applied to your service obligation for the first program.

Example 4. You complete an academic program for which you received a TEACH Grant and then fully satisfy your four-year service obligation for that program.

- You later enroll in another program for which you receive a TEACH Grant.
- After completing the second program, you must complete four years of qualifying service to fulfill your service obligation for the second program.
- No portion of the qualifying service that you completed for the first program may be applied to your service obligation for the second program.

Documenting your TEACH Grant Service Obligation

Initial Certification

Unless you have received a temporary suspension of the eight-year period for completing your service obligation, or your service obligation has been discharged, you must keep your TEACH Grant servicer informed of your progress toward satisfying your service obligation.

More information about temporary suspensions of the eight-year period for completing your service obligation or discharge of your service obligation will be provided later in this counseling guide.

Within 120 days after you complete or otherwise cease to be enrolled in the program for which you received a TEACH Grant, you must notify your TEACH Grant servicer 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.

Annual Certification

Every year after you have completed each one of your four years of required teaching, you must provide your TEACH Grant servicer with documentation of that teaching service.

- A form for documenting your qualifying teaching service will be available from your TEACH Grant servicer. This form must be certified by the chief administrative officer of the school or ESA where you taught for the year being certified and must confirm for that specified academic year:
 - You were highly-qualified teacher as explained in this counseling guide
 - You taught in a low-income school or ESA, as explained in this counseling guide.
 - More than half of your classes that you taught during the period being certified were in a high-need field, as listed in this counseling guide.

If you have completed the program for which you received a TEACH Grant but you are not employed in a qualifying teaching position, you must notify your TEACH Grant servicer **at least once each year** that you still intend to satisfy your service obligation.

Your TEACH Grant servicer will contact you periodically to confirm your intent to satisfy your obligation.

Documenting your TEACH Grant Service Obligation (continued)

Completing Less Than a Full Year of Qualifying Teaching Service

If you do not complete a full school year of qualifying teaching service, but complete at least half of a school year at the school or ESA, the half-year of teaching can be counted as one of your four required years of teaching service under certain conditions.

A half-year of qualifying teaching can be counted as one of your four required years of teaching service only if your employer considers you to have fulfilled your contract requirements for the academic year for purposes of salary increases, tenure, and retirement, and if you were unable to complete a full academic year of teaching due to:

- A condition that is a qualifying reason for leave under the Family and Medical Leave Act of 1993 (FMLA). For information about the FMLA, please visit www.dol.gov/esa/whd/fmla/; or
- A call or order 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.

The reserve components of the Armed Forces named in 10 U.S.C. 10101 include the:

- Army National Guard of the United States,
- Army Reserve,
- Navy Reserve,
- Marine Corps Reserve,
- Air National Guard of the United States,
- Air Force Reserve, and
- Coast Guard Reserve.

Multiple Employers

If you teach at more than one qualifying low-income school and/or ESA during an elementary or secondary academic year, that year of teaching will count as one of your required four school years of teaching service if:

- You provide your TEACH Grant servicer with a certification from one or more of the chief administrative officers of the schools/ESAs where you taught showing 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 this counseling guide.

Temporary Suspension of Period for Completing Service Obligation

Suspension Conditions

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 TEACH Grant service obligation 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;
- You have a condition that is a qualifying reason for leave under the Family and Medical Leave Act of 1993 (FMLA); or
- You have been called or ordered 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.

The conditions above are the only conditions under which you may receive a suspension of the eight-year period for completing your service obligation.

Maximum Suspension Period

You may receive a suspension of the eight-year period for completing your service obligation under the conditions described above under Suspension Conditions for periods of one year at a time.

- Suspensions based on your enrollment in certain programs of study or a condition covered by the FMLA can be granted in one-year increments, and may not exceed a combined total of three years.
- Suspensions based on a call or order to active duty status can be granted in one-year increments and may not exceed a total of three years. However, if your active duty status exceeds three years, you may be eligible for a discharge of all or a portion of your service obligation, as explained later in this counseling guide.

Example: You request and receive two separate one-year suspensions based on your enrollment in a qualifying program of study, and a one-year suspension based on a condition covered under the FMLA. You are not eligible for any further periods of suspension due to enrollment in a qualifying program of study or a condition covered under the FMLA, as you have used your maximum three years of suspension based on these conditions. However, you would still be eligible to receive up to three years of suspension based on qualifying active duty service, as described above.

The eight-year period for completing your service obligation will resume at the end of the suspension period. For example, if you receive a one-year suspension after the first two years of the eight-year period have elapsed, you will have another six years to complete your required teaching service after the suspension period ends.

Temporary Suspension of Period for Completing Service Obligation (continued)

Requesting a Suspension

You (or your personal representative in the case of a suspension based on a call or order to active duty status) must request a suspension of the period for completing your service obligation by contacting your TEACH Grant servicer, and you must include documentation to support your request. Your TEACH Grant servicer will tell you what type of documentation is required.

- You must submit a request for a suspension of the period for completing your service obligation **before** you are subject to any of the conditions that will convert your TEACH Grant to a Direct Unsubsidized Loan (see the Conversion to a Direct Unsubsidized Loan section of this counseling session).
- Once a TEACH Grant has been converted to a loan, it cannot be converted back to a TEACH Grant.

Discharge of Your TEACH Grant Service Obligation

Discharge Based on Total and Permanent Disability or Death

Your entire service obligation will be discharged (cancelled) if:

- You become totally and permanently disabled as defined in the Department's regulations and meet certain other requirements. To request a discharge, you must complete a total and permanent disability discharge application form. Your TEACH Grant servicer can tell you how to obtain this form.
- Your TEACH Grant servicer receives acceptable documentation of your death from a family member or other representative.

