

# Eligibility for Specific FSA Programs

## CHAPTER 6

*Most of the student eligibility requirements we have discussed so far apply to all or most of the FSA programs. In this chapter we'll describe some additional eligibility requirements which are program specific.*

### FEDERAL PELL GRANTS

In general, a student must be enrolled in an undergraduate course of study at a non-foreign institution to receive a Pell Grant, though there are teaching certification exceptions (see the next page). A student who has earned a baccalaureate degree or a first professional degree cannot receive a Pell Grant.

A student who completes a master's program has earned a degree beyond the baccalaureate level (in many instances a professional degree), making the student ineligible for a Pell Grant even if he or she does not have a bachelor's degree and enrolls in an undergraduate program.

A student who has received an associate degree—or any certificate or diploma below the baccalaureate level—and who enrolls in another undergraduate program continues to be considered an undergraduate student until she has completed the curriculum requirements for a first bachelor's degree.

A student with a baccalaureate or professional degree is ineligible even if the degree is from an unaccredited school or is not recognized by your school. Similarly, a student with a baccalaureate or professional degree from a foreign school usually isn't eligible for a Pell Grant. But because a foreign degree often won't translate neatly into the American classification, the school must judge whether it equates to a U.S. bachelor's degree. If the student provides written documentation that the foreign degree is not equivalent to a bachelor's degree awarded in the United States, you may determine that he does not have a bachelor's degree. Documents supporting such a conclusion may include information about the type of school the student attended and total years of education leading to the degree.

Occasionally a student will complete all the requirements for a bachelor's degree but will continue taking undergraduate courses without accepting the degree. Your school must decide whether and at what point the student completed the baccalaureate course of study. If your school determines that the student did complete a bachelor's program (regardless of whether the student accepted the degree), then the student is no longer eligible to receive a Pell Grant.

### Undergraduate student definition

34 CFR 668.2(b)

A student enrolled in a program of study that is usually four, or sometimes five, academic years and that leads to a baccalaureate degree. A student enrolled in a program that lasts longer than five years, typically first professional degree programs such as a six-year pharmacy program, can be considered an undergraduate for only the first three or four years.

Students enrolled in dual degree programs that confer a bachelor's degree and either a graduate or first professional degree are undergraduates for at least the first three years of the program. The school determines at what point after three years the student ceases to be an undergraduate.

For the FSEOG, Pell, and TEACH Grant programs, a student is an undergraduate only if he has not earned, or completed the requirements for, a bachelor's or professional degree. Students enrolled in an eligible postbaccalaureate program as described on the next page are still undergraduates for receiving TEACH and Pell Grants.

34 CFR 668.2(b), 690.6, 686.2(d)

## Incarcerated Students and Pell

DCL GEN-14-21  
HEA Sec. 401(b)(6)  
34 CFR 668.32(c)(2),(3)  
<http://ifap.ed.gov/dpclatters/attachments/GEN1421FAQAttachment.pdf>  
Costs for incarcerated students:  
HEA Sec. 472(6)

## Professional degree

A degree that signifies both completion of the academic requirements for beginning practice in a given profession and a level of professional skill beyond that normally required for a bachelor's degree. Professional licensure is also generally required. Some examples are pharmacy (Pharm.D.), dentistry (D.D.S. or D.M.D.), and law (L.L.M. or J.D.).

## Eligible career pathway program

Pub. Law 113-235, aka the "Cromnibus" of 2014  
DCL GEN-15-02

## Eligible postbaccalaureate program and the FAFSA

34 CFR 690.6(c)  
HEA Sec. 484(a)(4)(B)  
Normally a student who indicates on the FAFSA that he has a bachelor's degree won't be listed in the Department's records as a Pell-eligible student, and the school won't be able to receive Pell funds for the student. However, to allow students who are eligible under the postbaccalaureate program provision to be paid, students who correctly report that they have a bachelor's degree but also indicate on the FAFSA that they're in a teaching credential program will be listed as Pell-eligible students. Of course, you must determine whether the student actually falls under the eligible postbaccalaureate provision.

