

**Teacher Education Assistance for College and Higher Education Grant Program**

**AGREEMENT TO SERVE**  
**[VARIABLE FIELD FOR AWARD YEAR]**

**Warning:** Any person who knowingly makes a false statement or misrepresentation on this form will be subject to penalties which may include fines, imprisonment, or both, under the U.S. Criminal Code and 20 U.S.C. 1097.

This is an Agreement to Serve (Agreement) for the Teacher Education Assistance for College and Higher Education Grant Program (TEACH Grant Program). You must sign an Agreement each year before receiving a TEACH Grant. By signing the Agreement at the end of Section F, you promise to meet the teaching service requirements of the TEACH Grant Program as described in this Agreement, and to repay, with interest, the full amount of any TEACH Grant as a Direct Unsubsidized Loan if you do not meet those requirements.

**Note about terms used throughout this Agreement:**

- “The Department” means the U.S. Department of Education.
- “Institution” means the institution of higher education that awarded you a TEACH Grant.
- A “loan servicer” is a contractor that works on behalf of the Department to handle billing and other communications related to federal student loans held by the Department. If your TEACH Grant is converted to a Direct Unsubsidized Loan, your loan will be assigned to one of the Department’s loan servicers. Your loan servicer may or may not be the same as your TEACH Grant servicer.
- “School” means the elementary school, secondary school, or educational service agency where you complete your required teaching service.
- “School year” means an elementary or secondary school academic year.
- “TEACH Grant servicer” is the contractor that works on behalf of the Department to communicate with you regarding your TEACH Grant service obligation, monitor your progress toward completing your service obligation, process requests for suspension of the service obligation period, and handle other administrative matters related to your service obligation.

**SECTION A: TEACH GRANT RECIPIENT INFORMATION**

1. Driver’s License State and Number
2. Social Security Number
3. E-Mail Address (optional)
4. Name and Address
5. Date of Birth
6. Area Code/Telephone Number

7. References: List two persons with different U.S. addresses who have known you for at least three years. The first reference should be a parent or legal guardian.

## SECTION B: INSTITUTIONAL INFORMATION

8. Institution Name and Address

9. Institution Code/Branch

10. Identification Number

## SECTION C: TEACH GRANT PROGRAM TERMS AND CONDITIONS

The following terms and conditions apply to any TEACH Grant funds I receive for the [VARIABLE FIELD] award year (July 1, [VARIABLE FIELD] through June 30, [VARIABLE FIELD]):

### 1. SERVICE OBLIGATION

#### *Overview*

For each academic program for which I receive TEACH Grant funds, I must fulfill a service obligation by teaching full time for a total of at least four school years within eight years after I complete or otherwise cease to be enrolled in the program for which I receive the TEACH Grant. To be considered a full-time teacher, I must meet the standard used by the State where I teach in defining full-time employment as a teacher. I must meet the requirements for a highly qualified teacher as defined in section 9101(23) of the Elementary and Secondary Education Act of 1965, as amended, or if I am a special education teacher, as defined in section 602(10) of the Individuals with Disabilities Education Act, and must teach:

- At a **low-income school or educational service agency**, as defined below; and
- In a **high-need field**, as defined below, in more than half of the classes that I teach during each school year.

#### *Eligible Schools*

For purposes of the TEACH Grant Program, a **low-income school or educational service agency** is a public or private elementary or secondary school or educational service agency that:

- Is in the school district of a local educational agency that is eligible for assistance under title I of the Elementary and Secondary Education Act; and
- Has been determined by the Department to be a school or educational service agency in which more than 30 percent of the school's or educational service agency's total enrollment is made up of children who qualify for services provided under title I of the Elementary and Secondary Education Act.

An **educational service agency** (ESA) is a regional, public multiservice agency (not a private organization) authorized by state statute to develop, manage, and provide services or programs to local educational agencies (such as public school districts), as defined in section 9101 of the Elementary and Secondary Education Act of 1965, as amended.

A list of low-income schools and ESAs is provided in the Department's [Annual Directory of Designated Low-Income Schools for Teacher Cancellation Benefits](#).

All elementary and secondary schools operated by the U.S. Department of the Interior's Bureau of Indian Education (BIE) or operated on Indian reservations by Indian tribal groups under contract or grant with the BIE qualify as low-income schools. A list of these schools is available in the [BIE Directory](#).

If the school or ESA where I teach meets the requirements of a low-income school or ESA during all or a part of a school year of my required four school years of teaching, but does not meet those requirements in subsequent school years, those subsequent years of teaching at that school or ESA will still qualify for purposes of satisfying my TEACH Grant service obligation.

#### *High-Need Fields*

For purposes of the TEACH Grant Program, **high-need fields** are:

- Mathematics,
- Science,
- Foreign language,
- Bilingual education,
- English language acquisition,
- Special education,
- Reading specialist, or
- Another high-need field listed in the [Teacher Shortage Area Nationwide Listing \(Nationwide List\)](#) that is issued annually by the Department.

In order to satisfy my service obligation by teaching in another high-need field listed in the Nationwide List, that field must be listed in the Nationwide List for the state in which I am teaching:

- At the time I begin teaching in that field after I have completed or otherwise ceased to be enrolled in the program for which I received the TEACH Grant, even if that field is subsequently removed from the Nationwide List; or
- During any award year in which I receive a TEACH Grant, even if that field is no longer designated as high-need when I begin teaching.

Teaching in a geographic region of a state or in a specific grade level not associated with a high-need field of a state that is designated in the Nationwide List does not satisfy the requirements of my TEACH Grant service obligation.

#### *Service Obligation Period*

I must complete the four-year service obligation for each academic program for which I received TEACH Grant funds.

Each service obligation begins when:

- I complete the academic program for which I received TEACH Grant funds; or
- I am no longer enrolled in the academic program for which I received TEACH Grant funds (for example, because I have withdrawn from the institution where I received my TEACH Grant or I have enrolled in a different academic program for which I am no longer eligible to receive a TEACH Grant).