Military Discharge

You may qualify for a proportional discharge of your service obligation if you have received the maximum three-year suspension of the period for completing your service obligation based on qualifying military service (as described earlier in this counseling session) and you are subject to an extended call or order to active military status that exceeds three years. If you meet these requirements, you may receive a discharge of:

- One of the four years of your service obligation if your call or order to active duty status is for more than three years;
- Two of the four years of your service obligation if your call or order to active duty status is for more than four years;
- Three of the four years of your service obligation if your call or order to active duty status is for more than five years; and
- Your entire four-year service obligation if your call or order to active duty status is for more than six years.

To apply for a proportional military discharge you (or your representative) must submit a written discharge request to your TEACH Grant servicer and must provide the servicer with:

- A written statement from your commanding or personnel officer certifying:
 - You are on active duty in the Armed Forces of the United States;
 - The date on when your service began; and
 - The anticipated date of when your service will end; or
- A copy of your official military orders and a copy of your military identification.

If your service obligation is fully discharged based on total and permanent disability, death, or a call or order to active duty military status for more than six years, your TEACH Grant will not be converted to a Direct Unsubsidized Loan, and neither you nor your family will be required to repay the TEACH Grant funds you received.

If your service obligation is partially discharged based on military service, you are responsible for completing the remaining portion of the service obligation. For example, if you receive a proportional discharge of one year of your service obligation based on a call or order to active duty for more than three years, you would be required to complete three years of qualifying teaching service to satisfy your service obligation.

Conversion to a Direct Unsubsidized Loan

Conditions for Conversion of a TEACH Grant to a Direct Unsubsidized Loan

IF YOU:	YOUR TEACH GRANT WILL BE CONVERTED TO A DIRECT UNSUBSIDIZED LOAN IF:
<p>Complete the academic program for which you received a TEACH Grant</p>	<ul style="list-style-type: none"> ○ You do not confirm to your TEACH Grant servicer at least once each year that you intend to satisfy your service obligation ○ You do not begin or maintain qualifying employment as a teacher within a timeframe that would allow you to complete your required four years of teaching within the maximum eight-year period. For example, if more than four years have elapsed since you completed a program for which you received a TEACH Grant and you haven't yet begun qualifying teaching service, your TEACH Grants will be converted to Direct Unsubsidized Loans because you wouldn't be able to complete the required four years of teaching within eight years of completing the program.
<p>Cease enrollment at the institution where you received the TEACH Grant before completing the program for which you received the TEACH Grant</p>	<p>Within 120 days after you cease enrollment at the institution where you received the TEACH Grant, you do not confirm to your TEACH Grant servicer that:</p> <ul style="list-style-type: none"> ○ You are employed as a full-time teacher in accordance with the requirements described in your TEACH Grant Agreement to Serve (ATS); or ○ You are not yet employed as a full-time teacher in accordance with the requirements described in your ATS, but you intend to meet the terms and conditions of your TEACH Grant service obligation. <p>You provide the required confirmation within the 120-day period as described above, but within one year after you cease enrollment at the institution where you received the TEACH Grant, you have not:</p> <ul style="list-style-type: none"> ○ Requested and been approved for a suspension of the eight-year period for completing your service obligation; ○ Reenrolled in a program for which you would be eligible to receive a TEACH Grant; or ○ Begun qualifying teaching service as described previously.

You may also request that your TEACH Grant be converted to a Direct Unsubsidized Loan for any reason (for example, because you have decided that you no longer want to be a teacher, or because you have decided not to teach in a low-income school).

Conversion to a Direct Unsubsidized Loan (continued)

Other Conditions for Converting a TEACH Grant into a Direct Unsubsidized Loan

Requirement to repay TEACH Grant converted to a loan for failure to take action required to satisfy service obligations or to meet other TEACH Grant requirements previously listed, there are other direct impact that could prevent you from completing your TEACH Grant service obligation (other than one of the conditions that would qualify you for a discharge of your obligation) may cause your TEACH Grant to be converted to a loan. For example, a felony conviction (either in the past or in the future) could prevent you from being employed as a teacher, and you would then be unable to complete your service obligation.

Consequences of Conversion

Terms and Conditions After A TEACH Grant Has Been Converted to a *Direct Unsubsidized Loan

A TEACH Grant that is converted to a Direct Unsubsidized Loan will be subject to the terms and conditions that apply to Direct Unsubsidized Loans under applicable law and regulations, including the terms and conditions described in your TEACH Grant Agreement to Serve (ATS).

- **Requirement to Repay with Interest**

If your TEACH Grant is converted to a Direct Unsubsidized Loan, you will 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.

- **Grace Period**

If your TEACH Grant is converted to a Direct Unsubsidized Loan, you will receive a 6-month grace period that begins on the day after your grant is converted to a loan. During the grace period:

- You are not required to make payments on your loan.
- Interest will continue to accrue.

You must begin making payments on your loan at the end of the six month grace period. Your loan servicer will:

- Notify you of the date your first payment is due, and
- Provide you with a repayment schedule that identifies your payment amounts and due dates.

Once your TEACH Grant is converted to a Direct Unsubsidized Loan, it cannot be reconverted to a grant.

Effect of Conversion to a Loan on Loan Limits

Any TEACH Grant that is converted to a Direct Unsubsidized Loan will not count toward the annual or aggregate loan limits that apply to other federal student loans you have received or may receive in the future to help pay for your education.

National Consumer Reporting Agencies (Credit Bureaus)

A TEACH Grant that is converted to a loan will be reported to one or more national consumer reporting agencies, and will be identified as an education loan.

