

Other Program-related Eligibility Requirements

Most of the student eligibility requirements we have discussed so far apply to all or most of the FSA programs, but there are additional factors that are program-specific.

PELL GRANTS

In general, a student must be enrolled in an undergraduate course of study 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.

An undergraduate course of study usually doesn't exceed four academic years or is a program of four to five academic years designed to lead to a baccalaureate or first professional degree. If the program is longer than five years (for example, a six-year pharmacy program), then students are considered undergraduates only for the first four academic years of the program unless the school designates that the graduate program begins after the end of the third academic year; see the definition of graduate or professional student in 34 CFR 668.2(b).

A student who completes a master's program but not a bachelor's program has earned in many instances a professional degree and in all instances a degree beyond the baccalaureate level, making her ineligible for a Pell grant even if she subsequently 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, your school may determine that he does not have a bachelor's degree. The documents may include informa-

Undergraduate student definition and requirement

34 CFR 668.2(b)
HEA Sec. 401(c)

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.B. or J.D.).

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.

Eligible postbaccalaureate program and the FAFSA

34 CFR 690.6(c)

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, in order 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 Pell

HEA Sec. 401(b)(8), 34 CFR 668.32(c)(2)(iii),

"Dear Colleague" Letter P-94-7

Costs for incarcerated students

HEA Sec. 472(6)

Zero EFC for dependents of Iraq and Afghanistan war dead

Students who qualify for a Pell grant have their EFC reduced to zero if their parent or guardian was a member of the U.S. Armed Forces who died in Iraq or Afghanistan after September 11, 2001, and if the students were less than 24 years old or were enrolled in college when the parent or guardian died.

tion 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, then he is no longer eligible to receive a Pell grant.

Incarcerated students and sex offenders

Students incarcerated in federal and state penal institutions aren't eligible for Pell grants, but students incarcerated in local penal institutions are. 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 if she is in a halfway house or home detention or is sentenced to serve only on weekends.

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.

The Higher Education Opportunity Act (HEOA) disqualifies from receiving Pell grants students who are subject to an involuntary civil commitment following incarceration for a sexual offense (as determined under the FBI's Uniform Crime Reporting Program).

Duration of eligibility

The HEOA also established a limit on how many Pell grant awards a student can receive. All students who first received a Pell grant on or after July 1, 2008 (the limit does not apply to students who received their first Pell grant before then), may receive Pell grants for up to 18 semesters or the equivalent. This means students can receive no more than nine scheduled awards; less-than-full-time students are assessed accordingly.

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 an undergraduate student enrolled in an undergraduate program. The student is eligible for fifth year undergraduate (not graduate student) Stafford loan limits. However, the student would not be eligible for an FSEOG.

STAFFORD AND PLUS LOANS

Some Stafford and PLUS loan rules, such as those for defaults and total and permanent disability discharges, have already been discussed in Chapter 3. One point may be added here: neither a parent nor a student may borrow the same type of loan—PLUS for parents, PLUS or Stafford for students—from both the FFEL and DL programs for the same period of enrollment at the same school. The student and parent do not have to borrow from the same program [see 34 CFR 685.300(a)(8)], and a graduate student can borrow a PLUS and Stafford loan from different programs.

To be eligible for Stafford 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 DL and FFEL Stafford and PLUS loans.

Preparatory coursework

A student may apply for a Stafford or PLUS loan for coursework the school has documented is necessary for him 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, he 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.

Students may borrow up to \$2,625 of Stafford funds if they are preparing to enter an undergraduate degree or certificate program or \$5,500 for a graduate or professional program. Independent students and dependent students whose parents were declined a PLUS loan may borrow up to \$6,000 more in unsubsidized funds for undergradu-

Members of a religious order

Members of any religious order, society, agency, community, or other organization aren't considered to have financial need if the order

- (1) has as a primary objective the promotion of ideals and beliefs regarding a Supreme Being,
- (2) requires its members to forego monetary or other support substantially beyond the support it provides, and
- (3) directs the member to pursue the course of study or provides subsistence support to its members.