## Incarcerated students and sex offenders

Students incarcerated in federal and state penal institutions **aren't** eligible for Pell Grants, but those incarcerated in local and county penal institutions **are** potentially eligible for Pell. A student confined or incarcerated in a juvenile justice facility is potentially eligible for Pell. Students incarcerated by jurisdictions defined as a state in the law, such as the District of Columbia, are considered to be in a state penal institution and aren't eligible for Pell Grants. A student isn't considered incarcerated (and thus barred from potential Pell eligibility) if he or she is in a halfway house or home detention or is sentenced to serve only on weekends, or if he/she is confined in any sort of facility prior to the imposition of any criminal sentence or juvenile disposition while awaiting trial.

The cost of attendance for students who are incarcerated in local penal institutions is limited to tuition and fees and the price of books and supplies specifically related to the student's course of study. For more information on the cost of attendance, see *Volume 3, Chapter 2*. A student cannot receive a Pell Grant if he is subject to an involuntary civil commitment following incarceration for a sexual offense (as determined under the FBI's Uniform Crime Reporting Program).

## Career pathway program

For students who do not have a high school diploma or its recognized equivalent or have not completed a secondary school education in a home-school setting, the law now provides for the option for a student who is enrolled in an "eligible career pathway program" to become eligible for Title IV aid by meeting an ATB alternative (see *Volume 1, Chapter 1* for more information).

## Duration of eligibility

All students may receive Pell Grants for up to 12 semesters, measured by percentage of Scheduled Award(s) disbursed ("Lifetime Eligibility Used," or "LEU" field in COD up to 600%). This limitation is not limited to students who received their first Pell Grant on or after July 1, 2008, as was the previous limit of 18 semesters or equivalent. For more information on duration of Pell eligibility and LEU, see *Volume 3, Chapter 3* of the *FSA Handbook*.

## Eligible postbaccalaureate program

A student who is enrolled at least half time in a postbaccalaureate teacher certification or licensure program is eligible to receive a Pell Grant for the period necessary to complete the program if:

- the program does not lead to a graduate degree;
- the school offering the program does not also offer a bachelor's degree in education;
- the student is pursuing an initial teacher certification or licensing credential within a state; and
- the program consists of the courses required by a state to receive a professional certification or licensing credential necessary for employment as a teacher in an elementary or secondary school in that state.

Under this **very limited provision**, a postbaccalaureate program is defined as a program that generally requires a student to have a bachelor's degree before being admitted to the program. Accordingly, a program in which undergraduate students are routinely allowed to enroll would not meet the definition of a postbaccalaureate program for this purpose, nor would a program that is generally open to undergraduates but that also admits students with bachelor's degrees. For FSA purposes, a school must treat a student who receives a Pell Grant under this provision as enrolled in an undergraduate program. He is eligible for federal work-study and fifth-year undergraduate (not graduate student) Direct Loan limits. He is not eligible for an FSEOG.

### IRAQ AND AFGHANISTAN SERVICE GRANTS & ZERO EFCs

A student whose parent or guardian died as a result of U.S. military service in Iraq or Afghanistan after September 11, 2001, may receive increased FSA funds if at the time of the parent or guardian's death the student was either less than 24 years old or was enrolled in college.

- If the student is eligible for a Pell Grant, you award and package all Title IV aid based on an EFC of zero.
- If the student is ineligible for a Pell Grant only because his EFC is too high, he may receive an Iraq and Afghanistan Service Grant. As with Pell Grants, there is a receipt limit of 12 semesters (600% LEU in COD), and this limitation is not limited to students who received their first Pell Grant on or after July 1, 2008. Payments are adjusted for students enrolled less than full time. Unlike Pell Grants, these non-need-based grants do not count as estimated financial assistance.

See *Volume 3, Chapters 3 and 7* for more details on awarding and packaging these students.

### DIRECT LOANS



To be eligible for Direct Loans, undergraduate students attending a school that participates in the Pell Grant Program must first receive a determination of their eligibility for Pell Grants. Generally a student must be enrolled or accepted for enrollment in a degree or certificate program to receive FSA funds, but there are exceptions that apply to Direct Loans.