If I receive a TEACH Grant for one academic program and later receive a TEACH Grant for a subsequent program, any qualifying teaching service that I perform before completion of the second program may only be applied toward fulfillment of my service obligation for the first program. However, if I receive TEACH Grant funds for enrollment in a subsequent program before completing my service obligation for an earlier program, qualifying teaching service that I perform following the completion of the subsequent program may be applied toward my service obligation for both programs. The following examples illustrate the service obligation requirements described in this paragraph:

*Example 1.* I complete an academic program for which I received a TEACH Grant and immediately enroll in another academic program for which I will receive a TEACH Grant, before I begin teaching. I request and receive a suspension of the eight-year period for completing my service obligation for the first program (see Item 3 of this section) while I am enrolled in the second program. After completing the second program, I must complete four years of qualifying teaching service that will fulfill my service obligation for each program.

*Example 2.* I complete an academic program for which I received a TEACH Grant and begin qualifying teaching service to satisfy my service obligation. After completing one year of qualifying teaching service, I stop teaching and enroll in a second academic program for which I will receive a TEACH Grant. I request and receive a suspension of the eight-year period for completing my service obligation for the first program while I am enrolled in the second program. After completing the second program, I must complete four years of qualifying teaching service that will fulfill my service obligation for the second program and will concurrently fulfill the remaining three years of my service obligation for the first program.

*Example 3.* I complete an academic program for which I received a TEACH Grant and begin qualifying teaching service to satisfy my service obligation. After teaching for one year, I enroll in a second academic program for which I receive a TEACH Grant. I am enrolled in the second program for two years, and during that period I continue to teach full time. After completing the second program, I must complete four years of qualifying teaching service that will fulfill my service obligation for the second program and will concurrently fulfill the remaining year of my service obligation for the first program. The qualifying teaching service that I perform while enrolled in the second program may only be applied to my service obligation for the first program.

*Example 4.* I complete an academic program for which I received a TEACH Grant and then fully satisfy my four-year service obligation for that program. I later enroll in another program for which I receive a TEACH Grant. After completing the second program, I must complete four years of qualifying service to fulfill my service obligation for the second program. No portion of the qualifying service that I completed for the first program may be applied to my service obligation for the second program.

## **2. DOCUMENTATION OF SERVICE OBLIGATION**

### *Initial Certification*

Unless I receive a suspension of the eight-year period for completing my service obligation in accordance with Item 3 of this section, or my service obligation is discharged in accordance with Item 5 of this section, I must confirm to my TEACH Grant servicer in writing within 120 days after I have completed or otherwise ceased to be enrolled in a program for which I received a TEACH Grant that:

- I am employed as a full-time teacher in accordance with the terms and conditions described above in Item 1 of this section; or
- I am not yet employed as a full-time teacher, but I intend to meet the terms and conditions of my service obligation as described above in Item 1 of this section;

### *Annual Certification*

Every year, after I have completed each one of my four required school years of full-time teaching service as described above in Item 1 of this section, I must provide my TEACH Grant servicer with documentation of that service on a form that will be available from my TEACH Grant servicer. This form must be certified by the chief administrative officer of the school or ESA where I am teaching, and must confirm that for the specified year:

- I was a highly-qualified teacher, as defined above in Item 1 of this section;
- I taught in a low-income school or ESA, as defined above in Item 1 of this section; and
- More than half of the classes that I taught during the period being certified were in a high-need field, as defined above in Item 1 of this section.

### *Completing Less Than a Full Year of Service*

If I do not complete a full school year of qualifying teaching service, but I complete at least one-half of a school year, the half-year of teaching will be counted as one of my four required years of teaching service only if my employer considers me to have fulfilled my contract requirements for the school year for purposes of salary increases, tenure, and retirement because I was unable to complete a full school year of teaching due to:

- A condition covered under the Family and Medical Leave Act of 1993 (FMLA) (29 U.S.C. 2601 *et seq.*) that is listed in 29 CFR 825.112; or
- A call or order to active duty status for more than 30 days as a member of a reserve component of the Armed Forces named in 10 U.S.C. 10101 or service as a member of

the National Guard on full-time National Guard duty, as defined in 10 U.S.C. 101(d)(5), under a call to active service in connection with a war, military operation, or a national emergency. The reserve components of the Armed Forces named in 10 U.S.C. 10101 are the following: the Army National Guard of the United States, the Army Reserve, the Navy Reserve, the Marine Corps Reserve, the Air National Guard of the United States, the Air Force Reserve, and the Coast Guard Reserve.

#### *Multiple Employers*

If I teach at more than one qualifying school or ESA during a school year, that year of teaching will count as one of my required four school years of teaching service if I provide my TEACH Grant servicer with a certification from one or more of the chief administrative officers of the schools or ESAs involved that the combined teaching is the equivalent of one school year of full-time employment, and if more than half of the classes that I taught were in one or more of the high-need fields as defined above in Item 1 of this section.

### **3. TEMPORARY SUSPENSION OF PERIOD FOR COMPLETING SERVICE OBLIGATION**

#### *Suspension Conditions*

If I have completed or otherwise ceased to be enrolled in an academic program for which I received a TEACH Grant, I may request a suspension of the eight-year period for completing my service obligation based on:

- My enrollment in a program of study for which I would be eligible to receive a TEACH Grant, or my enrollment in a program (including an alternative teacher certification program) that has been determined by a state to satisfy the requirements for certification or licensure to teach in the state's elementary or secondary schools;
- A condition covered under the FMLA that is listed in 29 CFR 825.112; or
- Being called or ordered to active duty status for more than 30 days as a member of a reserve component of the Armed Forces named in 10 U.S.C. 10101 (as listed above in Item 2 of this section), or service as a member of the National Guard on full-time National Guard duty, as defined in 10 U.S.C. 101(d)(5), under a call to active service in connection with a war, military operation, or a national emergency.

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

#### *Maximum Suspension Period*

I may receive a suspension of the eight-year period for completing my service obligation under the conditions described above under "Suspension Overview" for periods of one year at a time.

- If I receive suspensions based on my enrollment in certain programs of study or a condition covered by the FMLA, as described above, these periods may not exceed a combined total of three years.
- If I receive a suspension based on a call or order to active duty status, as described above, the periods of suspension may not exceed a total of three years. However, if my

active duty status exceeds three years, I may be eligible for a discharge of all or a portion of my service obligation, as described under “Conditions for Discharge” in Item 5.