Members of these religious orders can't receive subsidized Direct loans, subsidized FFELs, Pell grants, or campus-based aid. They are eligible, however, for unsubsidized FFELs and unsubsidized Direct loans.

34 CFR 674.9(c), 675.9(c), 676.9(c), 682.301(a)(2), 685.200(a)(2)(iii), 690.75(d)

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 FFEL or Direct loan for this coursework.

34 CFR 682.204(a)(6) and 685.203(a)(6)

Preparatory coursework at a different school

A student may take the preparatory courses at School A 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.

Medical internships and residencies

A student is ineligible to receive a Stafford 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.

Refusing or reducing loans

HEA Sec. 479A(c):

"On a case-by-case basis, an eligible institution may refuse to certify a statement that permits a student to receive a loan under part B or D (the FFEL and DL programs respectively), or may certify a loan amount or make a loan that is less than the student's determination of need (as determined under this part), if the reason for the action is documented and provided in written form to the student. No eligible institution shall discriminate against any borrower or applicant in obtaining a loan on the basis of race, national origin, religion, sex, marital status, age, or disability status."

Student credit checks

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

ate (or \$7,000 for graduate) preparatory coursework. These loan limits are not prorated if the coursework is less than an academic year.

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

Teacher certification coursework

Chapter 1 explains when a student may receive a Stafford or PLUS loan, among other aid, for courses necessary for an elementary or secondary school teaching credential or certification.

Parent borrower eligibility

To borrow a PLUS loan for a student, the parent must be the student's biological or adoptive mother or father. Both parents may get a PLUS loan as long as the total aid package does not exceed the student's cost of attendance. A stepparent is also eligible to borrow a PLUS loan if her 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 PLUS loan only to pay for the educational 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 PLUS loan unless he has made satisfactory arrangements to repay the grant or loan. Yet the parent's ineligibility for a PLUS loan does not affect the student's eligibility for FSA funds.

Under the FFEL program, if the parent borrower has previously borrowed a Stafford or PLUS loan on which collection activity has ceased, she must reaffirm the loan in the same way that is described in 34 CFR 682.201(a)(4) for student borrowers.

Under both the FFEL and DL programs, if the parent had a prior Stafford loan that was cancelled for total and permanent disability, he must adhere to the same eligibility requirements outlined for Stafford borrowers in Chapter 3.

Finally, a parent is not eligible for a PLUS loan if the federal government holds a judgment lien on her property.

Adverse credit history for PLUS

A parent or graduate/professional student with an adverse credit history is prohibited from obtaining a PLUS loan unless he meets additional criteria. The lender or 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:

- he is 90 days or more delinquent on any debt, 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.

A FFEL lender is permitted to establish a more stringent definition of adverse credit history than these regulatory criteria. However, under both the FFEL and DL programs, an applicant cannot be rejected for a PLUS loan because she has no credit history—i.e., the absence of a credit history cannot be construed as an adverse credit history.

Someone with an adverse credit history can qualify for a 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 may appeal a determination of adverse credit history to the lender (for FFELs) or ED (for DLs) by documenting extenuating circumstances. The lender or ED has the final decision on whether to make a loan to the person.

If your school participates in the PLUS program but a student's parent cannot obtain a PLUS loan, the student is allowed to borrow additional unsubsidized Stafford money (see Volume 3, Chapter 5).

CAMPUS-BASED AID GENERAL REQUIREMENTS

Unlike the Stafford and 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 he may not get an FSEOG.

See the margin note on page 39 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 Stafford 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.

Extenuating circumstances for adverse credit history

If a parent or student PLUS applicant is 180 days or less delinquent on mortgage or medical bill payments during the period from January 1, 2007, through December 31, 2009, but does not otherwise have an adverse credit history in accordance with the FFEL and Direct Loan program regulations, the loan holder may consider the applicant to have extenuating circumstances that are sufficient to support eligibility for a PLUS loan.

Perkins loan eligibility

34 CFR 674.9

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

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

Default
HEA 464 (b)(1)

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

Previous disability cancellation

34 CFR 674.9(g) and (h)

Willingness to repay

34 CFR 674.9(e)

PERKINS LOANS

Both undergraduate and graduate students may receive loans under the Federal Perkins Loan Program, but students with *exceptional need* (as defined by your school) have priority. To be eligible for a Perkins loan, a student must meet the general student 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.