Direct Subsidized Loans and Direct Unsubsidized Loans are two components of a single loan program. Therefore, a school may not choose to make only Direct Subsidized Loans or only Direct Unsubsidized Loans available to its eligible undergraduate and graduate students. A school may choose whether to participate in the Direct PLUS Loan Program. A school that chooses to participate in the Direct PLUS Loan Program and that has both undergraduate and graduate/professional students must make Direct PLUS Loans available to both the parents of its dependent undergraduate students and to its graduate/professional students. That is, such a school may not limit Direct PLUS Loan borrowing only to parents or only to graduate/professional students.

### Prohibition of Pell for concurrent enrollment

34 CFR 690.11

20 U.S.C. 1070a

A student may not receive Pell Grant payments concurrently from more than one institution or from the Department and a school.

### Wrong grade level on the FAFSA

When an undergraduate student incorrectly reports on the Free Application for Federal Student Aid (FAFSA) that he will be a graduate student or has a bachelor's degree, he must correct that information. Because the application shows that the student isn't an undergraduate, the Department's records will show that he is ineligible for Pell. If the application isn't corrected, the school won't be able to pay him a Pell Grant.

### Direct Loan program

34 CFR 685

### Preparatory coursework example

Eddy has a bachelor's degree with a major in mathematics. He wants to enroll in a graduate computer science program at Guerrero University. He needs 12 more semester hours of computer science coursework to meet Guerrero's admission requirements. He enrolls in courses that are part of Guerrero's undergraduate degree program, but because he is not enrolled for the purpose of receiving an undergraduate degree, he is not a regular student. However, because the coursework is necessary for his enrollment in the graduate program, he may receive a Direct Loan for this coursework.

34 CFR 685.203(a)(6)

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### Preparatory coursework at a different school

A student may take the preparatory courses at School A (as long as they are part of an eligible program there) to prepare for enrollment at School B. Also, School A may require documentation from School B that these courses are required for the student's enrollment.

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### Refusing or reducing loans

34 CFR 685.301(a)(8)

DCL GEN-11-07

A school may refuse to originate a Direct Subsidized, Direct Unsubsidized, or Direct PLUS Loan or may reduce the borrower's determination of need for the loan if the reason for that action is documented and provided to the borrower in writing, and if—

- (i) The determination is made on a case-by-case basis;
- (ii) The documentation supporting the determination is retained in the student's file; and
- (iii) The school does not engage in any pattern or practice that results in a denial of a borrower's access to Direct Loans because of the borrower's race, gender, color, religion, national origin, age, disability status, or income.

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### Student credit checks

Financial aid administrators may not perform credit checks on students in connection with awarding them federal aid.

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### Medical internships and residencies

A student is ineligible to receive a Direct Loan or a Perkins Loan while in a medical internship or residency program unless it is part of the school's degree program. This restriction does not apply to students in dental internship programs.

### Preparatory coursework

A student may apply for a Direct Subsidized/Unsubsidized Loan (or a parent may apply for a Direct PLUS Loan on behalf of a dependent student) for coursework the school has documented is necessary for the student to enroll in an eligible program. The courses must be part of an eligible program otherwise offered by the school, though the student does not have to be in that program. If enrolled at least half time in these prerequisite courses, the student is eligible for loans for one consecutive 12-month period (not per program) beginning on the first day of the loan period. If the period of preparatory courses spans more than one academic year, the student may receive multiple loans.

To be eligible for loans under this exception, the student must be taking classes that are a prerequisite for admission. A student who is only taking courses to raise his or her GPA in order to be admitted would not qualify.

### Teacher certification coursework

*Chapter 1* explains when a student may receive a Direct Subsidized/Unsubsidized (or a parent may receive a Direct PLUS Loan, among other aid, for courses necessary for an elementary or secondary school teaching credential or certification).

### Parent borrower eligibility

To borrow a Direct PLUS Loan for a student, the parent must be the student's biological or adoptive mother or father, (regardless of whether he or she is the "custodial" parent or provided financial information on the FAFSA), or in some cases, a stepparent (see below). More than one parent may get a Direct PLUS Loan for the same dependent student as long as the total aid package does not exceed the student's cost of attendance.

