



1/10/2020

Mr. Jean-Didier Gaina  
U.S. Department of Education  
400 Maryland Ave. SW, Mail Stop 294-20  
Washington, DC 20202

Dear Mr. Gaina,

Thank you for the opportunity to comment on the proposed rules for faith-based entities and TEACH grants (Docket ED-2019-OPE-0081). NASFAA represents nearly 20,000 financial aid professionals who serve 16 million students each year at approximately 3,000 colleges and universities in all sectors throughout the country. NASFAA member institutions serve nine out of every ten undergraduates in the U.S.

### **Early Implementation**

We strongly encourage the Department to exercise its authority to permit early implementation of the rules. Several of the provisions in this regulatory package would address urgent concerns in the TEACH grant program. As investigations by the Government Accountability Office in 2015, and by the Department and the American Institutes for Research in 2018 revealed, many TEACH recipients are currently meeting their service obligations, but are being penalized with grant-to-loan conversions for simple paperwork errors with no opportunity to appeal those decisions. As ED notes in the proposed rules, it is expected that the implementation of the proposed TEACH rules will result in fewer grant-to-loan conversions. It is essential to prevent as many erroneous grant-to-loan conversions as possible, and early implementation will help ensure that.

While the other provisions of the proposed rules may represent less urgent concerns, they expand eligibility or otherwise ensure that more current and former students will receive the maximum benefit of the federal student aid programs, and for that reason we encourage the Department to make the entirety of the proposed rules eligible for early implementation.

While all of the proposed TEACH rules would benefit the most students to the greatest degree with early implementation, several provisions stand out as the highest priorities:

- *The addition of grant-to-loan conversion counseling at the point of conversion in proposed § 686.32.* Currently, when grants are converted to loans, TEACH recipients may have little to no understanding of the new loan obligation they have assumed. Setting this provision for early implementation will ensure that more TEACH recipients are aware of the terms and

conditions of their loans, better equipping them to enroll in income-driven repayment plans to stay out of delinquency and default, protecting their financial well-being, and saving taxpayer dollars.

- *The new required notifications from the Secretary in proposed § 686.43 advising grant recipients of their obligation to document their teaching service, the number of years of completed service and remaining time to fulfill the service obligation, and explanations of the availability of a suspension in the eight-year service obligation period and grant-to-loan conversion reconsideration.* Given the known issues with the current rules, many of which stem from a lack of understanding of the program by TEACH recipients, early implementation would address information gaps current TEACH recipients are experiencing.
- *Proposed changes to § 686.43 that would permit a grant-to-loan conversion only at the point when it becomes impossible for the recipient to fulfill the service obligation in the remaining service timeframe.* The new rules would ensure that TEACH recipients are no longer unfairly penalized for paperwork errors in the annual eligibility certification process, and would achieve the greatest impact if implemented early.
- *Removal of the requirement in § 686.40 that TEACH grant recipients confirm within 120 days of ceasing enrollment in their TEACH-eligible program that they are fulfilling or intend to fulfill their service obligation* would be of significant immediate benefit to TEACH grant recipients, again, because of the current implications for erroneous conversions due to simple matters of paperwork.

It is understood that the proposed changes to the TEACH programs are, in many instances, inextricably linked, because, for instance, they rely on the proposed definition changes or are outlined in the revised Agreement to Serve or Repay. This is another reason why the simplest and most beneficial solution is to allow for early implementation of the entirety of the TEACH rules.

### **Clarification on TEACH Recipients**

We also request that the Department clarify exactly which TEACH recipients would benefit from the changes to the current rules. While we understand the Department's concerns with incorporating current TEACH recipients into the rules themselves, we wish to revisit commitments made by the Department in the negotiated rulemaking sessions, that current TEACH recipients would be addressed in the preamble to the final rules. Specifically, which, if any, rules would apply only to new TEACH grants awarded after the rule effective date, which would apply to all of an individual recipient's TEACH grants provided they had at least one TEACH grant awarded after the rule effective date, and which would apply to all students and all TEACH grants, including those who are within their 8-year service window, or those who would be eligible for an extension to that window? Which rules would apply to those individuals who have had incorrect loan-to-grant conversions, to permit them to still complete their service obligations? We urge the Department to extend the new rules to as many TEACH recipients as possible and to clearly articulate that in the preamble if it is not possible to incorporate such language into the rules themselves.

### **Extension of Eligibility Periods**

In response to the Department's directed questions on the TEACH provisions, we support the suggestion that the student's eligibility period be extended by the number of years their TEACH grants were incorrectly converted to loans, regardless of whether the individuals have completed one or more years of qualifying service during the erroneous conversion period as described in the first scenario, or they have not completed any qualifying service during the erroneous conversion period as described in the second scenario. In either scenario, the TEACH recipient may have left qualifying service at some point after the grant-to-loan conversion. Re-entering qualifying service is not a simple undertaking. Students may have relocated to an area without qualifying service positions or made other life choices that would hinder their ability to immediately re-enter a qualifying position. Extending the service requirement timeframe will give these individuals sufficient time to find qualifying positions to establish their eligibility for TEACH grants with minimal disruption to their lives and would mitigate the harm they have already suffered from the erroneous grant-to-loan conversion.

### **Early Implementation of Faith-Based Rules**

While there is less urgency for implementation of the faith-based entities rules, we recommend early implementation due to the relative lack of burden as balanced against the potential for students and borrowers to benefit from early implementation. The proposed changes to §§ 674.9, 675.9, 676.9, 682.301, 685.200, and 690.75, which grant eligibility for the federal student aid programs for members of religious orders, as well as the proposed changes to §§ 675.20 and 692.30 that conform regulation to statute with respect to the facilities where students can earn work-study dollars would allow more students to benefit from the federal student aid programs. Similarly, borrowers currently in repayment should have the immediate benefit of the changes to §§ 674.35, 674.36, and 682.210 that lift the restriction on Perkins and FFEL loan deferments for borrowers engaged in volunteer work that involves religious activities; as well as for the changes to Public Service Loan Forgiveness (PSLF) proposed in § 685.219 that would expand eligibility for students employed by religious organizations when a portion of their work that meets the full-time qualification for PSLF is spent engaged in secular work.

We appreciate the opportunity to comment on these proposed rules. If you have any questions regarding these comments, please contact me or Jill Desjean at [desjeanj@nasfaa.org](mailto:desjeanj@nasfaa.org).

Regards,



Justin Draeger, President & CEO