A student is ineligible to receive a Perkins loan while in a medical internship or residency program unless it is a dental internship or is part of the school's degree program.

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 Stafford loans, if a borrower has obtained a discharge of a Perkins loan or NDSL due to total and permanent disability and is applying for another Perkins loan or NDSL, she must follow the procedure explained in Chapter 3.

As mentioned above, a school may award Perkins loans or FWS to students for enrollment in an eligible teacher certification or professional credential program; see Chapter 1.

Willingness to repay

In selecting Perkins loan recipients, a school must consider evidence of a borrower's willingness to repay the loan. Previous delinquency, default, or other failure to meet repayment obligations on a previous loan is evidence that the borrower is unwilling to repay other loans. 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

As a result of 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, FAAs have somewhat more latitude in making awards under the Perkins program than under DL and FFEL because they may consider a student's willingness to repay. If a student has filed for or received a discharge in bankruptcy, has had an FSA loan determined dischargeable by a court of law, or has had an FSA loan discharged in bankruptcy, 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 the usual eligibility criteria and must have financial need, that is, his cost of attendance (COA) 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 selection procedures discussed in Volume 3.

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. See Volume 6 for more information.

FSEOG

To receive a Federal Supplemental Educational Opportunity Grant (FSEOG), a student must meet the general eligibility requirements discussed in the other chapters of this volume. An eligible recipient must also be an undergraduate student and have financial need, and students with the lowest EFCs who will also receive Pell grants for the award year have primary consideration for FSEOG money. See the volume on calculating awards.

An undergraduate student is defined under the FSEOG Program as a student who is enrolled in an undergraduate course of study at an institution of higher education and who:

- has not earned a bachelor's degree or first professional degree; and
- is in an undergraduate course of study that usually does not exceed four academic years or is enrolled in a four- to five-academic-year program designed to lead to a first degree.

A student who has earned a bachelor's or first professional degree is not eligible to receive an FSEOG to pursue an additional undergraduate degree based on the above definition of undergraduate student. A school must make FSEOG funds reasonably available (to the extent that funds remain) to all eligible students.

LEAP PROGRAM

To be eligible for assistance under the Leveraging Educational Assistance Partnership (LEAP) Program, all students must meet the general eligibility requirements for the FSA programs and the additional eligibility criteria that state higher education agencies establish. The student must also demonstrate *substantial financial need*, as defined by the state agency and approved by the Department. The definition

FWS eligibility

34 CFR 675.9

Additional FWS criteria

For information on eligible FWS jobs, see Volume 6, The Campus-Based Programs.

FSEOG eligibility

34 CFR 676.9

34 CFR 668.32(c)(1)

Federal eligibility rules and LEAP funds

The requirement that a student must meet the general FSA program eligibility criteria applies to all the components of a state's LEAP program: the annual federal allotment of funds and all the state matching funds, including the maintenance of effort match.

may be in terms of income, expected family contribution (EFC), or cost of attendance minus available resources. Regardless of how it defines need, the state agency is responsible for developing a consistent method for approving individual student recipients. States may decide whether to make individual LEAP awards that vary according to student need or to give a set amount to all students who meet the established need criteria.

The maximum award is the lesser of \$12,500 or a student's cost of attendance, though states may have lower maximums. They also determine what costs can be covered; some states limit awards to cover only tuition and fees, while others include allowances for commuting, room, board, and other costs.

Many states exclude students who attend schools outside the state, but some have reciprocal arrangements with neighboring states so that students may receive LEAP funds from their home state even though they are enrolled in another state. LEAP funds may be awarded to students participating in study-abroad programs that are approved for credit by the home school.

Most states limit LEAP awards to undergraduates attending at least half time, but each state may choose to allow graduate, less-than-half-time, and other nontraditional students to also receive LEAP awards.

If a student owes a refund on a LEAP overpayment, she would still be eligible to receive additional FSA funds as long as she meets all other eligibility requirements and as long as the school can eliminate the overpayment by adjusting financial aid payments (other than Pell grants) in the same award period in which the overpayment occurred.