A stepparent is eligible to borrow a Direct PLUS Loan if he or she is considered to be a parent in accordance with the instructions on the FAFSA for purposes of reporting financial information on the FAFSA. A legal guardian is not considered a parent for FSA purposes.

In all cases, the dependent student on whose behalf a parent has applied for a Direct PLUS Loan must have filed a FAFSA. This requirement ensures that student eligibility data matches are conducted to verify that the dependent student on whose behalf the parent is borrowing:

- is not in default on an FSA loan and does not owe an overpayment on an FSA grant;
- has had his or her Social Security number verified by the Social Security Administration;
- has had his or her citizenship status confirmed by either the Social Security Administration or the Department of Homeland Security; and
- if required, has registered with the Selective Service System.

Note that this requirement is for the **student** to submit a FAFSA. It is



not a requirement for the parent borrower to submit a FAFSA in his or her name, and it does not preclude a “non-custodial” parent whose information is not included on the FAFSA, from obtaining a Direct PLUS Loan.

Before originating a Direct PLUS Loan for a parent borrower, schools must review the Institutional Student Information Record (ISIR) or Student Information Record (SAR) of the dependent student to determine that there are no student eligibility issues that must be resolved before the parent can receive the Direct PLUS Loan.

Both parents may get a Direct PLUS Loan as long as the total aid package does not exceed the student’s cost of attendance. Stepparents are also eligible to borrow a Direct PLUS Loan if their income and assets would be taken into account when calculating the dependent student’s EFC. A legal guardian is not considered a parent for FSA purposes. A parent may receive a Direct PLUS Loan only to pay for the education costs of a dependent undergraduate student who meets the eligible student definition.

A parent must meet the same citizenship and residency requirements as a student. Similarly, a parent who owes an overpayment on an FSA grant or is in default on an FSA loan is ineligible for a Direct PLUS Loan unless he has made satisfactory arrangements to repay the grant or loan. Yet the parent’s ineligibility for a Direct PLUS Loan does not affect the student’s eligibility for other FSA funds. If the parent had a prior FSA loan that was cancelled for total and permanent disability, he or she must adhere to the same eligibility requirements outlined for borrowers in *Chapter 3*.

Finally, a parent is not eligible for a Direct PLUS Loan if the federal government holds a judgment lien on her property or if she is incarcerated.

### **Adverse credit history for Direct PLUS**



A parent or graduate/professional student with an adverse credit history is prohibited from obtaining a Direct PLUS Loan unless he meets additional criteria. The Department obtains a credit report on each applicant for a loan from at least one national credit bureau. An applicant is considered to have an adverse credit history if:

- the applicant has one or more debts with a total combined outstanding balance greater than \$2,085 that are 90 or more days delinquent as of the date of the credit report, or that have been placed in collection or charged off during the two years preceding the date of the credit report; or
- during the five years preceding the date of the credit report, he has been determined to be in default on a debt, his debts have been discharged in bankruptcy, or he has been the subject of foreclosure, repossession, tax lien, wage garnishment, or write-off of an FSA debt.

An applicant cannot be rejected for a Direct PLUS Loan because she has no credit history—i.e., the absence of a credit history cannot be construed as an adverse credit history. For more detail on adverse credit history, see <https://studentloans.gov/myDirectLoan/faqs.action>, then click “credit

### **150% Limit on Subsidized Loans**

E-Announcement Nov. 25, 2013

Due to the Moving Ahead for Progress in the 21st Century Act, a new borrower on or after July 1, 2013, cannot receive subsidized loans for more than 150 percent of the published length of the borrower’s educational program. The law also provides that a borrower who becomes ineligible for subsidized loans because of the 150 percent limit is ineligible for interest subsidy benefits on all subsidized loans first disbursed to that borrower on or after July 1, 2013.

Schools must begin using the new file layouts in NSLDS showing student enrollment in specific programs of study by July 1, 2014 (and may begin doing so April 14, 2014); for more details on the new NSLDS record layouts, see the November 25th E-Announcement on 150% Direct Subsidized Loan Limit Electronic Announcement #6 on IFAP. For more on the 150% limit, known formally as the “Subsidized Loan Eligibility Time Limitation,” see Volume 3, Chapter 5. You can also email your questions regarding the 150% limit to: [150Percent-Questions@ed.gov](mailto:150Percent-Questions@ed.gov).

