

all subsequent payment periods in accordance with its academic policy.

(Authority: 20 U.S.C. 1070g, *et seq.*)

[73 FR 35495, June 23, 2008, as amended at 85 FR 49823, Aug. 14, 2020]

§ 686.12 Agreement to serve or repay.

(a) *General.* A student who meets the eligibility requirements in § 686.11 may receive a TEACH Grant only after he or she signs an agreement to serve or repay provided by the Secretary and receives counseling in accordance with § 686.32.

(b) *Contents of the agreement to serve or repay.* The agreement to serve or repay—

(1) Provides that, for each TEACH Grant-eligible program for which the student received TEACH Grant funds, the grant recipient must fulfill a service obligation by performing creditable teaching service by serving—

(i) As a full-time teacher for a total of not less than four elementary or secondary academic years within eight years after the date the recipient ceased to be enrolled at the institution where the recipient received the TEACH Grant, or in the case of a student who receives a TEACH Grant at one institution and subsequently transfers to another institution and enrolls in another TEACH Grant-eligible program, within eight years of ceasing enrollment at the other institution;

(ii) In a low-income school as defined in § 686.2(d) and subject to the requirements under § 686.40(a)(3);

(iii) As a highly qualified teacher as defined in § 686.2(d); and

(iv) In a high-need field in the majority of classes taught during each elementary and secondary academic year;

(2) Requires the grant recipient to submit, upon completion of each year of service, documentation of the service in the form of a certification by a chief administrative officer of the school;

(3) Explains that the eight-year period for completing the service obligation does not include periods of suspension in accordance with § 686.41;

(4) Explains the conditions under which a TEACH Grant may be converted to a Direct Unsubsidized Loan, as described in § 686.43;

(5) Explains that, if a TEACH Grant is converted to a Direct Unsubsidized Loan, the grant recipient must repay the loan in full, with interest charged from the date of each TEACH Grant disbursement; and

(6) Explains that to avoid further accrual of interest as described in paragraph (b)(5) of this section, a grant recipient who decides not to teach in a qualified school or field, or who for any other reason no longer intends to satisfy the service obligation, may request that the Secretary convert his or her TEACH Grant to a Direct Unsubsidized Loan so that the grant recipient may begin repaying immediately, instead of waiting for the TEACH Grant to be converted to a loan under the condition described in § 686.43(a)(1)(ii); and

(7) Explains that a grant recipient whose TEACH Grant was converted to a Direct Unsubsidized Loan based on a request from the recipient in accordance with § 686.43(a)(1)(i) may request that the Secretary reconvert the recipient's loan to a TEACH Grant as provided in § 686.43(a)(8); and

(8) Requires the grant recipient to comply with the terms, conditions, and other requirements consistent with §§ 686.40 through 686.43 that the Secretary determines to be necessary.

(c) *Completion of the service obligation.*

(1) A grant recipient must complete one service obligation for all TEACH Grants received for undergraduate study, and one service obligation for all TEACH Grants received for graduate study. Each service obligation begins when the grant recipient ceases enrollment at the institution where the TEACH Grants were received, or, in the case of a grant recipient who receives a TEACH Grant at one institution and subsequently transfers to another institution, within eight years from the date the grant recipient ceases enrollment at the other institution. However, creditable teaching service, a suspension approved under § 686.41(a)(2), or a military discharge granted under § 686.42(c)(2) may apply to more than one service obligation.

(2) Unless paragraph (c)(3) of this section applies—

(i) In the case of a TEACH Grant recipient who withdraws from an institution before completing a baccalaureate

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or post-baccalaureate program of study for which he or she received TEACH Grants, but later re-enrolls at the same institution or at a different institution in either the same baccalaureate or post-baccalaureate program or in a different TEACH Grant-eligible baccalaureate or post-baccalaureate program prior to the date that his or her TEACH Grants are converted to Direct Unsubsidized Loans under § 686.43(a)(1)(ii) and receives additional TEACH Grants or the Secretary otherwise confirms that the grant recipient has re-enrolled in a TEACH Grant-eligible program, the Secretary adjusts the starting date of the period for completing the service obligation to begin when the grant recipient ceases to be enrolled at the institution where he or she has re-enrolled; and

(ii) In the case of a TEACH Grant recipient who withdraws from an institution before completing a master's degree program of study for which he or she received TEACH Grants, but later re-enrolls at the same institution or at a different institution in either the same master's degree program or in a different TEACH Grant eligible master's degree program prior to the date that his or her TEACH Grants are converted to Direct Unsubsidized Loans under § 686.43(a)(1)(ii) and receives additional TEACH Grants or the Secretary otherwise confirms that the grant recipient has re-enrolled in a TEACH Grant-eligible program, the Secretary adjusts the starting date of the period for completing the service obligation to begin when the grant recipient ceases to be enrolled at the institution where he or she has re-enrolled.

(3) In the case of a TEACH Grant recipient covered under paragraph (c)(2)(i) or (ii) of this section who completed one or more complete academic years of creditable teaching service as described in § 686.12(b) during the period between the grant recipient's withdrawal and re-enrollment—

(i) The Secretary does not adjust the starting date of the period for completing the service obligation unless requested by the recipient;

(ii) The completed teaching service counts toward satisfaction of the grant recipient's service obligation under paragraph (c)(2)(i) of this section; and

(iii) If the grant recipient continues to perform creditable teaching service after re-enrolling in a TEACH Grant-eligible program, the grant recipient may receive credit toward satisfaction of the service obligation for any complete academic years of creditable teaching performed while the recipient is concurrently enrolled in the TEACH Grant-eligible program only if the recipient does not request and receive a temporary suspension of the period for completing the service obligation under § 686.41(a)(1)(i).

(d) *Teaching in a high-need field listed in the Nationwide List.* For a grant recipient's teaching service in a high-need field listed in the Nationwide List to count toward satisfying the recipient's service obligation, the high-need field in which he or she prepared to teach must be listed in the Nationwide List for the State in which the grant recipient teaches—

(1) For teaching service performed before July 1, 2010, at the time the grant recipient begins teaching in that field, even if that field subsequently loses its high-need designation for that State; or

(2) For teaching service performed on or after July 1, 2010—

(i) At the time the grant recipient begins teaching in that field, even if that field subsequently loses its high-need designation for that State; or

(ii) At the time the grant recipient signed the agreement to serve or repay or received the TEACH Grant, even if that field subsequently loses its high-need designation for that State before the grant recipient begins teaching in that field.

[85 FR 49823, Aug. 14, 2020]

Subpart C—Determination of Awards

§ 686.20 Submission process and deadline for a SAR or ISIR.

(a) *Submission process.* (1) Except as provided in paragraph (a)(2) of this section, an institution must disburse a TEACH Grant to a student who is eligible under § 686.11 and is otherwise qualified to receive that disbursement