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 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 of the FSA Handbook.

Duration of eligibility

All students may receive Pell Grants for up to the equivalent of 12 semesters, measured by percentage of Scheduled Award(s) disbursed (“Lifetime Eligibility Used,” or “LEU” field in COD up to 600%). For more information on the 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.

**Restoring semesters of Pell eligibility for students affected by closed schools**

The Department has modified the COD system to restore semesters of Pell Grant eligibility for eligible students who were unable to complete their programs because their school has permanently ceased operations (i.e. is now a “closed school”). The Department has determined to restore semesters of Pell Grant eligibility for Pell recipients at closed schools. This process is not applicable if only a location closes. To qualify for Pell eligibility resoration, the main school must cease operations.

The Department has begun to identify students who received a Pell Grant for attendance at a now-closed school and who were not reported to NSLDS as having graduated from that school. The Pell LEU adjustment will be equivalent to the Pell Grant Eligibility Used (EU) at the closed school for each award year for which the student received Pell Grant funds. The Department will make one LEU adjustment per school, per award year. These adjustments in COD will be processed in batches following the final closeout at each school.

If you have a student to whom this provision applies, the Department will return a COD Warning Edit 221 for the student. See the April 3, 2017 E-Announcement for detail on how to award the student Pell.

Please note that this change is very important because students have a limited number of semesters in which they can receive Pell Grants to continue and complete their education—in 2008, Congress established a maximum Pell Grant lifetime eligibility of 18 semesters, and in 2012, Congress reduced the lifetime eligibility further to 12 semesters and applied it to all students, including a group of students “grandfathered” from the original 18-month limitation (for more information on this limitation and the current percentage method of measuring progress towards the limit, please see the main discussion under “Pell Grant and Iraq & Afghanistan Service Grant Lifetime Eligibility Used (LEU)” in Chapter 3 of Volume 3 of the FSA Handbook.

This restorative action benefits students, who were at or near their lifetime limit, as well as more students whose institutions might close moving forward, and those who hadn’t reached their limits but who will be able to go back to school if they choose.
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, or as a result of active service in the line of duty as a Public Safety Officer (see Children of Fallen Heroes Scholarship Act sidebar) 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 if the student’s parent died as a result of U.S. military service in Iraq or Afghanistan after September 11, 2001. As with Pell Grants, there is a receipt limit of 12 semesters (600% Lifetime Eligibility Used/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. A student is tracked for LEU separately for Pell and IASG, and may concurrently have a running LEU tally for each.

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.

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 preparatory courses must be offered as part of an eligible program offered by the school, though the student does not have to be enrolled in that program. You may not award Direct Loans for stand-
alone courses that do not count towards an eligible program and exist solely to serve as preparatory coursework.

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 grade-point average 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 and received an ISIR or SAR for the dependent student for whom a parent is applying for a Direct PLUS Loan. 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

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**Preparatory coursework example**

34 CFR 668.32(a)(1)(ii)
34 CFR 685.203(a)(6)

Ryne has a bachelor’s degree with a major in mathematics. He wants to enroll in a graduate computer science program at Banks University. He needs 12 more semester hours of computer science coursework to meet Banks’s admission requirements. He enrolls in courses that are part of Banks’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.

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**When Preparatory coursework is not Title IV eligible**

The Nightingale School of Nursing (NSN) is part of the T.O. General Hospital and offers a 2-year RN program leading to a diploma. The two-year RN program is the only Title IV eligible program at NSN. To be admitted to the RN program, students must have:

- a high school diploma or G.E.D.;
- completed Human Anatomy and Physiology with a minimum grade of “C”;
- completed college level English Composition with a minimum grade of “C”; and
- completed college level Algebra with a minimum grade of “C”.

For applicants who have not successfully completed post-secondary courses in Human Anatomy and Physiology, English Composition, and Algebra, NSN offers 8-week courses that upon successful completion qualify applicants for admission. Because NSN does not offer a Title IV eligible program that includes its courses in Human Anatomy and Physiology, English Composition, and Algebra, students enrolled in those stand-alone courses are not eligible to receive Title IV funds.
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. Step parents 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.

Subsidized Loan Eligibility Time Limitation (150% rule)

Subsidized Loan Eligibility Time Limitation (150% rule)

Moving Ahead for Progress in the 21st Century Act (MAP-21)
HEA Sec. 455(q)
First Time Borrower: 34 CFR 685.200(f)(1)(i)
Maximum Eligibility Period: 34 CFR 685.200(f)(1)(ii)
Subsidized Usage Period: 34 CFR 685.200(f)(1)(iii)
Remaining Eligibility Period: 34 CFR 685.200(f)(1)(iv)
April 20, 2015 E-Ann: Reporting issues
July 20, 2015 E-Ann: Loss of subsidy
Sept 25, 2015 E-Ann: Required reporting
Oct 19, 2015 E-Ann: Remaining period of enrollment of less than 1 year

Subsidized Loan Eligibility Time Limitation (150% rule)

First-time borrowers (those who have no principal or interest balance on any Direct or FFEL Loan on July 1, 2013 or on the date they receive a Direct Loan after July 1, 2013) may not receive Direct Subsidized Loans for a period that exceeds 150% of the published length of the academic program in which they are currently enrolled. This length of time is known as the “maximum eligibility period.” For example, a first-time borrower in a 4-year program would have six years of Direct Subsidized Loan eligibility, and a borrower in a one-year program would have 1.5 years of Direct Subsidized Loan eligibility. COD will edit and reject awards that would exceed 150% subsidized usage for a student (Reject Edit 206). For the full discussion on how to calculate subsidized usage periods and maximum eligibility periods, and what to do when a borrower exceeds his/her maximum eligibility period, see Volume 3, Chapter 5, Calculating Direct Loan Periods & Amounts.

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, repossessions, tax liens, wage garnishments, or write-offs 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. Financial aid administrators may not perform credit checks on students in connection with awarding them federal aid. For more detail on adverse credit history, see https://studentloans.gov/myDirectLoan/faqs.action, then click “credit check,” then “what is considered adverse credit”.

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?declinedPastAmt=2085#docExt-header). 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 Work-Study (FWS) program. 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 FWS wages to pursue an 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 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

No Perkins disbursements of any type are permitted under any circumstances after June 30, 2018. See E-Announcement July 11, 2018 for information on required Perkins distribution of assets guidance.

Loans awarded or disbursed after authority expired

If a school awarded a Perkins Loan after September 30, 2017, or made a disbursement after June 30, 2018, the award or disbursement was made in error. The school who made the erroneous award or disbursement must reimburse the Perkins Loan Revolving Fund for the amount of the loan(s), correct the FISAP, notify the borrower, and update NSLDS accordingly. See E-Announcement December 20, 2018 for more information on Perkins Loans awarded or disbursed after the expiration of the authority to award new Perkins Loans.

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 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, including a summer term before the student begins attendance in a program for the first time. Such students must be planning to attend school during the next period of enrollment and must have financial need for that period—his/her 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. Baccalaureate 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.

An otherwise eligible student who received a TEACH Grant for enrollment in a TEACH Grant-eligible program is eligible to receive additional TEACH Grants to complete that program, even if that program is no longer considered a TEACH Grant-eligible program. This extension is not to exceed four Scheduled Awards for an undergraduate student and up to two Scheduled Awards for a graduate student.

**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 (GPA) 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

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**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 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.
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 subjects on the nationwide shortage area list (the list 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.

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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)].

**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.
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.

**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.

**School without a traditional GPA**

At Sandberg 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.