You can also see the latest updates and FAQs on the 150% limit at the Department’s dedicated page on IFAP for this issue: [ifap.ed.gov/150PercentDirectSubsidizedLoanLimitInfo/index.html](http://ifap.ed.gov/150PercentDirectSubsidizedLoanLimitInfo/index.html).

### **Direct PLUS adverse credit history**



34 CFR 685.200(c)

E-Announcement Jan 27, 2015

“Charged off” means, for purposes of FSA aid, a debt that has been written off as a loss, but that is still subject to collection action.

“In collection” means, for purposes of FSA aid, a debt that has been placed in with a collection agency by a creditor or that is subject to more intensive efforts by a creditor to recover amounts owed from a borrower who has not responded satisfactorily to the routine demands of the creditor’s billing procedures.

### Required counseling for endorser or extenuating circumstance PLUS loans

As of March 29, 2015, any PLUS Loan applicant who has an adverse credit history but who qualifies for a PLUS Loan through the process for reconsideration due to extenuating circumstances or by obtaining an endorser for the loan must complete PLUS Loan counseling provided by FSA. While the counseling is mandatory only for these borrowers, FSA offers voluntary counseling for all PLUS Loan borrowers. Note that this special PLUS Loan counseling is separate and distinct from the PLUS Loan entrance counseling that all graduate and professional student PLUS Loan borrowers must complete.

check,” then “what is considered adverse credit” (note the “s” in the https portion of the URL).

Someone with an adverse credit history can qualify for a Direct PLUS Loan by securing an endorser who doesn’t have an adverse credit history. For a parent borrower, the endorser may not be the dependent student for whom he is borrowing. Instead of securing an endorser, an applicant who has been determined to have an adverse credit history may submit documentation to the Department showing that there are extenuating circumstances (see <https://studentloans.gov/myDirectLoan/whatYouNeed.action?page=credit>). The Department has the final decision on whether to make a loan to the person. A borrower who qualifies for a PLUS loan by obtaining an endorser or documenting extenuating circumstances must also complete PLUS counseling provided by FSA before receiving the loan; see the sidebar on this page.

If your school participates in the Direct PLUS program but a student’s parent cannot obtain a Direct PLUS Loan, the student is allowed to borrow additional unsubsidized funds (see *Volume 3, Chapter 5*).

## CAMPUS-BASED AID GENERAL REQUIREMENTS

Unlike the Direct and Direct PLUS Loan programs, a student does not have to be enrolled at least half time to be eligible to receive aid through the Campus-Based Programs unless the student is seeking aid to attend a teacher certification or professional credential program.

A student enrolled as an undergraduate, graduate, or professional student is eligible to receive assistance from the Federal Perkins Loan and Federal Work-Study (FWS) programs. Only undergraduate students who do not have a baccalaureate or first professional degree are eligible to receive Federal Supplemental Educational Opportunity Grants (FSEOGs). This means that a student who has earned a bachelor’s or first professional degree may receive a Perkins Loan or FWS wages to pursue a graduate or additional undergraduate degree, but may not receive an FSEOG. See the “No FSEOG and FWS” sidebar note in *Chapter 2* of this volume about how the Compact Act affects FSEOG and FWS eligibility for students from the Republic of the Marshall Islands and the Federated States of Micronesia.

### Teacher certification programs

As with Direct Loans, a student may receive a Perkins Loan or FWS for coursework that doesn’t lead to a degree or certificate from the school but that is required by a state for an elementary or secondary school teaching credential or certificate. See *Chapter 1* of this volume.

## PERKINS LOANS

Both undergraduate and graduate students may receive Perkins Loans, but those with *exceptional financial need* (as defined by your school) have priority. To receive a Perkins Loan, a student must meet the general eligibility requirements and must not have borrowed the maximum amounts. A student who has earned a bachelor's or first professional degree may receive a Perkins Loan to pursue an additional undergraduate degree. For students to receive a Perkins Loan, they must provide the school a driver's license number (if they have one) when they apply for the loan, and they must have their eligibility for a Pell Grant determined if they are undergraduates.