Interest

Interest

Interest is money paid to the **lender** in exchange for borrowing money. Interest is calculated as a percentage of the unpaid principal amount (loan amount) borrowed.

Interest Rate

The interest rate on Direct Unsubsidized Loans is a fixed rate that is calculated each year and that applies to all Direct Unsubsidized Loans first disbursed during the period beginning on July 1 of one year and ending on June 30 of the following year. The rate that is calculated applies for the life of the loan. The fixed interest rate on a Direct Unsubsidized Loan will vary depending on when the loan was first disbursed, and whether the loan was made to an undergraduate student or to a graduate or professional student. For Direct Unsubsidized Loans made to undergraduate students, the maximum interest rate is 8.25%. For Direct Unsubsidized Loans made to graduate or professional students, the maximum interest rate is 9.5%.

When a TEACH Grant is converted to a Direct Unsubsidized Loan, the fixed interest rate will be the rate that was in effect for Direct Unsubsidized Loans on the date the TEACH Grant was first disbursed.

Example 1: The interest rate on Direct Unsubsidized Loans made to undergraduate students and first disbursed during the period July 1, 2015 through June 30, 2016 is 4.29%. If a TEACH Grant that is first disbursed to an undergraduate student during this period is later converted to a Direct Unsubsidized Loan, the interest rate will be 4.29% for the life of the loan.

Example 2: The interest rate on Direct Unsubsidized Loans made to graduate or professional students and first disbursed during the period July 1, 2015 through June 30, 2016 is 5.84%. If a TEACH Grant that is first disbursed to a graduate or professional student during this period is later converted to a Direct Unsubsidized Loan, the interest rate will be 5.84% for the life of the loan.

For each TEACH Grant you receive, we will notify you of the interest rate that will apply if that TEACH Grant is converted to a Direct Unsubsidized Loan.

If you qualify under the Servicemembers Civil Relief Act, the interest rate on loans you obtained prior to military service may be limited to 6% during your military service. If you received a TEACH Grant that was later converted to a Direct Unsubsidized Loan, the loan is considered to have been obtained on the date of the first TEACH Grant disbursement. Contact your loan servicer for information about this benefit.

Payment of Interest

Except as explained below under No accrual of interest benefits for active duty service members, interest is charged on a TEACH Grant that is converted to a Direct Unsubsidized Loan during all periods (starting on the date of the first disbursement of the TEACH Grant), including deferment and forbearance periods.

- At the time your TEACH Grant is converted to a loan, you will be given the opportunity to pay the interest that accrued. If you do not pay this interest, it will be capitalized (see below) when the loan enters repayment at the end of the 6-month grace period.
- You will also be given the opportunity to pay the interest that accrues during deferment, forbearance, or other periods as provided under the laws and regulations that apply to Direct Unsubsidized Loans. If you do not pay this interest, it will be capitalized at the end of the deferment, forbearance, or other period.

Interest (continued)

No accrual of interest benefits for active duty service members

You are not required to pay interest that accrues on any type of Direct Loan first disbursed on or after October 1, 2008 during periods of qualifying active duty military service (for up to 60 months). If you received a TEACH Grant that was later converted to a Direct Unsubsidized Loan, you are eligible for the no accrual of interest benefit on that loan if the TEACH Grant was first disbursed on or after October 1, 2008.

Interest Capitalization

Capitalization is the additional of unpaid interest to the principal balance of a loan. Capitalization increases the principal balance of your loan and interest is then charged on the increased principal balance. This may increase your monthly payment amount and the total amount you repay over the life of your loan.

For example, if you received \$16,000 in TEACH Grant funds for a four-year educational program that you began in September 2013 and completed in June 2017, and your TEACH Grant funds are converted to a Direct Unsubsidized Loan in December 2021 under one of the conditions described in Section C, Item 4 of this Agreement, approximately \$9,347 in interest would have accrued before the Direct Unsubsidized Loan enters repayment (following the 6-month grace period) in June 2022, based on an interest rate of 8.25% (the maximum interest rate for Direct Unsubsidized Loans made to undergraduate students). The chart below shows the difference in the monthly and total amounts you would repay under the Standard Repayment Plan depending on whether you pay this accrued interest before the Direct Unsubsidized Loan enters repayment, or allow the accrued interest to be capitalized. (Note: All amounts are estimates; your actual monthly and total repayment amounts may differ from the amounts shown in the chart.)

	If you pay the interest before the loan enters repayment...	If you do not pay the interest and it is capitalized...
TEACH Grant Amount	\$16,000	\$16,000
Accrued interest from September 1, 2013 to June 1, 2022 (at 8.25%, the maximum interest rate for Direct Unsubsidized Loans made to undergraduate students)	\$9,347 (paid before the loan enters repayment)	\$9,347 (capitalized)
Principal to be Repaid	\$16,000	\$25,347
Monthly Payment (Standard Repayment Plan)	\$196	\$311
Number of Payments	120	120
Total Amount Repaid	\$32,867	\$37,320

In this example, you would pay \$115 less per month and \$4,453 less altogether if you pay the accrued interest before the beginning of the repayment period for the TEACH Grant funds that are converted to a Direct Unsubsidized Loan.

You will also be given the opportunity to pay the interest that accrues during deferment, forbearance, or other periods as provided under the Act. If you do not pay this interest, it will be capitalized at the end of the deferment, forbearance, or other period.

You may be able to claim a federal income tax deduction for interest payments you make on Direct Loans. For further information, refer to IRS Publication 970, which is available at <http://www.irs.ustreas.gov>.