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

#### *Requesting a Suspension*

I, or my personal representative in the case of a suspension based on a call or order to active duty status, must submit a suspension request to my TEACH Grant servicer, on a form approved by the Department, before I am subject to any of the conditions that would cause my TEACH Grant to be converted to a Direct Unsubsidized Loan, as described below in Item 4 of this section. If I do not request a suspension before I am subject to one of the conditions described in Item 4 of this section, my TEACH Grant will be converted to a Direct Unsubsidized Loan.

#### **4. REQUIREMENT TO REPAY FOR FAILURE TO COMPLETE SERVICE OBLIGATION OR TO MEET OTHER TEACH GRANT REQUIREMENTS**

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

Any TEACH Grant that I received will be converted to a Direct Unsubsidized Loan that I must repay in full, with interest, to the Department under any of the following conditions:

- I request that a TEACH Grant I received be converted to a Direct Unsubsidized Loan because I have decided not to teach or have decided not to teach in a qualified school or field, or for any other reason.
- I cease enrollment at the institution where I received a TEACH Grant before completing the program for which I received the TEACH Grant, and within 120 days after I cease enrollment I do not notify my TEACH Grant servicer that:
  - I am employed as a full-time teacher in accordance with the terms and conditions described in Item 1 of this section; or
  - I am not yet employed as a full-time teacher as described above, but I intend to meet the terms and conditions of my service obligation as described in Item 1 of this section.
- I cease enrollment at the institution where I received a TEACH Grant before completing the program for which I received the TEACH Grant, and within one year after I cease enrollment:
  - I have not been determined to be eligible for a suspension of the eight-year period for completing my service obligation under one of the conditions described above under “Suspension Overview” in Item 3 of this section;

- o I have not reenrolled in a program for which I would be eligible to receive a TEACH Grant; or
- o I have not begun qualifying teaching service as described above in Item 1 of this section.
- I complete the academic program for which I received a TEACH Grant, but I do not actively confirm to my TEACH Grant servicer at least once each year that I intend to satisfy my service obligation.
- I complete the academic program for which I received a TEACH Grant, but I do not begin or do not maintain qualifying employment within a timeframe that would allow me to complete my service obligation within the eight-year period described in Item 1 of this section.

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

If a TEACH Grant that I receive is converted to a Direct Unsubsidized Loan, I will be responsible for repaying the full amount of the TEACH Grant, with interest. Interest will be charged from the date of each TEACH Grant disbursement. If a TEACH Grant is converted to a Direct Unsubsidized Loan, I will receive a six-month grace period that begins on the day after the grant is converted to a loan. I am not required to make payments on the Direct Unsubsidized Loan during this six-month grace period, but interest will continue to accrue. The repayment period on the loan begins on the day after the six-month grace period ends.

Any TEACH Grant that is converted to a Direct Unsubsidized Loan will be subject to the terms and conditions that apply to a Direct Unsubsidized Loan under applicable laws and regulations, including the terms and conditions described in Section D of this Agreement, and will be reported to national consumer reporting agencies as explained in Section D, Item 15.

A TEACH Grant that has been converted to a Direct Unsubsidized Loan cannot be reconverted to a TEACH Grant.

**5. DISCHARGE OF A TEACH GRANT SERVICE OBLIGATION**

*Conditions for Discharge*

The Department will fully discharge my service obligation under the following conditions:

- The Department receives acceptable documentation of my death; or
- The Department determines that I am totally and permanently disabled, as defined in regulations at 34 CFR 685.102(b), and I meet certain additional requirements.

The Department will grant a proportional discharge of my service obligation if I have received the maximum three-year suspension based on military service as described under “Maximum Suspension Period” in Item 3, and I am subject to an extended call or order to active duty status as a member of the **Armed Forces** of the United States. For the purposes of a military service discharge, the **Armed Forces** means the Army, Navy, Air Force, Marine Corps, and the Coast Guard. In such cases, the Department will grant a proportional discharge of my service obligation as follows:



- A discharge of one year of my four-year service obligation if the call or order to active duty status is for more than three years;
- A discharge of two years of my four-year service obligation if the call or order to active duty status is for more than four years;
- A discharge of three years of my four-year service obligation if the call or order to active duty is for more than five years; or
- A total discharge of my four-year service obligation if the call or order to active duty status is for more than six years.

*Example:* I request and receive three separate one-year suspensions due to my qualifying active duty military service. I am then subject to an extended call to active duty for one additional year. I have used up my maximum three years of eligibility for suspension based on military service, but I may request and receive a discharge of one year of my service obligation based on my extended call to active duty for a period of more than three years. I must now complete only three years of qualifying teaching service to satisfy my service obligation.

#### *Applying for Discharge*

For a discharge based on my death, a family member must contact my TEACH Grant servicer and provide acceptable documentation of my death.

To request a discharge based on my total and permanent disability, I must complete an application that is available from the Department. My TEACH Grant servicer can tell me how to obtain this application.

To apply for a discharge based on military service, I, or my personal representative, must submit a written discharge request to my TEACH Grant servicer and must provide the servicer with:

- A written statement from my commanding or personnel officer certifying:
  - That I am on active duty in the Armed Forces of the United States;
  - The date on which my service began; and
  - The date on which my service is expected to end; or
- A copy of my official military orders and a copy of my military identification.

If the Department discharges my service obligation under one of the three conditions described above, the TEACH Grant funds will not be converted to a Direct Unsubsidized Loan, and I will not be required to repay those funds. However, if my service obligation is only partially discharged due to my active duty status, I will remain responsible for satisfying the remaining portion of my service obligation that is not discharged.

## **6. CANCELLATION OF A TEACH GRANT**

I may cancel all or part of a TEACH Grant by notifying the institution within 14 days after the date the institution notifies me of my right to cancel all or part of the TEACH Grant, or by the

first day of the payment period, whichever is later (the institution can tell me the first day of the payment period). If I notify the institution that I want to cancel all or a portion of a TEACH Grant within this timeframe, the institution must return the TEACH Grant funds to the Department.

If I notify the institution that I want to cancel all or a portion of a TEACH Grant outside of the timeframe described above, but within 120 days of the TEACH Grant disbursement date, the institution may return the TEACH Grant funds to the Department, but is not required to do so. If the institution declines to do so, I may request that the Department convert the TEACH Grant to a Direct Unsubsidized Loan that I may then repay.

Any TEACH Grant funds that the institution returns to the Department based on my request will not be converted to a Direct Unsubsidized Loan.