A borrower who is in default on an FSA loan is not eligible for a Perkins Loan unless she has regained eligibility. However, a borrower who satisfies any of the conditions that remove her defaulted Perkins Loan from the school's cohort default rate becomes eligible for additional Perkins Loans.

As with Direct Loans, if a borrower received a discharge of a Perkins Loan or NDSL due to total and permanent disability and applies for another Perkins Loan or NDSL, she must follow the procedure explained in *Chapter 3* of this volume.

### **Willingness to repay**

In selecting Perkins Loan recipients, a school must consider evidence of a borrower's willingness to repay the loan. Delinquency, default, or other failure to meet repayment obligations on a previous loan is evidence that the borrower is unwilling to repay a loan. For example, if a borrower has previously satisfied a defaulted student loan involuntarily (such as by garnishment of the borrower's wages), a school should consider this as evidence of unwillingness to repay and should deny further loan assistance to the borrower.

### **Previous Perkins Loan discharged in bankruptcy**

Due to the Bankruptcy Reform Act of 1994, a student or parent may not be denied FSA loans solely on the basis of a bankruptcy filing or discharge. They also may not be required to repay a previously discharged loan in order to reestablish eligibility for new loans. However, aid administrators have more latitude in making awards under the Perkins than the Direct Loan program because they may consider a student's willingness to repay. If a student has filed for or received a loan discharge in bankruptcy or has had an FSA loan determined dischargeable by a court of law, the bankruptcy may be considered when determining a student's willingness to repay provided it is not the sole basis for the determination and for a denial of a Perkins Loan. Schools may also, of course, consider the student's post-bankruptcy credit history in determining willingness to repay.

## FEDERAL WORK-STUDY (FWS)

To be eligible for a Federal Work-Study (FWS) job, a student must meet all general eligibility criteria and must have financial need, that is, his cost of attendance must be greater than his expected family contribution (EFC). Also, a financial aid administrator may not award FWS employment to a student if that award, when combined with all other resources, would exceed the student's need. However, unlike the other two Campus-Based Programs, the FWS Program does not require that priority be given to students who

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### **Perkins Loan eligibility**

34 CFR 674.9

Medical internship or residency  
HEA 464(c)(2)(A)(i)

Incarceration  
34 CFR 668.32(c)(2)(ii)

Default  
HEA 464 (b)(1)

Teacher certification programs  
34 CFR 668.32(a)(1)(iii)

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### **Perkins eligibility—willingness to repay**

34 CFR 674.9(e)

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### **Previous disability cancellation**

34 CFR 674.9(g) and (h)

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### **FWS eligibility**

34 CFR 675.9

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### **Additional FWS criteria**

For information on eligible FWS jobs, see *Volume 6*.

**FSEOG eligibility**

34 CFR 676.9 and 676.10

34 CFR 668.32(c)(1)

**TEACH Grant Program**

34 CFR 686

**TEACH Grant definitions****High-need field—**

1. Bilingual education and English language acquisition
2. Foreign language
3. Mathematics
4. Reading specialist
5. Science
6. Special education
7. Another field documented as high-need by the federal government, a state government, or a local education agency, and appearing on the Department's annual Teacher Shortage Area Nationwide Listing.

**Postbaccalaureate program**—a program for those who have completed a bachelor's degree that:

1. does not lead to a graduate degree,
2. consists of courses required by a state for a credential necessary for teaching at an elementary or secondary school in that state (this does not include any program offered by a TEACH Grant-eligible school that offers a bachelor's degree in education), and
3. is treated as an undergraduate program for FSA purposes.