Payments

You must make payments on your loan even if you do not receive a bill or repayment notice. You must repay all of your Direct Loans under the same repayment plan, unless you want to repay your loans under the Income-Based Repayment Plan (IBR), the Pay As You Earn Plan, or the Income-Contingent Repayment Plan (ICR) and you have other Direct Loans that do not qualify for repayment under those plans. In that case, you may select the IBR, Pay As You Earn, or ICR plan for the loans that are eligible for repayment under those plans, and may select a different repayment plan for the loans that may not be repaid under the IBR, Pay As You Earn, or ICR Plan.

Payment Application

During periods of repayment under any repayment plan other than the Income-Based Repayment Plan or the Pay As You Earn Plan, payments made on a Direct Unsubsidized Loan will be applied in the following order:

1. Late charges and collection costs,
2. Outstanding interest, and
3. Outstanding principal.

During periods of repayment under the Income-Based Repayment Plan or the Pay As You Earn Plan, payments will be applied in the following order:

1. Outstanding interest,
2. Late charges or collection costs, and
3. Outstanding principal.

Prepayment

You may prepay all or any part of the unpaid balance on your loans at any time. There is no penalty if you make loan payments before they are due, or pay more than the amount due each month. Any prepayments that you make will be applied in accordance with applicable laws and regulations. Your loan servicer can provide more information about how prepayments are applied.

Repayment Incentives

A repayment incentive is a benefit that is offered to encourage you to repay your loan on time.

One repayment incentive is the automatic payment withdrawal option. With this option, your loan servicer electronically transfers your monthly loan payment from your checking or savings account to your student loan account. You will receive a 0.25 percent interest rate reduction while you repay under automatic withdrawal option.

Repayment Plans

If your TEACH Grant is converted to a Direct Unsubsidized Loan, you will be able to choose from several repayment plans that are designated to meet your individual needs.

If you do not choose a repayment plan, you will be placed on the Standard Repayment Plan. You may change repayment plans at any time after you have begun repaying your loan.

Standard Repayment Plan

Under this plan, you will:

- Make fixed monthly payments, and
- Repay your loan in full within 10 years (not including periods of deferment or forbearance) from the date the loan entered repayment.

Your payments must be at least \$50 a month (\$600 a year) and will be more, if necessary, to repay the loan within the required time period.

Graduated Repayment Plan

Under this plan, your payments start out low and gradually increase, usually every two years.

- You will repay your loan in full within 10 years (not including periods of deferment or forbearance) from the date the loan entered repayment.
- Your monthly payment must be at least to the amount of interest that accrues each month.
- No single payment will be more than three times greater than any other payment.

Extended Repayment Plan

You are eligible for this repayment plan only if:

- You had no outstanding balance on a Direct Loan as of October 7, 1998 or on the date you obtained a Direct Loan after October 7, 1998, and
- You have an outstanding balance on Direct Loans that is more than \$30,000.

Under this plan, you:

- Will repay your loan in full over a period not to exceed 25 years (not including periods of deferment or forbearance) from the date the loan entered repayment.
- May choose to make fixed monthly payments or graduated monthly payments that start out lower and gradually increase over time.
- If you make fixed monthly payments, your payments must be at least \$50 a month (\$600 a year).

Repayment Plans (continued)

Income-Based Repayment Plan (IBR)

Under the IBR Plan, your monthly payment amount is generally 15% (10% if you are a new borrower; see ****Note**) of your annual discretionary income, divided by 12. Discretionary income for this plan is the difference between your adjusted gross income and 150% of the poverty guideline amount for your state of residence and family size. If you are married and file a joint federal income tax return, the income used to determine your IBR Plan payment amount will be the combined adjusted gross income of you and your spouse.

To initially qualify for the IBR Plan and to continue to make payments that are based on your income, the amount you would be required to pay on your eligible student loans under the IBR Plan (as described above) must be less than the amount you would have to pay under the Standard Repayment Plan. If your IBR Plan payment amount is less than the amount you would have to pay under the Standard Repayment Plan, you are considered to have a “partial financial hardship.”

If you are married and file a joint federal income tax return, the loan amount we use to determine whether you have a partial financial hardship will include your eligible loans and your spouse’s eligible loans.

While you are repaying under the IBR Plan, you must annually provide documentation of your income and certify your family size so that we may determine whether you continue to have a partial financial hardship. Your monthly payment amount may be adjusted annually based on the updated income and family size information that you provide. If we determine that you no longer have a partial financial hardship, you may remain on the IBR Plan, but your monthly payment will no longer be based on your income. Instead, your monthly payment will be what you would be required to pay under the Standard Repayment Plan, based on the amount you owed on your eligible loans at the time you entered the IBR Plan.

Under the IBR Plan, if your loan is not repaid in full after you have made the equivalent of 25 years (20 years if you are a new borrower) of qualifying monthly payments and at least 25 years (20 years if you are a new borrower) have elapsed, any remaining loan amount will be forgiven. You may have to pay federal income tax on the loan amount that is forgiven.

****Note:** You are a new borrower for the IBR Plan if you have no outstanding balance on a Direct Loan Program or FFEL Program loan on July 1, 2014, or if you have no outstanding balance on a Direct Loan Program or FFEL Program loan on the date you obtain a Direct Loan Program loan after July 1, 2014. Your servicer will determine whether you are a new borrower based on the information about your loans in the U.S. Department of Education’s National Student Loan Data System.