<b>SECTION D: TERMS AND CONDITIONS AND BORROWER'S RIGHTS AND RESPONSIBILITIES FOR TEACH GRANTS THAT ARE CONVERTED TO DIRECT UNSUBSIDIZED LOANS</b>
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**Important Notice:** This section of the Agreement provides important information about the terms and conditions of any TEACH Grants you receive that are converted to Direct Unsubsidized Loans. Throughout this section, the word “loan” refers to any TEACH Grant you received that is converted to a Direct Unsubsidized Loan. The words “we,” “us,” and “our” refer to the Department.

### **1. The William D. Ford Federal Direct Loan Program.**

The William D. Ford Federal Direct Loan Program (Direct Loan Program) is authorized by Title IV, Part D, of the Higher Education Act of 1965, as amended (HEA), 20 U.S.C. 1070 *et seq.* Loans made under the Direct Loan Program are known as “Direct Loans.”

Direct loans are made by the U.S. Department of Education. We contract with loan servicers to process Direct Loan payments, deferment and forbearance requests, and other transactions, and to answer questions about Direct Loans. If a TEACH Grant that you received is converted to a Direct Unsubsidized Loan (also known as a “Federal Direct Unsubsidized Stafford/Ford Loan”), your TEACH Grant servicer will provide you with the address and telephone number of your loan servicer.

### **2. Laws that apply to TEACH Grants that are converted to Direct Unsubsidized Loans.**

The terms and conditions of any TEACH Grant that is converted to a Direct Unsubsidized Loan are determined by the HEA and other applicable federal laws and regulations. These laws and regulations are referred to as “the Act” throughout this section of the Agreement. Under applicable state law, except as preempted by federal law, you may have certain borrower rights, remedies, and defenses in addition to those stated in this Agreement.

NOTE: Any amendment to the Act that affects the terms of this Agreement will be applied to your loans in accordance with the effective date of the amendment.

### **3. Disclosure of loan terms for TEACH Grants that are converted to Direct Unsubsidized Loans.**

The terms described in this section apply to TEACH Grants that are converted to Direct Unsubsidized Loans under the conditions described in Section C, Item 4. Under this Agreement,

the principal amount that you owe, and are required to repay, will be the sum of all TEACH Grants you receive that are converted to Direct Unsubsidized Loans, plus any unpaid interest that is capitalized and added to the principal balance.

Any disclosure statement that we send to you in connection with any TEACH Grant you receive under this Agreement, or in connection with any TEACH Grant that is converted to a Direct Unsubsidized Loan, are hereby incorporated into this Agreement.

#### **4. Legal notices.**

Any notice required to be given to you will be effective if it is sent by first class mail to the most recent address that we have for you, by electronic means to an address you have provided, or by any other method of notification that is permitted or required by applicable statute and regulation. You must immediately notify your loan servicer of a change in your contact information or status as specified below in Item 5.

If the Department does not enforce or insist on compliance with any term of Agreement, this does not waive any right of the Department. No provision of this Agreement may be modified or waived except in writing by the Department. If any provision of this Agreement is determined to be unenforceable, the remaining provisions will remain in force.

Information about any TEACH Grant you receive that is converted to a Direct Unsubsidized Loan will be reported to the National Student Loan Data System (NSLDS), the Department's central database for student aid. NSLDS contains information about all of the student loans and other financial aid you have received through the Department's federal student aid programs. Information in NSLDS is accessible to schools, lenders, and guarantors for specific purposes as authorized by the Department.

#### **5. Information you must report to us.**

You must notify your loan servicer if any of the following events occur at any time after a TEACH Grant that you received is converted to a Direct Unsubsidized Loan:

- You change your address or telephone number;
- You change your name (for example, maiden name to married name);
- You change your employer, or your employer's address or telephone number changes; or
- You have any other change in status that would affect your loan (for example, if you receive a deferment while you are unemployed, but you find a job and therefore no longer meet the eligibility requirements for the deferment).

#### **6. Effect of TEACH Grants that are converted to Direct Unsubsidized Loans on annual and aggregate loan limits.**

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

#### **7. Interest rate.**

The interest rate on a Direct Unsubsidized Loan is a fixed rate that is calculated in accordance with a formula specified in the Act. The interest rate is calculated each year. When the rate is calculated, it applies to all Direct Unsubsidized Loans for which the first disbursement is made during the period beginning on July 1 of one year and ending on June 30 of the following year. Different Direct Unsubsidized Loans made to the same borrower may have different interest rates, depending on when the loan is first disbursed and whether the borrower is an undergraduate student or a graduate or professional student. The maximum interest rate for Direct Unsubsidized Loans made to undergraduate students is 8.25%. The maximum interest rate for Direct Unsubsidized Loans made to graduate or professional students is 9.5%.

If a TEACH Grant that you received as an undergraduate student is converted to a Direct Unsubsidized Loan, the interest rate that will apply after the conversion will be the interest rate that was in effect for Direct Unsubsidized Loans made to undergraduate students on the date the TEACH Grant was first disbursed.

If a TEACH Grant that you received as a graduate or professional student is converted to a Direct Unsubsidized Loan, the interest rate that will apply after the conversion will be the interest rate that was in effect for Direct Unsubsidized Loans made to graduate or professional students on the date the TEACH Grant was first disbursed.

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

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

## **8. Payment of interest.**

### *General*

Except as explained below under *No accrual of interest benefit for active duty service members*, you must pay the interest that accrues on a TEACH Grant that is converted to a Direct Unsubsidized Loan during all periods (starting on the date of the first disbursement of the TEACH Grant), including deferment and forbearance periods. By signing this Agreement, you agree to pay all interest that is charged to you during the period beginning on the date of the first TEACH Grant disbursement and continuing until the loan is repaid.

### *No accrual of interest benefit for active duty service members*

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

### *Interest capitalization*

At the time a TEACH Grant is converted to a Direct Unsubsidized Loan, you will be given the opportunity to pay the interest that accrued from the date of the first disbursement of the TEACH Grant. If you do not pay this interest, it will be added to the principal balance of the loan on the date the loan enters repayment (see Item 10 of this section, “Grace period and repayment of your loan”). This is called “capitalization.” Capitalization increases the unpaid principal balance of your loan, and interest then accrues on the increased principal balance.