**Scheduled Award**—the maximum amount of a TEACH Grant that a full-time student could receive for a year.

**School or educational service agency serving low-income students (low-income school or educational service agency)**—an elementary or secondary school or an educational service agency listed in the Department's annual Teacher Cancellation Low Income Directory (see [www.tcli.ed.gov](http://www.tcli.ed.gov)) because it—

1. is in the school district of a local education agency that is eligible for assistance under Title I of the Elementary and Secondary Education Act (ESEA); and
2. has been determined by the Secretary to have more than 30 percent of its children qualify for services under Title I of the ESEA.

have *exceptional* financial need. In choosing students for FWS employment, schools must follow the procedures discussed in *Volume 3, Chapter 6*.

A student can be employed in an FWS job during a period of non-attendance, such as a summer term. He must be planning to attend school during the next period of enrollment and must have financial need for that period—his current FWS earnings must be used to cover expenses for it and will count as estimated financial assistance. See *Volume 6, Chapter 2* for more information.

**FSEOG**

To receive a Federal Supplemental Educational Opportunity Grant (FSEOG), a student must have financial need and must meet the general eligibility requirements discussed in the other chapters of this volume. Students with the lowest EFCs who will also receive Pell Grants for the award year have primary consideration for an FSEOG. If, after giving FSEOG awards to all its Pell recipients, a school has FSEOG funds remaining, it can award those funds to eligible students with the lowest EFCs who will not receive Pell Grants. See *Volume 3, Chapter 6*.

Additionally, to receive an FSEOG, one must be enrolled or accepted for enrollment as an undergraduate student and must not have previously earned a bachelor's or first professional degree. A school must make FSEOG funds reasonably available (to the extent that funds remain) to all eligible students.

**TEACH GRANTS**

The Teacher Education Assistance for College and Higher Education (TEACH) Grant Program provides \$4,000 annual grants to students who plan to become teachers. As a condition for receiving a TEACH Grant, students must agree to teach full-time in a high-need field, for at least four academic years at an elementary school, secondary school, or educational service agency that serves low-income families. The grant recipient must complete the required four years of teaching within eight years of completing (or otherwise ceasing to be enrolled in) the course of study for which a TEACH Grant was received. If a grant recipient does not meet that obligation, the TEACH Grant funds received are converted to a Direct Unsubsidized Loan that must be repaid with interest.

**Amount of grant funds available**

A full-time TEACH Grant recipient may receive four scheduled awards of \$4,000 each, or a total of \$16,000, for the student's *first* baccalaureate and first postbaccalaureate programs combined. Programs after the first baccalaureate are not eligible. A graduate student may receive two scheduled awards, or a total of \$8,000, for a master's degree program. Students who are enrolled less than full time have the same maximums, though the annual awards will be smaller: for example, a student enrolled half time in a master's program could receive an annual award of \$2,000 for each of the four years it would take to complete the program. A TEACH Grant in combination with other assistance the student receives cannot exceed the cost of attendance; if it does, the aid package must be reduced.



### Receiving a TEACH Grant

To qualify for a TEACH Grant, a student fills out not only a FAFSA but also an agreement to serve (explained later) and must be enrolled in a program and at a school that are both TEACH-grant eligible.

Students must adhere to an academic standard: they must have a grade point average of at least 3.25 on a 4.0 scale, or the numeric equivalent (see “Schools without a traditional GPA”), or must have scored above the 75th percentile on at least one of the batteries on a nationally-normed standardized undergraduate, postbaccalaureate, or graduate school admissions test. An undergraduate student uses, for the first year, her final high school GPA or the GPA for all the classes she has taken at college through the most recently completed payment period; after the first year, she uses the latter GPA. A graduate student uses her undergraduate GPA for the first payment period and her cumulative graduate school GPA thereafter.

You must have documentation of the GPA from the cognizant authority or from the student. For high school grades, the authority is typically the high school or, in the case of homeschooled students, the parents or guardians. If the student provides the document and you have reason to question its accuracy, you must obtain documentation directly from the cognizant authority.

The previous academic requirements do not apply to certain graduate students. This group comprises current teachers or retirees from another occupation with expertise in a high-need field who are seeking a master’s degree, as well as current or former teachers who are completing a high-quality alternative certification, such as Teach for America.

When you determine TEACH Grant eligibility for transfer students and calculate their GPA, you must, for at least the first payment period, include grades for courses accepted for transfer into the TEACH Grant-eligible program. For subsequent payment periods, follow your academic policy regarding the calculation of the GPA, whether that is to include grades for courses that transfer or to exclude them.