Repayment Plans (continued)

Pay As You Earn Repayment Plan

Under the Pay As You Earn Plan, your monthly payment amount is generally 10% of your annual discretionary income, divided by 12. Discretionary income for this plan is the difference between your adjusted gross income and 150% of the poverty guideline amount for your state of residence and family size. If you are married and file a joint federal income tax return, the income used to determine your Pay As You Earn Plan payment amount will be the combined adjusted gross income of you and your spouse. The Pay As You Earn Plan is available only to new borrowers. You are a new borrower for the Pay As You Earn Plan if:

- (1)** You had no outstanding balance on a Direct Loan Program or FFEL Program loan as of October 1, 2007, or you have no outstanding balance on a Direct Loan Program or FFEL Program loan when you obtain a new loan on or after October 1, 2007, and
- (2)** You receive a disbursement of a Direct Subsidized Loan, Direct Unsubsidized Loan, or student Direct PLUS Loan (a Direct PLUS Loan made to a graduate or professional student) on or after October 1, 2011, or you receive a Direct Consolidation Loan based on an application received on or after October 1, 2011. However, you are not considered to be a new borrower for the Pay As You Earn Plan if the Direct Consolidation Loan you receive repays loans that would make you ineligible under part **(1)** of this definition.

In addition to being a new borrower, to initially qualify for the Pay As You Earn Plan and to continue to make payments that are based on your income, the amount you would be required to pay on your eligible student loans under the Pay As You Earn Plan (as described above) must be less than the amount you would have to pay under the Standard Repayment Plan. If your Pay As You Earn Plan payment amount is less than the amount you would have to pay under the Standard Repayment Plan, you are considered to have a “partial financial hardship.”

If you are married and file a joint federal income tax return, the loan amount we use to determine whether you have a partial financial hardship will include your eligible loans and your spouse’s eligible loans.

While you are repaying under the Pay As You Earn Plan, you must annually provide documentation of your income and certify your family size so that we may determine whether you continue to have a partial financial hardship. Your monthly payment amount may be adjusted annually based on the updated income and family size information that you provide. If we determine that you no longer have a partial financial hardship, you may remain on the Pay As You Earn Plan, but your monthly payment will no longer be based on your income. Instead, your monthly payment will be what you would be required to pay under the Standard Repayment Plan, based on the amount you owed on your eligible loans at the time you entered the Pay As You Earn Plan.

Under the Pay As You Earn Plan, if your loan is not repaid in full after you have made the equivalent of 20 years of qualifying monthly payments and at least 20 years have elapsed, any remaining loan amount will be forgiven. You may have to pay federal income tax on the loan amount that is forgiven.

Repayment Plans (continued)

Income-Contingent Repayment Plan (ICR)

Under this plan, your monthly payment amount will be either 20% of your discretionary income or a percentage of what you would repay under a Standard Repayment Plan with a 12-year repayment period, whichever is less. Discretionary income for this plan is the difference between your adjusted gross income and the poverty guideline amount for your state of residence and family size. If you are married and file a joint federal income tax return, the income used to determine your ICR Plan payment amount will be the combined adjusted gross income of you and your spouse. Until we obtain the information needed to calculate your monthly payment amount, your payment will equal the amount of interest that accrues monthly on your loan unless you request a forbearance.

While you are repaying under the ICR Plan, you must annually provide documentation of your income and certify your family size. Your monthly payment amount may be adjusted annually based on the updated income and family size information that you provide.

Under the ICR Plan, if your loan is not repaid in full after you have made the equivalent of 25 years of qualifying monthly payments and at least 25 years have elapsed, any remaining loan amount will be forgiven. You may have to pay federal income tax on the loan amount that is forgiven.

Alternative Repayment Plan

If the terms and conditions of the above repayment plans are not adequate to meet your exceptional circumstances, your loan servicer may provide you with an alternative repayment plan

Estimated Monthly Payments for Direct Loan Program

The charts below provide estimated monthly payments under each repayment plan based on various debt levels upon entering repayment.

Repaying Your Loans: Standard, Graduated, and Extended Repayment Plans

Debt	Standard Repayment Plan (10-year repayment period)		Graduated Repayment Plan (10-year repayment period)			Extended-Fixed Repayment Plan (25-year repayment period)		Extended-Graduated Repayment Plan (25-year repayment period)		
	Payment	Total Paid	Minimum Payment	Maximum Payment	Total Paid	Payment	Total Paid	Minimum Payment	Maximum Payment	Total Paid
\$10,000	\$123	\$14,718	\$72	\$216	\$16,088	N/A	N/A	N/A	N/A	N/A
\$20,000	\$245	\$29,437	\$144	\$431	\$32,177	N/A	N/A	N/A	N/A	N/A
\$30,000	\$368	\$44,155	\$216	\$647	\$48,265	N/A	N/A	N/A	N/A	N/A
\$40,000	\$491	\$58,873	\$287	\$862	\$64,353	\$315	\$94,614	\$275	\$417	\$101,515
\$50,000	\$613	\$73,592	\$359	\$1,078	\$80,442	\$394	\$118,268	\$344	\$521	\$126,899
\$60,000	\$736	\$88,310	\$431	\$1,294	\$96,530	\$473	\$141,921	\$413	\$625	\$152,280
\$70,000	\$859	\$103,028	\$503	\$1,509	\$112,618	\$552	\$165,575	\$481	\$730	\$177,664
\$80,000	\$981	\$117,747	\$575	\$1,725	\$128,706	\$631	\$189,228	\$550	\$834	\$203,046
\$90,000	\$1,104	\$132,465	\$647	\$1,940	\$144,795	\$710	\$212,882	\$619	\$938	\$228,427
\$100,000	\$1,227	\$147,183	\$719	\$2,156	\$160,883	\$788	\$236,535	\$688	\$1,042	\$253,806

Notes:

- All estimated payments shown in the chart above are calculated using a fixed interest rate of 8.25%, the maximum interest rate for Direct Subsidized Loans and Direct Unsubsidized Loans made to undergraduate students.
- For the Extended Repayment Plan, an entry of "N/A" means that you are not eligible for this plan based on the amount owed when your loan enters repayment.
- You may use the Repayment Estimator at StudentAid.gov/repayment-estimator to estimate payment amounts based on your actual loan debt.