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

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

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

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

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

## **9. Repayment incentive programs.**

A repayment incentive is a benefit that we offer to encourage you to repay your loan on time. The repayment incentive program described below may be available to you.

### *Interest Rate Reduction for Automatic Withdrawal of Payments*

Under the automatic withdrawal option, your loan servicer electronically transfers your monthly loan payment from your checking or savings account to your student loan account. Automatic withdrawal helps to ensure that your payments are made on time. In addition, you receive a 0.25% interest rate reduction while you repay under the automatic withdrawal option. Your loan servicer will provide you with information about the automatic withdrawal option. You can also get the information on your loan servicer's web site, or by calling your loan servicer. Your loan servicer's web site address and toll-free telephone number are provided on correspondence that your loan servicer sends you.

## **10. Grace period and repayment of your loan.**

### *General*

If a TEACH Grant that you received is converted to a Direct Unsubsidized Loan under one of the conditions described in Section C, Item 4, you will receive a 6-month grace period on repayment beginning on the day after the grant is converted to a loan. You must repay the loan in monthly installments during a repayment period that begins on the day after the end of the 6-month grace period. Your loan servicer will notify you of the date your first payment is due, and will provide you with a repayment schedule that identifies your payment amounts and due dates. You must repay the full amount of any TEACH Grant that is converted to a Direct Unsubsidized Loan, plus accrued interest from the date of the first disbursement of the TEACH Grant.

You must make payments on your loan even if you do not receive a bill or repayment notice.

You must repay all of your Direct Loans under the same repayment plan, unless you want to repay your loans under the IBR Plan, the Pay As You Earn Plan, or the ICR Plan (see below) and you have other Direct Loans that do not qualify for repayment under those plans. In that case, you may select the IBR, Pay As You Earn, or ICR plan for the loans that are eligible for repayment under those plans, and may select a different repayment plan for the loans that may not be repaid under the IBR, Pay As You Earn, or ICR plan.

If you intend to repay your loan but are unable to make your scheduled loan payments, we may grant you a forbearance that allows you to temporarily stop making payments or to temporarily make a smaller payment amount, which extends the time for making payments.

We may adjust payment dates on your loans or may grant you a forbearance to eliminate a delinquency that remains even though you are making scheduled installment payments.

### *Available repayment plans*

Direct Unsubsidized Loans can be repaid under one of the following repayment plans:

- **Standard Repayment Plan** – Under this plan, you will make fixed monthly payments and repay your loan in full within 10 years (not including periods of deferment or forbearance) from the date the loan entered repayment. Your payments must be at least \$50 a month (\$600 a year) and will be more, if necessary, to repay the loan within the required time period.
- **Graduated Repayment Plan** – Under this plan, you will usually make lower payments at first, and your payments will gradually increase over time. You will repay your loan in full within 10 years (not including periods of deferment or forbearance) from the date the loan entered repayment. Your monthly payment must be at least equal to the amount of interest that accrues each month. No single payment will be more than three times greater than any other payment.
- **Extended Repayment Plan** – You are eligible for this plan only if **(1)** you have an outstanding balance on Direct Loan Program loans that exceeds \$30,000, and **(2)** you had no outstanding balance on a Direct Loan Program loan as of October 7, 1998 or on the date you obtained a Direct Loan Program loan after October 7, 1998. Under this plan, you will repay your loan in full over a period not to exceed 25 years (not including periods of deferment or forbearance) from the date the loan entered repayment. You may choose to make fixed monthly payments or graduated monthly payments that start out lower and gradually increase over time. If you make fixed monthly payments, your payments must be at least \$50 a month (\$600 a year) and will be more, if necessary, to repay the loan within the required time period. If you make graduated payments, your monthly payment must be at least equal to the amount of interest that accrues each month. No single payment under the graduated option will be more than three times greater than any other payment.
- **Income-Based Repayment Plan (IBR Plan)** – Under the IBR Plan, your monthly payment amount is generally 15% (10% if you are a new borrower; see Note below) of your annual discretionary income, divided by 12. Discretionary income for this plan is the difference between your adjusted gross income and 150% of the poverty guideline amount for your state of residence and family size. If you are married and file a joint federal income tax return, the income used to determine your IBR Plan payment amount will be the combined adjusted gross income of you and your spouse.

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

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

While you are repaying under the IBR Plan, you must annually provide documentation of your income and certify your family size so that we may determine whether you continue to

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

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

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

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

The Pay As You Earn Plan is available only to new borrowers. You are a new borrower for the Pay As You Earn Plan if:

**(1)** You had no outstanding balance on a Direct Loan Program or FFEL Program loan as of October 1, 2007, or you have no outstanding balance on a Direct Loan Program or FFEL Program loan when you obtain a new loan on or after October 1, 2007, and

**(2)** You receive a disbursement of a Direct Subsidized Loan, Direct Unsubsidized Loan, or student Direct PLUS Loan (a Direct PLUS Loan made to a graduate or professional student) on or after October 1, 2011, or you receive a Direct Consolidation Loan based on an application received on or after October 1, 2011. However, you are not considered to be a new borrower for the Pay As You Earn Plan if the Direct Consolidation Loan you receive repays loans that would make you ineligible under part **(1)** of this definition.

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



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

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

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

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

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

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

#### *Additional repayment plan information*

Under some plans, the number or amount of payments may need to be adjusted to reflect capitalized interest and/or new loans made to you.

If you can show to our satisfaction that the terms and conditions of the above repayment plans are not adequate to meet your exceptional circumstances, we may provide you with an alternative repayment plan.

If you do not choose a repayment plan, your loan servicer will place you on the Standard Repayment Plan.

You can use the Repayment Estimator at <http://www.studentaid.gov/Repayment-Estimator> to estimate your monthly and total payment amounts under the different repayment plans and to evaluate your eligibility for the IBR and Pay As You Earn plans. The Repayment Estimator is for informational purposes only. Your loan servicer will make the official determination of your payment amount and, for the IBR and Pay As You Earn plans, your eligibility for the plan.

You may change repayment plans at any time after you have begun repaying your loan. However, you may not change to a different repayment plan that has a maximum repayment period of less than the number of years your loan has already been in repayment, except that you may change to the IBR Plan, the Pay As You Earn Plan, or the ICR Plan at any time. There is no penalty if you make loan payments before they are due, or pay more than the amount due each month (prepayments).