Application, need, and dependency status

In states that have *centralized* administration of the LEAP Program, the student applies directly to the state higher education agency, which receives and processes applications, notifies students of awards, verifies attendance, makes disbursements, and keeps records of all student awards. In states that have *decentralized* administration, the student applies indirectly through the school, to which the state agency has delegated certain functions of the program, such as awarding funds (though these funds are still considered state—not institutional—aid). The school recommends potential recipients to the state agency, which then approves individual awards. Every award requires the agency's formal approval, based on a determination of need. You can find a list of the state agencies on the Department's website at www.ed.gov.

Most states measure need as determined by the processing of the FAFSA. However, in decentralized programs LEAP applications may be processed according to need as determined by the school. Either way, the state agency has final authority for selecting recipients according to its standards.

The Department may approve on a case-by-case basis a state's criteria for determining dependency status if they vary from the established

criteria that are listed in the *Application and Verification Guide*. The state must show that it has good reason to use different criteria, yet its definition of an independent student might not differ totally from the federal definition. For example, a state might use all the federal criteria but delete the professional judgment provision.

Cost of applying

To award a student LEAP aid, a state may require him to fill out a FAFSA or another free form. The state may also require him to provide more information on a supplemental form. If there is a fee for submitting and processing this supplemental form, the fee must be payable to the state regardless of whether the information from it may also be used for institutional aid.

LEAP funds that are part of state grants

A school must consider all or a portion of a state grant to be LEAP funds subject to LEAP student eligibility requirements if a state agency provides written information to the school as described below:

1. If the state agency specifies the exact amount or percentage of LEAP funds included in an individual student's state grant, that amount or percentage up to the lesser of \$12,500 or the student's cost of attendance (the maximum LEAP award) is considered LEAP funds.
2. If the state agency identifies a specific student's state grant as containing LEAP funds but does not give an exact amount or percentage, the amount of the grant up to the lesser of \$12,500 or the student's cost of attendance is considered LEAP funds.
3. If the state agency identifies the percentage of LEAP funds in the entire amount of state grant funds provided to the school rather than specifying the amount of LEAP funds in an individual student's grant, the school must apply this percentage to the student's total state grant to determine the amount up to the lesser of \$12,500 or the student's cost of attendance to be considered LEAP funds.
4. If the state agency states that LEAP funds are included in all students' state grants but does not provide an exact amount or percentage, an amount of all grants up to the lesser of \$12,500 or the student's cost of attendance is considered LEAP funds.

These policies also apply to the Special Leveraging Educational Assistance Partnership (SLEAP) Program except that there is no maximum award.

The Department does not require states to notify institutions of federal and state matching funds that are part of state grants. However, starting in the 2009–2010 award year, states must identify and notify students that grants are LEAP grants funded by the federal government, the state, and, where applicable, other contributing partners. Depending on how the state notifies students, this information does not necessarily constitute identifying whether a student's grant includes federal and state matching funds.

LEAP examples

A Title IV-eligible student receives a \$10,000 state grant, and the state notifies the school in writing that the grant includes an indeterminate amount of LEAP funds. All of the grant is considered LEAP money.

Another student receives a \$4,000 grant, but the state does not notify the school of its composition. None of the grant is considered to be LEAP funds.

A student receives an \$8,000 state grant, and the state specifies that 25 percent of all the state grant funds provided to the school are LEAP funds. \$2,000 of the student's grant is considered LEAP funds.

Byrd Program on the Web

The Department gives information on the Byrd Program at

www.ed.gov/programs/idadesbyrd/index.html

This site has contact information if you have questions (the program is not administered by FSA).

States are now able to use funds other than their appropriated funds to meet their match of the federal funds. If, for example, this includes public institution tuition revenue disbursed as need-based grant aid to students, these matching funds would be considered part of the federal LEAP and SLEAP programs and subject to compliance with those programs and any additional state program.