Repayment Plans (continued)

Repaying Your Loans: Income-Based Repayment (IBR), Pay As You Earn, and Income-Contingent Repayment (ICR) Plans

Sample Payment Amounts for the Income-Based Repayment (IBR) Plan for Those Who Are Not New Borrowers On/After July 1, 2014

Debt	Starting income of \$25,000				Starting income of \$40,000				Starting income of \$60,000			
	Initial Payment	Final Payment	Total Paid	Time to Repay (Months)	Initial Payment	Final Payment	Total Paid	Time to Repay (Months)	Initial Payment	Final Payment	Total Paid	Time to Repay (Months)
\$20,000	\$97	\$245	\$43,861	219	Not Eligible	-	-	-	Not Eligible	-	-	-
\$40,000	\$97	\$491	\$89,628	300	\$285	\$491	\$72,680	173	Not Eligible	-	-	-
\$60,000	\$97	\$642	\$94,175	300	\$285	\$736	\$148,999	268	\$535	\$736	\$97,093	143
\$80,000	\$97	\$642	\$94,175	300	\$285	\$981	\$193,464	300	\$535	\$981	\$156,150	193
\$100,000	\$97	\$642	\$94,175	300	\$285	\$1,227	\$201,322	300	\$535	\$1,227	\$236,102	251

Sample Payment Amounts for the Pay As You Earn Plan for Eligible Borrowers & IBR Plan for New Borrowers On/After July 1, 2014

Debt	Starting income of \$25,000				Starting income of \$40,000				Starting income of \$60,000			
	Initial Payment	Final Payment	Total Paid	Time to Repay (Months)	Initial Payment	Final Payment	Total Paid	Time to Repay (Months)	Initial Payment	Final Payment	Total Paid	Time to Repay (Months)
\$20,000	\$65	\$245	\$38,488	240	\$190	\$245	\$31,254	134	Not Eligible	-	-	-
\$40,000	\$65	\$309	\$40,127	240	\$190	\$491	\$85,707	240	\$356	\$491	\$64,729	143
\$60,000	\$65	\$309	\$40,127	240	\$190	\$625	\$89,727	240	\$356	\$736	\$129,366	222
\$80,000	\$65	\$309	\$40,127	240	\$190	\$625	\$89,727	240	\$356	\$981	\$154,976	240
\$100,000	\$65	\$309	\$40,127	240	\$190	\$625	\$89,727	240	\$356	\$1,046	\$155,860	240

Sample Payment Amounts for the Income-Contingent Repayment (ICR) Plan

Debt	Starting income of \$25,000				Starting income of \$40,000				Starting income of \$60,000			
	Initial Payment	Final Payment	Total Paid	Time to Repay (Mos.)	Initial Payment	Final Payment	Total Paid	Time to Repay (Mos.)	Initial Payment	Final Payment	Total Paid	Time to Repay (Mos.)
\$20,000	\$151	\$199	\$43,436	249	\$193	\$219	\$33,513	161	\$219	\$251	\$30,761	131
\$40,000	\$225	\$423	\$96,630	274	\$385	\$438	\$67,027	161	\$438	\$502	\$61,523	131
\$60,000	\$225	\$694	\$146,629	300	\$475	\$658	\$106,605	175	\$658	\$754	\$92,284	131
\$80,000	\$225	\$1,018	\$162,256	300	\$475	\$939	\$176,175	233	\$809	\$1,015	\$124,521	240
\$100,000	\$225	\$1,018	\$163,256	300	\$475	\$1,360	\$281,310	298	\$809	\$1,296	\$171,619	158

Notes:

- The tables above provide examples of monthly and total payment amounts under the IBR, Pay As You Earn, and ICR Plans. These figures are estimates, and use an interest rate of 8.25%. The figures also assume that you are single, do not have anyone else in your household, and that you live in one of the 48 contiguous states. Various factors, including your actual interest rate, the amount of your loan debt, your income, and whether and how quickly your income rises (these figures assume income increases 5% per year), may cause your payment amount to differ from the payment amounts shown in these tables. These figures use the 2013 Poverty Guidelines (published by the U.S. Department of Health and Human Services) and Income Percentage Factors.
- You may use the Repayment Estimator at StudentAid.gov/repayment-estimator to evaluate your eligibility for the IBR and Pay As You Earn plans, and to estimate your payment amounts under the IBR, Pay As You Earn, and ICR plans based on your actual loan debt, income, family size, and state of residence.

Debt Management

If your TEACH Grant is converted to a Direct Unsubsidized Loan it will be important to make on-time loan payments. The following tips will help you manage your money so that you can meet your household expenses and continue to make loan payments on-time.

Tip 1: Develop a Budget

Have an accurate picture of your monthly expenses (in addition to your loan payments). You should develop a budget that includes items like rent, car payments, utility bills, food, clothing, insurance, and entertainment, as well as non-monthly and unexpected expenses.

Tip 2: As a Borrower, Know Your Rights and Responsibilities

As a borrower, you have certain rights and responsibilities.

- Apply for a deferment if you are going back to school or meet one of the other eligibility requirements for a deferment. (See the information about deferment and forbearance in this counseling guide.)
- Keep your loan paperwork in a safe place.
- Keep your loan servicer informed of your address, phone number, and other information.
- Contact your loan servicer when you have questions or concerns.