Payments you make under any repayment plan other than the IBR Plan and the Pay As You Earn Plan are applied in the following order: **(1)** late charges and collection costs, **(2)** outstanding interest, and **(3)** outstanding principal.

Payments you make under the IBR Plan or the Pay As You Earn Plan are applied in the following order: **(1)** outstanding interest, **(2)** late charges and collection costs, and **(3)** outstanding principal.

Any prepayments are applied in accordance with the Act. Your loan servicer can provide more information about how prepayments are applied.

When you have repaid a loan in full, your loan servicer will send you a notice telling you that you have paid off your loan. You should keep this notice in a safe place.

#### **11. Transfer of loan.**

We may transfer the servicing of one or all of your loans to another loan servicer without your consent. If there is a change in the address to which you must send payments or direct communications, we will notify you of the new loan servicer's name, address and telephone number, the effective date of the transfer, and the date when you must begin sending payments or directing communications to that servicer. Transfer of a loan to a different loan servicer does not affect your rights and responsibilities under that loan.

#### **12. Late charges and collection costs.**

If you do not make a payment on a loan when it is due, we may require you to pay reasonable collection costs, including but not limited to attorney fees, court costs, and other fees.

You may be required to pay **(1)** a late charge of not more than six cents for each dollar of each late payment if you fail to make any part of a required installment payment within 30 days after it becomes due, and **(2)** any other charges and fees that are permitted by the Act related to the collection of your loan. If you default on a loan, you will be required to pay reasonable collection costs, plus court costs and attorney fees.

#### **13. Demand for immediate repayment.**

The entire unpaid amount of your loan becomes due and payable (this is called "acceleration") if you default on your loan.

#### **14. Defaulting on your loan.**

You will be considered to be in default on your loan if **(1)** you do not make installment payments when due, provided that your failure to make payments has persisted for at least 270 days; or **(2)** you do not comply with other terms of the loan, and we reasonably conclude that you no longer intend to honor your repayment obligation. If you default, we may capitalize all the outstanding interest into a new principal balance, and collection costs will become immediately due and payable.

If you default, the default will be reported to national consumer reporting agencies (see Item 15, "Consumer reporting agency notification"). This will harm your credit history and may make it difficult for you to obtain credit cards, home or car loans, or other forms of consumer credit. A default will have additional adverse consequences as described below.

If you default:

- We will require you to immediately repay the entire unpaid amount of your loan.
- We may sue you, take all or part of your federal and state tax refunds and other federal or state payments, and/or garnish your wages so that your employer is required to send us part of your salary to pay off your loan.
- We will require you to pay reasonable collection fees and costs, plus court costs and attorney fees.
- You will lose eligibility for other federal student aid and assistance under most federal benefit programs.
- You will lose eligibility for loan deferments.

#### **15. Consumer reporting agency notification.**

We will report information about your loan to nationwide consumer reporting agencies (commonly known as "credit bureaus"). This information will include the amount and repayment status of your loan (for example, whether you are current or delinquent in making payments). Your loan will be reported as an education loan.

If you default on a loan, we will also report this to nationwide consumer reporting agencies. We will notify you at least 30 days in advance that we plan to report default information to a consumer reporting agency unless you resume making payments on the loan within 30 days of the date of the notice. You will be given a chance to ask for a review of the debt before we report it.

If a consumer reporting agency contacts us regarding objections you have raised about the accuracy or completeness of any information we have reported, we are required to provide the agency with a prompt response.

#### **16. Deferment and forbearance (postponing payments)**

If you meet certain requirements, you may receive a **deferment** that allows you to temporarily stop making payments on your loan. If you cannot make your scheduled loan payments, but do not qualify for a deferment, we may give you a **forbearance**. A forbearance allows you to temporarily stop making payments on your loan, temporarily make smaller payments, or extend the time for making payments.

### *Deferment*

You may receive a deferment:

- While you are enrolled at least half-time at an eligible postsecondary institution;
- While you are in a full-time course of study in a graduate fellowship program;
- While you are in an approved full-time rehabilitation program for individuals with disabilities;
- While you are unemployed (for a maximum of three years; you must be diligently seeking, but unable to find, full-time employment);
- While you are experiencing an economic hardship (including Peace Corps service), as defined in the Act (for a maximum of three years);
- While you are serving on active duty during a war or other military operation or national emergency or performing qualifying National Guard duty during a war or other military operation or national emergency and, if you were serving on or after October 1, 2007, for an additional 180-day period following the demobilization date for your qualifying service; or
- If you are a member of the National Guard or other reserve component of the U.S. Armed Forces (current or retired) and you are called or ordered to active duty while you are enrolled at least half time at an eligible institution or within 6 months of having been enrolled at least half time, during the 13 months following the conclusion of your active duty, or until you return to enrolled student status on at least a half-time basis, whichever is earlier.

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

You may receive a deferment based on your enrollment in an eligible institution on at least a half-time basis if **(1)** you submit a deferment request form to your loan servicer along with documentation of your eligibility for the deferment, or **(2)** your loan servicer receives information from the institution you are attending that indicates you are enrolled at least half-time. If your loan servicer processes a deferment based on information received from your institution, you will be notified of the deferment and will have the option of canceling the deferment and continuing to make payments on your loan.

For all other deferments, you (or, for a deferment based on active duty military service or qualifying National Guard duty during a war or other military operation or national emergency, a representative acting on your behalf) must submit a deferment request form to your loan

servicer, along with documentation of your eligibility for the deferment. In certain circumstances, you may not be required to provide documentation of your eligibility if your loan servicer confirms that you have been granted the same deferment for the same period of time on a FFEL Program loan. Your loan servicer can provide you with a deferment request form that explains the eligibility and documentation requirements for the type of deferment you are requesting. You may also obtain deferment request forms and information on deferment eligibility requirements from your loan servicer's web site.

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

Except as provided in Item 8 of this section under *No accrual of interest benefit for active duty service members*, we charge interest on a Direct Unsubsidized Loan during a period of deferment. You may pay the interest as it accrues, or allow it to be capitalized at the end of the deferment period (see Item 8 of this section, "Payment of interest").

#### *Forbearance*

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

We will give you a forbearance if:

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

To request a forbearance, contact your loan servicer. Your loan servicer can explain the eligibility and documentation requirements for the type of forbearance you are requesting. You may also obtain information on forbearance eligibility requirements from your loan servicer's web site.

