



FOR IMMEDIATE RELEASE

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NEWS RELEASE

PHEAA urges TEACH Grant recipients to take advantage of Program changes that could save them thousands of dollars

Relief opportunity for teachers who have had federal TEACH grants converted to loans

FOR IMMEDIATE RELEASE: Harrisburg, PA (January 28, 2019) – PHEAA is encouraging federal TEACH Grant recipients who have had their grants converted to loans during the annual certification process to contact PHEAA's FedLoan Servicing operation beginning February 1, 2019 to initiate a recertification request. This announcement follows the U.S. Department of Education's recent decision to reconsider instances when these grants have been converted to loans.

The federal TEACH Grant Program was created in 2008 to encourage teachers to accept difficult-to-fill positions in high-demand subject areas - such as math and science - in financially disadvantaged school districts. The Program provides grants of up to \$4,000 a year to students who are completing or plan to complete course work needed to begin a teaching career.

As part of the Program, TEACH Grant recipients commit to meeting certain requirements, including a teaching service obligation and an annual certification requirement. If a TEACH Grant recipient fails to meet those requirements - for example, by failing to submit the annual certification required by the Program - the recipient's TEACH grant converts to a federal student loan, which must be repaid.

PHEAA administers the federal TEACH Grant Program for the U.S. Department of Education through its FedLoan Servicing operation. The Agency is required to administer the Program according to federal Program rules. As a public service organization, PHEAA is also an advocate for borrowers, consistently working with the Department over the years to suggest changes that could simplify TEACH and other programs.

As the Program administrator, PHEAA has been required by U.S. Department of Education guidelines to convert certain TEACH Grant recipients' grants to loans. While some grant-to-loan conversions were caused by TEACH Grant recipients' failure to meet the teaching service requirements of the Program, other conversions occurred because recipients who were fulfilling their teaching service obligation failed to properly complete the annual certification process.

On December 10, 2018, the U.S. Department of Education announced changes to the TEACH Grant Program, including a reconsideration process through which TEACH Grant recipients can request reconsideration of certain grant-to-loan conversions. Recipients eligible for the reconsideration process are individuals who met or are meeting the Program's teaching service requirements, but who had their grants converted to loans because they did not comply with the annual certification requirement.

(more)

Teachers interested in being considered for recertification must contact FedLoan Servicing beginning on February 1, 2019 to initiate a reconsideration request.

If a recipient's request is approved, the U.S. Department of Education will convert the recipient's loan back to a TEACH Grant status, erase the recipient's loan debt, and refund any loan payments that have been made.

"We applaud the Department for making changes that realign the TEACH Grant with its original intent of helping teachers who are committed to serving our most disadvantaged students," said Pennsylvania State Representative Mike Peifer, the PHEAA Board Chairman. "Making forward-thinking changes that also returns any money that had been paid on loans demonstrates that the Department is not only listening, but is genuinely committed to improving the lives of participants."

"While teachers must still prove that they've met employment requirements, it no longer matters if their annual certification was previously submitted late or was incomplete", said Pennsylvania State Senator Wayne D. Fontana, the PHEAA Board Vice Chairman. "If a teacher can now document employment in a high-need subject at a low-income school they will get full credit for those years, have their debt erased, and receive a full refund on any loan payments. That's a great resolution for teachers who deserve the full benefits of the TEACH Grant Program."

Additional changes to TEACH Grant rules include a single standardized annual certification date, October 31, for all TEACH recipients. This change will further simplify the annual certification process beginning in 2019 by having one certification date for all recipients.

TEACH Grant recipients who believe they may be eligible for recertification should contact FedLoan Servicing at 1-800-699-2908.

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About PHEAA

Created in 1963 by the Pennsylvania General Assembly, the Pennsylvania Higher Education Assistance Agency (PHEAA) has evolved into one of the nation's leading student aid organizations. Today, PHEAA is a national provider of student financial aid services, serving millions of students and thousands of schools through its loan guaranty, loan servicing, financial aid processing, outreach and other student aid programs.

PHEAA's earnings are used to support its public service mission and to pay its operating costs, including administration of the Pennsylvania State Grant and other state-funded student aid programs. PHEAA continues to devote its energy, resources and imagination to developing innovative ways to ease the financial burden of higher education for students, families, schools and taxpayers.

PHEAA conducts its student loan servicing activities nationally as FedLoan Servicing and American Education Services (AES). For more information, visit www.pheaa.org.