Tip 3: Make the Most of Your Grace Period

If your TEACH Grant is converted to a Direct Unsubsidized Loan, you have a six month grace period and do not have to begin making payments until it ends. You can use your grace period to:

- Get your finances in order.
- Get a head start on repaying your loans. By making some payments during the grace period, you can reduce the interest costs for your loan.

Tip 4: Pay the Interest That Accrues

Pay the interest that accrues on your loan during periods when you are not required to make loan payments (grace, deferment, or forbearance).

- Make your interest payments a budget priority.
- Paying a little more each month can save you many dollars later.

Tip 5: Understand and Limit Credit Card Use

Credit cards are one form of borrowing money, but they often carry a very high interest rate.

- If you decide you need a credit card, it is best to stick with one card with a low limit.
- Pay off your total balance each month. If that is not possible, always pay more than the minimum.
- If you make a payment late (even a day late), you may have to pay a finance charge, and your interest rate may go up.

Deferment and Forbearance

If you think you might have a problem making your monthly loan payment on time, contact your loan servicer immediately to discuss other repayment plan options, eligibility for a deferment, or eligibility for forbearance.

Deferment

A deferment allows you to temporarily postpone making loan payments if you meet certain requirements. You may receive a deferment while you are:

- Enrolled at least half-time at an eligible postsecondary school;
- In a full-time course of study in a graduate fellowship program;
- In an approved full-time rehabilitation program for individuals with disabilities;
- Unemployed (for a maximum of three years; you must be diligently seeking, but unable to find, full-time employment);
- Experiencing an economic hardship (including Peace Corps service), as determined under the laws and regulations that govern the Direct Loan Program (for a maximum of three years); or
- Serving on active duty during a war or other military operation or national emergency or performing qualifying National Guard duty during a war or other military operation or national emergency and, if you were serving on or after October 1, 2007, for the 180-day period following the demobilization date for your qualifying service.
- If you are a member of the National Guard or other reserve component of the U.S. Armed Forces (current or retired) and you are called or ordered to active duty while you are enrolled at least half-time at an eligible school or within six months of having been enrolled at least half-time, you are eligible for a deferment during the 13 months following the conclusion of your active duty service, or until you return to enrolled student status on at least a half-time basis, whichever is earlier.

You may be eligible to receive additional deferments if, at the time you received your first Direct Loan, you had an outstanding balance on a loan made under the Federal Family Education Loan (FFEL) Program before July 1, 1993. Contact your loan servicer for more information.

Except for a deferment based on your at least half-time enrollment at an eligible postsecondary school, you must submit a deferment request form to your loan servicer. In most cases, you must also provide documentation of your eligibility for the deferment.

You may receive a deferment based on your at least half-time enrollment at an eligible school without submitting a deferment request if your loan servicer receives information from the school you are attending that confirms your enrollment status. If your loan servicer grants a deferment based on information received from your school, you will be notified of the deferment and will have the option of cancelling the deferment and continuing to make payments on your loans.

If you are in default on your loan, you are not eligible for a deferment.

Interest is charged on a Direct Unsubsidized Loan during deferment periods except under the “No accrual of interest benefit for active duty service members” explained earlier in this counseling guide. You may pay interest as it accrues, or allow it to be capitalized at the end of the deferment period.

Deferment and Forbearance (continued)

Forbearance

Forbearance is another option for temporarily postponing loan payments, if you do not meet the eligibility requirements for a deferment.

Your loan servicer may give you a forbearance if you are temporarily unable to make your loan payments for reasons including, but not limited to, financial hardship or illness.

In addition, your loan servicer will give you a forbearance if you meet one of the following requirements:

- You are serving in a medical or dental internship or residency program, and you meet specific requirements;
- The total amount you owe each month for all of the student loans you received under Title IV of the Higher Education Act is 20 percent or more of your total monthly gross income (for a maximum of three years);
- You are serving in a national service position for which you receive a national service award under the National and Community Service Trust Act of 1993. In some cases, the interest that accrues on a qualified loan during the service period will be paid by the Corporation for National and Community Service;
- You are performing teaching service that would qualify you for loan forgiveness under the Teacher Loan Forgiveness program that is available to certain Direct Loan and FFEL program borrowers;
- You qualify for partial repayment of your loans under the Student Loan Repayment Program, as administered by the Department of Defense; or
- You are called to active duty in the U.S. Armed Forces.

Generally, you must request a forbearance and, in some cases, submit documentation of your eligibility for a forbearance. However, under certain circumstances you may be given a forbearance without requiring you to submit a request or documentation. These circumstances include, but are not limited to, the following:

- Periods necessary for us to determine your eligibility for a loan discharge;
- A period of up to 60 days in order for us to collect and process documentation related to your request for a deferment, forbearance, change in repayment plan, or consolidation loan (interest that is charged during this period is not capitalized); or
- Periods when you are involved in a military mobilization, or a local or national emergency.

Interest is charged on a Direct Unsubsidized Loan during forbearance periods. You may pay the interest as it accrues, or allow it to be capitalized at the end of the forbearance period.

Remember...

You MUST continue making payments on your student loan until you have been notified that your request for deferment or forbearance has been granted. If you do not continue making payments and your request is not approved, you will become delinquent and may default on your loan.

Default

If you become delinquent in making payments on a Direct Unsubsidized Loan, this could lead to default.

You are considered to be in default on your loan if:

- You do not make installment payments when due, and your failure to make payments has persisted for at least 270 days; or
- You do not comply with other terms of your loan, and it is reasonably concluded that you no longer intend to honor your repayment obligation.