ROBERT C. BYRD HONORS SCHOLARSHIP PROGRAM

Byrd scholarships are awarded on the basis of outstanding academic achievement and the promise of continued achievement, through procedures established by the state education agency (SEA, the department of education or other agency in the state that is primarily responsible for the supervision of public elementary and secondary schools) in the state where the student is a legal resident. A student attending an out-of-state secondary school, such as a boarding school or a U.S. Department of Defense school overseas, must apply for a Byrd scholarship through the SEA of her state of residence.

The SEA develops its selection procedures after consulting with school boards and administrators, teachers, counselors, and parents. Before each state's selection criteria and application procedures are implemented, they are reviewed and approved by the Department.

Students can receive up to \$1,500 for one year of study, which is the period during which a full-time student is expected to complete one year of coursework as defined by the school.

Initial student eligibility

The eligibility criteria for receiving a Byrd scholarship are similar to those for the FSA programs but not identical. A student must meet the criteria listed below during the same secondary academic year in which he submits the scholarship application. The student must:

- graduate from a public or private secondary (high) school (students at military schools are not eligible for Byrd scholarships) or a homeschool (the HEOA made homeschooled students eligible regardless of how the homeschool is treated under state law), or receive the recognized equivalent of a high school diploma (a GED certificate or a certificate that is earned by passing a state-authorized examination and that the state recognizes as a diploma equivalent);
- have applied to or been accepted for enrollment as a full-time student (one who carries a full-time academic workload as determined by the school for a given program) at an institution of higher education;
- be a legal resident of the state to which he is applying for a scholarship;
- be a U.S. citizen or national or provide evidence from the U.S. Citizenship and Immigration Services (USCIS) that he is

- a permanent resident of the United States;
 - in the United States for other than a temporary purpose, with the intention of becoming a citizen or permanent resident; or
 - a citizen of the Freely Associated States (Federated States of Micronesia, the Republic of the Marshall Islands, or the Republic of Palau);
- is not ineligible to receive assistance as a result of default on a federal student loan or other obligation, as provided under 34 CFR 75.60; and
 - is registered with the Selective Service, if so required, in accordance with the regulations in 34 CFR 668.33.

Continuing eligibility criteria

Awards can be renewed for up to three additional years provided that funds are appropriated and students remain eligible. A student remains eligible for the scholarship as long as she continues to:

- meet the citizenship/permanent resident requirements given previously;
- avoid loan default, as outlined above;
- meet Selective Service obligations;
- maintain the satisfactory academic progress standards of the school in accordance with the provisions of 34 CFR 668; and
- be enrolled as a full-time student (though see the exception below) at an institution of higher education.

Byrd scholarships are awarded for not more than four years. If the student completes his undergraduate program in three years, then he is eligible to receive the scholarship for only those three years.

Part-time enrollment after the first year

Byrd scholars must be enrolled full time for the first year of study. If after the first year the SEA determines that unusual circumstances justify waiving the full-time requirement, the student may enroll part time and continue to receive the scholarship, but the SEA must prorate her payments according to her enrollment status.

Scholarship suspension

A scholar who fails to meet any of the eligibility requirements within an award year will have her scholarship suspended by the SEA. The scholar's eligibility remains suspended until she is able to demonstrate to the satisfaction of the SEA that she again meets the requirements. Once the suspension period reaches 12 months, her eligibility for that scholarship is terminated.

Part-time attendance example

Wendy is a student at Frisson University who received a Byrd scholarship as a freshman. For her sophomore year she enrolls full-time for the fall semester and half-time for the spring semester since she will be working part-time in a co-op job related to her field of study. Because of this, the SEA waives Wendy's full-time enrollment requirement for spring and prorates the \$1500 scholarship. Wendy would still receive half the scholarship for the fall term ($\$1,500 \times 0.5$ years = \$750), and because she is attending half time in the spring, she will be eligible to receive half of the remaining \$750 ($\$750 \times 0.5 = \375).

The SEA may define exceptional circumstances under which it will extend the 12-month suspension period without ending the student's eligibility.

Scholars may postpone or interrupt enrollment

A state agency may permit a scholar to interrupt or postpone his enrollment at a postsecondary school for up to 12 months. For a postponement this begins on the date the student would have enrolled in the school after the state agency awarded him the scholarship.