Under certain circumstances, we may also give you a forbearance without requiring you to submit a request or documentation. These circumstances include, but are not limited to, the following:

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

We charge interest on a Direct Unsubsidized Loan during a period of forbearance. You may pay the interest as it accrues, or allow it to be capitalized at the end of the forbearance period (see Item 8 of this section, "Payment of interest").

### **17. Discharge (having your loan forgiven).**

*Loan discharge due to death, bankruptcy, total and permanent disability, school closure, false certification, identity theft, or unpaid refund*

We will discharge (forgive) your loan if:

- You die. Your loan servicer must receive acceptable documentation (as defined in the Act) of your death;
- Your loan is discharged in bankruptcy after you have proven to the bankruptcy court that repaying the loan would cause undue hardship. Direct Loans are not otherwise automatically discharged if you file for bankruptcy; or
- You become totally and permanently disabled (as defined in the Act) and meet certain other requirements.

In certain cases, we may also discharge all or a portion of a TEACH Grant that was converted to a Direct Unsubsidized Loan if:

- You could not complete the program of study for which you received the TEACH Grant because the institution closed;
- Your eligibility for the TEACH Grant was falsely certified as a result of a crime of identity theft; or
- You withdrew from the program for which you received a TEACH Grant and the institution did not pay a refund of the TEACH Grant award that it was required to pay under federal regulations.

#### *Teacher Loan Forgiveness*

Even if you do not meet the requirements of the TEACH Grant Program and your TEACH Grant is converted to a Direct Unsubsidized Loan, we may forgive a portion of that loan if you:

- Teach full time for five consecutive years in certain low-income elementary or secondary schools, or for certain low-income educational service agencies;
- Meet certain other qualifications; and
- If you did not owe a Direct Loan or FFEL program loan as of October 1, 1998, or as of the date you obtain a loan after October 1, 1998.

### *Public Service Loan Forgiveness*

A public service loan forgiveness program is also available. Under this program, we will forgive the remaining balance due on your eligible Direct Loan Program loans after you have made 120 payments on those loans (after October 1, 2007) under certain repayment plans while you are employed full-time in certain public service jobs. The required 120 payments do not have to be consecutive.

### *Additional loan discharge information*

The Act may provide for additional loan forgiveness or repayment benefits on your loans in addition to the benefits described above. If other loan forgiveness or repayment options become available, your loan servicer will provide you with information about these benefits.

For a discharge based on your death, a family member must contact your loan servicer. To request a loan discharge or forgiveness based on one of the conditions described above (except for a discharge due to bankruptcy), you must complete an application. Your loan servicer can tell you how to obtain an application.

In some cases, you may assert, as a defense against collection of a TEACH Grant that was converted to a Direct Unsubsidized Loan, that the institution did something wrong or failed to do something that it should have done. You can make such a defense against repayment only if the institution's act or omission directly relates to the TEACH Grant that the institution awarded or to the educational services that the grant was intended to pay for, and if what the institution did or did not do would give rise to a legal cause of action against the institution under applicable state law. If you believe that you have a defense against repayment of your loan, contact your loan servicer.

We do not guarantee the quality of the academic programs provided by institutions that participate in federal student financial aid programs. If you received a TEACH Grant that was converted to a Direct Unsubsidized Loan, you must repay your loan even if you did not complete the education paid for with the TEACH Grant, are unable to obtain employment in the field of study for which your institution provided training, or are dissatisfied with, or do not receive, the education you paid for with the TEACH Grant.

### **18. Loan consolidation.**

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

### **19. Department of Defense and other federal agency loan repayment.**

Under certain circumstances, military personnel may have their federal education loans repaid by the Secretary of Defense. For more information, contact your local military service recruitment office. This benefit is offered as part of a recruitment program that does not apply to individuals based on their previous military service or to those who are not eligible for

enlistment in the U.S. Armed Forces. For more information, contact your local military service recruitment office.

Other agencies of the federal government may also offer student loan repayment programs as an incentive to recruit and retain employees. Contact the agency's human resources department for more information.

## **20. AmeriCorps program education awards.**

Under the National and Community Service Act of 1990, you may receive an education award that can be used to repay a Direct Subsidized Loan or Direct Unsubsidized Loan if you successfully complete a term of service in an AmeriCorps program. For more information, contact an official of your program.

## **SECTION E: IMPORTANT NOTICES**

### **GRAMM-LEACH-BLILEY ACT NOTICE**

In 1999, Congress enacted the Gramm-Leach-Bliley Act (Public Law 106-102). This Act requires that lenders provide certain information to their customers regarding the collection and use of nonpublic personal information.

If a TEACH Grant that you received is converted to a Direct Unsubsidized Loan, we will disclose nonpublic personal information to third parties only as necessary to process and service your loan and as permitted by the Privacy Act of 1974. See the Privacy Act Notice below. We do not sell or otherwise make available any information about you to any third parties for marketing purposes.

We protect the security and confidentiality of nonpublic personal information by implementing the following policies and practices. All physical access to the sites where nonpublic personal information is maintained is controlled and monitored by security personnel. Our computer systems offer a high degree of resistance to tampering and circumvention. These systems limit data access to our staff and contract staff on a "need-to-know" basis, and control individual users' ability to access and alter records within the systems. All users of these systems are given a unique user ID with personal identifiers. All interactions by individual users with the systems are recorded.

### **PRIVACY ACT NOTICE**

The Privacy Act of 1974 (5 U.S.C. 552a) requires that the following notice be provided to you:

The authorities for collecting the requested information from and about you are §420L *et seq.* and §451 *et seq.* of the Higher Education Act (HEA) of 1965, as amended (20 U.S.C. 1070g *et seq.* and 20 U.S.C. 1087a *et seq.*) and the authorities for collecting and using your social security number (SSN) are §484(a)(4) of the HEA (20 U.S.C. 1091(a)(4)) and §31001(i)(1) of the Debt Collection Improvement Act of 1996 (31 U.S.C. 7701(c)). Participating in the Teacher Education Assistance for College and Higher Education (TEACH) Grant Program and/or the William D. Ford Federal Direct Loan (Direct Loan) Program and giving us your SSN are voluntary, but you must provide the requested information, including your SSN, to participate.