### Agreement to serve

To receive a TEACH Grant, a student must sign an agreement to serve. This document explains that the student will do the following:

- Serve as a full-time teacher for a total of at least four academic years within eight calendar years of completing or otherwise ceasing to be enrolled in the course of study for which the TEACH Grant was received;
- Teach at a school or educational service agency serving low-income students;
- Comply with the requirements for being a highly qualified teacher (see the sidebar note);
- Teach (in the majority of classes) in a high-need field, which includes

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#### TEACH Grant-eligible program

This is an eligible program as described in *Volume 2, Chapter 2*, that prepares one to be a highly qualified teacher in a high-need field and that leads to a bachelor’s or master’s degree or is a postbaccalaureate program. A two-year program acceptable for full credit toward a bachelor’s degree is considered a program that leads to a bachelor’s degree.

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#### Highly qualified teacher

The definition of “highly qualified” with respect to teachers is lengthy and is explained in Section 9101(23) of the Elementary and Secondary Education Act [USC 7801(23)] and Section 602(10) of the Individuals with Disabilities Education Act [USC 1401(10)].

subjects on the nationwide shortage area list at <http://www.ed.gov/about/offices/list/ope/pol/tsa.html> that is updated each year by the Department;

- Upon completion of each year of service, provide certification of that service from the chief administrative officer of the school or educational service agency; and
- If the student fails or refuses to carry out the service obligation in the required timeframe, the student must repay as a Direct Unsubsidized Loan the total amount of all TEACH Grants received, with interest accrued as of the date of disbursement of each grant.

A TEACH Grant recipient must complete a four-year service obligation for each program of study for which a TEACH Grant was received. The eight-year period for completing this obligation begins when the student's enrollment in the program ends. Teaching may apply to more than one obligation: for example, a student who completes a bachelor's and a master's program consecutively and receives TEACH Grants for both would have two service obligations. The student could receive a suspension for completing the obligation for the undergraduate program while enrolled in the master's program. Once that is done, four years of qualifying teaching would satisfy the service obligations for both programs. However, a student who finishes the bachelor's program, completes the obligation for it, and later enrolls in the master's program would need to complete another four-year service obligation.

For each year of the service obligation, the TEACH Grant recipient must teach a majority of classes in a high-need field. Fields on the nationwide list must be designated as high-need by the state where and when the individual begins teaching or they must have been listed at the time a TEACH Grant was received. Teaching in a geographic region of a state or in a grade level not associated in the nationwide list with the student's field does not satisfy the service obligation.

### **School without a traditional GPA**

At Marble University, instructors submit, at the end of the semester, an evaluation that the work a student does in a class is "satisfactory" or "unsatisfactory." The catalog indicates that the evaluation is never translated into a grade by the registrar's office. Neither the catalog, the faculty handbook, nor any other school publication differentiates levels of satisfactory student performance. Even though the state scholarship program accepts a "satisfactory" as the equivalent of a "B," the university may not make such an assumption for the TEACH Grant program. Moreover, a "B" grade generally corresponds to a GPA of 3.0, while TEACH Grants require a GPA of 3.25 or better.

### ***Schools without a traditional GPA***

Schools that do not use a standard 4.0 GPA scale for a program must have a written equivalency policy with a numeric scale and must make it available upon request. The policy must clearly differentiate student performance so that it can support a determination that a student has achieved at a level commensurate with at least a 3.25 GPA on a 4.0 scale. Generally a grading scale that includes only "pass/fail," "satisfactory/unsatisfactory," or some other non-numeric evaluation will not meet this requirement unless it can be shown that a "pass" or "satisfactory" grade has a numeric equivalent to a traditional 3.25 GPA (or higher) or that a student's performance on tests and assignments yielded such a numeric equivalent.

Such a policy must be consistent with other grading scales that the school has developed for academic and other (including FSA) purposes—e.g., graduate school applications, scholarship eligibility, insurance certifications—to the extent that such scales distinguish between levels of student academic performance.