Each state agency establishes standards that determine when it will approve a postponement or interruption. If the SEA does approve the postponement or interruption, it must document the scholar's subsequent enrollment.

A scholar who postpones or interrupts her enrollment is not eligible to receive scholarship funds until she is again enrolled at the school. Note that for a student whose scholarship has been suspended, a postponement or interruption does not count against her in calculating the 12 months of suspension.

Scholarship limited to domestic schools

A Byrd scholar may not use his scholarship to attend a foreign school. He must attend an eligible postsecondary school located in one of the 50 states, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, the Northern Mariana Islands, American Samoa, or the Freely Associated States (the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau).

However, a scholar studying abroad through an eligible institution (the homeschool) that is located in a state or one of the other regions listed in the previous paragraph is eligible to receive funds as long as she is enrolled at the homeschool and receives credit from it.

TEACH Grant Program

34 CFR 686

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. In exchange for the grant, candidates must agree to serve as full-time teachers at certain schools and within certain high-need fields for at least four academic years within eight years of completing the course of study for which a grant was received. If a grant recipient does not carry out that obligation, the TEACH grant funds he received convert to a Direct unsubsidized loan that must be repaid with interest.

Amounts of grant funds available

A full-time teacher candidate may receive one scheduled award of \$4,000 each year for four years, or a total of \$16,000, for her *first* (those after the first are not eligible) baccalaureate and postbaccalaureate programs combined. A graduate student may receive a total of 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 her to complete her program. A TEACH grant in combination with other assistance the student receives cannot exceed the cost of attendance; if it does, her aid package must be reduced.

Receiving a TEACH grant

To qualify for a TEACH Grant, a student fills out not only a FAFSA but 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, 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 later 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 above 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:

- Serve as a full-time teacher for a total of at least four academic years within eight calendar years of completing or ceasing to be enrolled in the course of study for which the TEACH grant was received;

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 an LEA, and appearing on the Department’s annual Teacher Shortage Area Nationwide Listing.

Numeric equivalent—See the discussion under “Schools without a traditional GPA” at the end of Chapter 6. The same principles apply here, except the requisite GPA for TEACH grants is 3.25, not 3.0.

Post-baccalaureate program—a program for those who have completed a bachelor’s degree and 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 Title IV.

Scheduled award—the maximum amount of a TEACH grant that a full-time student could receive for a year.

School serving low-income students

(low-income school)—an elementary or secondary school that

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),
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, and
3. is listed in the Department’s annual Teacher Cancellation Low Income Directory; see www.tcli.ed.gov.

TEACH grant-eligible program

This is an eligible program as defined in 34 CFR 668.8 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 post-baccalaureate 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.

- Teach at a school serving low-income students (see the definition in the margin);
- Comply with the requirements for being a high-quality teacher as defined in Section 9101(23) of the Elementary and Secondary Education Act or Section 602(10) of the Individuals with Disabilities Education Act;
- Teach (in the majority of classes) in a high-need field (see the definition in the margin), which includes subjects on the nationwide shortage area list at <http://www.ed.gov/about/offices/list/ope/pol/tsa.doc> that is updated each year by the Department;
- Upon completion of each year of service, provide certification of that from a chief administrative officer of the school; and
- If she fails or refuses to carry out her service obligation in the time noted above, repay as an unsubsidized Direct loan the total amount of the TEACH grants received, with interest accrued as of the date of disbursement of each grant.

A person must complete a service obligation for each program of study for which he receives TEACH grants. This obligation begins when his 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. He could receive a suspension for the first obligation because he is enrolled in the master's program. Once that is done, four years of teaching would apply to both service obligations. However, if he completed his service after finishing the bachelor's program and then enrolled in the master's program, he would later need to complete another four-year service obligation.

For a person to satisfy the service obligation, the high-need field she teaches in must appear under her state on the above nationwide list when she begins teaching. The HEOA added the provision that if a student acquired a degree or expertise in a field that was designated as high-need when she applied for the TEACH grant but is no longer so designated, the student can still fulfill the service obligation by teaching in that field.