The principal purposes for collecting the information on this form, including your SSN, are to verify your identity, to determine your eligibility to receive a TEACH Grant, and, if a TEACH Grant that you receive is converted to a Direct Unsubsidized Loan, to determine your eligibility to receive a benefit on the loan (such as deferment, forbearance, discharge, or forgiveness), to permit the servicing of your loan(s), and, if it becomes necessary, to locate you and to collect and report on your loan(s) if your loan(s) become delinquent or in default. We also use your SSN as an account identifier and to permit you to access your account information electronically.

The information in your file may be disclosed, on a case-by-case basis or under a computer matching program, to third parties as authorized under routine uses in the appropriate systems of records notices.

The routine uses of the information that we collect about you, if your TEACH Grant has not been converted to a Direct Unsubsidized Loan, include, but are not limited to, its disclosure to federal, state, or local agencies, to institutions of higher education, and to third party servicers to determine your eligibility to receive a TEACH Grant, to investigate possible fraud, and to verify compliance with federal student financial aid program regulations.

In the event of litigation, we may send records to the Department of Justice, a court, adjudicative body, counsel, party, or witness if the disclosure is relevant and necessary to the litigation. If this information, either alone or with other information, indicates a potential violation of law, we may send it to the appropriate authority for action. We may send information to members of Congress if you ask them to help you with federal student aid questions. In circumstances involving employment complaints, grievances, or disciplinary actions, we may disclose relevant records to adjudicate or investigate the issues. If provided for by a collective bargaining agreement, we may disclose records to a labor organization recognized under 5 U.S.C. Chapter 71. Disclosures may be made to our contractors for the purpose of performing any programmatic function that requires disclosure of records. Before making any such disclosure, we will require the contractor to maintain Privacy Act safeguards. Disclosures may also be made to qualified researchers under Privacy Act safeguards.

If your TEACH Grant has been converted to a Direct Unsubsidized Loan, the routine uses of this information also include, but are not limited to, its disclosure to federal, state, or local agencies, to private parties such as relatives, present and former employers, business and personal associates, to creditors, to financial and educational institutions, and to guaranty agencies to verify your identity, to determine your program eligibility and benefits, to permit making, servicing, assigning, collecting, adjusting or discharging your loan(s), to enforce the terms of the loan(s), to investigate possible fraud and to verify compliance with federal student financial aid program regulations, to locate you if you become delinquent in your loan payments or if you default, or to verify whether your debt qualifies for discharge or cancellation. To provide default rate calculations, disclosures may be made to guaranty agencies, to financial and educational institutions, or to federal, state or local agencies. To provide financial aid history information, disclosures may be made to educational institutions. To assist program administrators with tracking refunds and cancellations, disclosures may be made to guaranty agencies, to financial and educational institutions, or to federal or state agencies. To provide a standardized method for educational institutions to efficiently submit student enrollment status, disclosures may be made to guaranty agencies or to financial and educational institutions. To counsel you in repayment efforts, disclosures may be made to guaranty agencies, to financial and educational institutions, or to federal, state, or local agencies.

## FINANCIAL PRIVACY ACT NOTICE

Under the Right to Financial Privacy Act of 1978 (12 U.S.C. 3401-3421), for any TEACH Grant that is converted to a Direct Unsubsidized Loan the Department will have access to financial records in your student loan file maintained in compliance with the administration of the Direct Loan Program.

## PAPERWORK REDUCTION NOTICE

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a currently valid OMB control number. The valid OMB control number for this information collection is 1845-0083. Public reporting burden for this collection of information is estimated to average 30 minutes (0.5 hours) per response, including time for reviewing instructions, searching existing data resources, gathering and maintaining the data needed, and completing and reviewing the collection of information. The obligation to respond to this collection is required to obtain a benefit in accordance with 34 CFR 686.12(a).

**If you have any comments or concerns regarding the status of your individual submission of this Agreement to Serve, write directly to:**

U.S. Department of Education  
Common Origination and Disbursement School Relations Center  
Attn: Applicant Services  
PO Box 9002  
Niagara Falls, NY 14302

## SECTION F: GRANT RECIPIENT'S AGREEMENT TO SERVE, PROMISE TO REPAY FOR FAILURE TO MEET SERVICE OBLIGATION, AND AUTHORIZATIONS

1. For any TEACH Grant I receive for the [VARIABLE FIELD] award year, I agree to fulfill my service obligation as described in Section C of this Agreement, and to comply with all other terms and conditions of the TEACH Grant Program as described in this Agreement.
2. For any TEACH Grant I receive for the [VARIABLE FIELD] award year that is converted to a Direct Unsubsidized Loan under one of the conditions described in Section C, Item 4 of this Agreement:
  - I promise to repay the full amount of the Direct Unsubsidized Loan to the Department, plus interest, in accordance with the Terms and Conditions for Direct Unsubsidized Loans as provided in Section D of this Agreement.
  - I authorize the Department to investigate my credit record and report information about my loan status to persons and organizations permitted by law to receive that information.
  - Unless I notify the Department differently, I authorize the Department to defer repayment of principal on my loan while I am enrolled at least half time at an eligible school.

- I authorize my institutions, the Department, and their agents and contractors to contact me regarding my loan, including repayment of my loan, at the number that I provide on this Agreement to Serve or any future number that I provide for my cellular telephone or other wireless device using automated dialing equipment or artificial or prerecorded voice or text messages.
- I authorize my institutions, the Department, and their agents and contractors to release information about my loan to the references on the loan and to my immediate family members unless I submit written directions otherwise.
- I authorize my institutions, the Department, and their agents and contractors to share information about my loan with each other.

**3.** I agree to notify the Department if any of the following events occur at any time after I receive a TEACH Grant:

- I change my address or telephone number; or
- I change my name (for example, maiden name to married name).

**4.** I understand that the Department has the authority to verify information reported on this Agreement with other federal agencies.

**5.** I will not sign this Agreement before reading the entire Agreement, even if I am told not to read it, or told that I am not required to read it. I am entitled to an exact copy of this Agreement.

**6.** My signature below certifies that I have read, understand, and agree to the terms and conditions of TEACH Grants and Direct Unsubsidized Loans as explained in Sections C and D, the important notices in Section E, and the agreement to serve, promise to repay, and authorizations in Section F of this Agreement.

**7.** TEACH Grant Recipient's Signature

**8.** Today's Date