If you default:

- Your default will be reported to nationwide consumer reporting agencies (credit bureaus) and will adversely affect your credit history.
- All outstanding interest may be capitalized into a new principal balance.
- You may be required to immediately repay the entire unpaid amount of your loan.
- You may be sued, have all or part of your federal and state tax refunds and other federal or state payments taken, and/or have your wages garnished so that your employer is required to send us part of your salary to pay off your loan.
- You will be required to pay reasonable collection fees and costs, plus court costs and attorney fees.
- You will lose eligibility for other federal student aid and assistance under most federal benefit programs.
- You will lose eligibility for loan deferments and other benefits.

Loan Discharge and Forgiveness

Loan Discharge

Your loan will be discharged (forgiven) if:

- The Department determines that you are totally and permanently disabled (as defined in accordance with the laws and regulations that govern the Direct Loan Program), and you meet certain other requirements.
- Your loan servicer receives acceptable documentation of your death; or
- Your loan is discharged in bankruptcy after you have proven to the bankruptcy court that repaying the loan would cause undue hardship. Direct Loans are not automatically discharged if you file for bankruptcy.

Other Loan Discharge Conditions

All or portion of a TEACH Grant that was converted to a Direct Unsubsidized Loan may also be discharged under certain other conditions, as explained in your TEACH Grant Agreement to Serve (ATS).

- **Public Service Loan Forgiveness**

Under this program, you may qualify for forgiveness of the remaining balance of your Direct Loans after making 120 qualifying payments on those loans while employed full-time by certain public service employers. For more information about PSLF, visit <https://studentaid.ed.gov/repay-loans/forgiveness-cancellation/charts/public-service>.

- **Teacher Loan Forgiveness**

If you do not meet the requirements of the TEACH Grant Program, and your TEACH Grant is converted to a Direct Unsubsidized Loan, you may qualify to have a portion of your loan balance forgiven if:

- You did not have an outstanding balance on a Direct Loan or FFEL Program loan on Oct. 1, 1998, or on the date you obtained a Direct Loan or FFEL Program loan after Oct. 1, 1998; and
- You teach full-time in a low-income elementary or secondary school or educational service agency for five consecutive years and meet certain other qualifications

For more information about Teacher Loan Forgiveness, visit <https://studentaid.ed.gov/repay-loans/forgiveness-cancellation/charts/teacher>.

Useful Resources

Agreement to Serve Website

For detailed information regarding your TEACH Grant, please visit <https://teach-ats.ed.gov/ats/index.action>.

Repayment Plan Calculators

To access the online repayment calculators for estimates of your monthly payments under the Standard, Graduated, Extended, Income-Based, Pay As You Earn and Income-Contingent repayment plans based on various debt levels upon entering repayment, please visit StudentAid.gov/repayment-estimator.

For the Income-Based Repayment and Pay As You Earn Plans, use the calculator at the link provided above to evaluate your eligibility and estimate your initial Income-Based Repayment or Pay As You Earn monthly payment amount.

Loan Consolidation

A Direct Consolidation Loan Program is available that allows you to consolidate one or more of your eligible federal education loans into a new loan with a single monthly payment and may allow you to extend the period of time that you have to repay your loans. However, you will pay more interest if you extend your repayment period through consolidation, since you will be making payments for a longer period of time. If your TEACH Grant is converted to a Direct Unsubsidized Loan, it may be consolidated into a Direct Consolidation Loan. Contact your loan servicer for more information about loan consolidation.

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. To access NSLDS, please visit <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 Direct Unsubsidized Loans) when other approaches have failed. It is important to keep all of your TEACH Grant papers and correspondence for your records. You should contact your TEACH Grant servicer or loan servicer first to try and resolve the problem. If you are unable to resolve the problem on your own, you may contact the FSA Ombudsman for assistance. You can reach the FSA Ombudsman at:

Office of the Ombudsman
United States Department of Education
830 First Street NE
4th Floor UCP-3/MS 5144
Washington, DC 20201-5144
Toll-free phone: (877) 557-2575
Internet Websites: <http://fsahelp.ed.gov/> or <http://ombudsman.ed.gov/>

TEACH Grant servicer

The Department's TEACH Grant servicer will:

- Periodically communicate with you regarding your TEACH Grant(s) while you are completing your program of study and after you are no longer enrolled;
- Track your progress in meeting the requirements of your TEACH Grant service obligation; and
- Service and collect TEACH Grants that have been converted to a Direct Unsubsidized Loan.

Keeping Your TEACH Grant servicer Informed of Your Status

- It is important to keep your TEACH Grant servicer informed of your current address and other information. Notify your TEACH Grant servicer promptly of any change in your name, address, or telephone number. Also notifying your TEACH Grant servicer if your employer's address or telephone number has changed.
- **Within 120 days** after you complete or otherwise cease to be enrolled in the program for which you received your TEACH Grant, you must notify your TEACH Grant servicer in writing that you:
 - Are employed as a full-time teacher in accordance with the terms and conditions of the TEACH Grant Program; or
 - Are not yet employed as a full-time teacher, but intend to meet the terms and conditions of your service obligation.
- If you completed the program for which you received your TEACH Grant but are not yet employed in a qualifying teaching position, you must notify your TEACH Grant servicer at least **once each year** that you still intend to satisfy your service obligation.
- Once you begin qualifying teaching service, you must provide your TEACH Grant servicer with documentation of your qualifying employment **after each year** of your four years of required teaching.
- A form for documenting your qualifying teaching service will be available from your TEACH Grant servicer. This form must be certified by the chief administrative officer of the school or educational service agency where you taught for the year being certified.

TEACH Grant servicer Address:

FedLoan Servicing
P. O. Box 69184
Harrisburg, PA 17106-9184

TEACH Grant servicer Telephone Numbers:

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

TEACH Grant servicer Website:

<http://www.myfedloan.org/TEACH>