

November 1, 2018

The Honorable Betsy DeVos
U.S. Secretary of Education
400 Maryland Avenue SW
Washington, DC 20202

Dear Secretary DeVos:

We are concerned about reports¹ regarding the Department's administration of the Teacher Education Assistance for College and Higher Education (TEACH) Grant program.

While we appreciate the Department's efforts to review the program as part of its negotiated rulemaking process, there are immediate actions we urge you to take to improve the administration of the TEACH Grant program to benefit our nation's educators.

We are concerned that, due to Department guidance, too many TEACH Grant recipients are having their grants converted to loans without being given the ability to prove that they are meeting program requirements. All individuals who have met the program requirements and performed the qualifying service should receive the intended benefit.

To address these concerns, we are offering the following recommendations for revising the TEACH Grant regulations to improve program outcomes. These recommendations are within the Department's current statutory authority to implement and should not impact or modify the existing standards for program qualification.

- The Department should issue guidance that allows for a grace period for documentation review and to allow TEACH Grant recipients to complete required paperwork or correct documentation errors in the event that their grant is set to be converted to a loan.

In the event of a potential conversion, the servicer would contact the recipient and notify them that their grant is set to convert in 30 days if they take no action to correct paperwork or documentation errors. Those who wish to correct verification information would be given 60 days from such notification to correct any errors.

1 U.S. Department of Education, "Study of the Teacher Education Assistance for College and Higher Education (TEACH) Grant Program," March 2018, available at: <https://www2.ed.gov/rschstat/eval/highered/teach-grant/final-report.pdf>

During this period, the grant would not yet convert to a loan and the individual would be provided guidance and information on how to resolve any paperwork or documentation issues.

The Department should communicate the availability of this grace period to all program participants and ensure that sufficient resources are deployed to manage this process in an efficient and transparent manner.

- If, during the grace period, it is determined that an individual no longer meets the program requirements for the grant, the Department must facilitate counseling for that individual to prepare them for the conversion of their grant to a loan, and include information about various repayment plan options, including Public Service Loan Forgiveness.
- The Department should implement a more robust appeals process for those whose grants are ultimately converted into loans but who believe they have completed the qualifying service.

In the event that such an appeal is successful and the loan is converted back into grant status, it should be done in such a way as to prevent the recipient from being taxed on a “forgiven” loan.

- In addition, to ease the administrative burden for those certifying an individual’s service, the Department should allow service certifications to be submitted via electronic form with an e-signature, rather than through a paper form with a wet signature.

We urge the Department to implement the above recommendations without delay and separately from the ongoing negotiated rulemaking process. We appreciate your attention to this important matter and look forward to your response and to meeting with you to discuss how we can work together to improve this program.

Sincerely,



Debra J. Chromy, Ed.D.
President, EFC



Justin Draeger
President, NASFAA