

The TEACH Grant Program

Introduction

The Teacher Education Assistance for College and Higher Education (TEACH) Grant Program (TEACH Grant Program) awards grants to students who intend to teach, to help pay for the costs of their postsecondary education. As a condition for receiving a TEACH Grant, a student must agree to perform four years of full-time qualifying teaching service within eight years after ceasing enrollment at the school where they received the grant. If a TEACH Grant recipient fails to meet the service obligation requirement, all TEACH Grants they received are converted to Direct Unsubsidized Loans that must be repaid in full to the U.S. Department of Education (the Department), with interest.

This volume of the *Federal Student Aid Handbook* describes the eligibility requirements for a student to receive a TEACH Grant and the required counseling for TEACH Grant recipients, explains the terms and conditions of the TEACH Grant service obligation, and provides schools with guidance on calculating TEACH Grant awards.

Sunset of COVID-19 Guidance and Waivers

Although COVID-19 continues to affect the lives of many Americans, the urgent need for waivers and flexibilities has diminished. The federal government ended the national emergency and the public health emergency associated with the pandemic. The COVID-19 national emergency ended on April 10, 2023, through enactment of H.J. Res. 7, Public Law No. 118-3. The COVID-19 public health emergency ended on May 11, 2023. These actions triggered the sunset of many waivers and flexibilities for the *Title IV, Higher Education Act of 1965* (HEA) programs related to the COVID-19 pandemic.

The Department of Education recognizes that the COVID-19 pandemic created many unique challenges for postsecondary institutions. The Department provided a variety of special guidance and regulatory flexibilities due to the President's declaration of the COVID-19 national emergency on March 13, 2020. In addition, Congress passed legislation offering relief from certain statutory requirements related to the *Title IV*, HEA programs.

In general, the COVID-19 flexibilities and waivers remained in effect until the COVID-19 national emergency was declared over. For more details, see the [Electronic Announcement](#) published June 14, 2023, which describes the timeframes for the sunset of the COVID-19 waivers and flexibilities applicable to institutions and provides general guidance regarding the return to normal compliance with *Title IV*, HEA requirements.

Changes for 2024-2025

In *Chapter 1*, we have added two examples to illustrate how teaching in a high-need field listed in the Teacher Shortage Area Nationwide Listing (Nationwide List) may still satisfy the TEACH Grant service obligations even if the field loses its high-need designation.

To reflect changes made by the *FAFSA Simplification Act*, in the terms “Expected Family Contribution (EFC)” and “Estimated Financial Assistance (EFA)” have been replaced with “Student Aid Index (SAI)” and “Other Financial Assistance (OFA),” respectively. For more information on changes made by the *FAFSA Simplification Act*, see [Dear Colleague Letter GEN-23-11](#).

There are otherwise no substantive changes to *Volume 9* for 2024-2025.

Eligibility for TEACH Grants

In addition to meeting the general *Title IV* eligibility requirements covered in *Volume 1* of the *Federal Student Aid Handbook*, a student who wishes to receive a TEACH Grant must meet other requirements that are specific to the TEACH Grant Program. These include being enrolled in a TEACH Grant-eligible program at a school that participates in the TEACH Grant Program, meeting certain minimum grade point average or standardized test score requirements, receiving TEACH Grant counseling, and signing a TEACH Grant Agreement to Serve or Repay. We describe these requirements below and in *Chapter 2*.

Enrollment in a TEACH Grant-Eligible Program at a TEACH Grant-Eligible Institution

To receive a TEACH Grant, a student must be enrolled in a TEACH Grant-eligible program at a TEACH Grant-eligible institution.

A TEACH Grant-eligible program is an eligible program (as described in *Volume 2, Chapter 2*) that is designed to prepare a student to teach in a high-need field (see below) and that leads to a bachelor's or master's degree or is a postbaccalaureate program (see below). A two-year program that is acceptable for full credit toward a bachelor's degree is considered a program that leads to a bachelor's degree.

Schools that participate in the TEACH Grant Program determine which programs to designate as TEACH Grant-eligible programs. An otherwise eligible student who received a TEACH Grant for enrollment in a program previously designated by the school as TEACH Grant-eligible may receive additional TEACH Grants to complete that program, even if that program is no longer considered a TEACH Grant-eligible program.

A TEACH Grant-eligible institution is an eligible institution (as described in *Volume 2*) that:

1. Provides a high-quality teacher preparation program at the bachelor's or master's degree level that meets certain requirements;
2. Provides a two-year program that is acceptable for full credit in a bachelor's degree teacher preparation program offered by an institution described in paragraph 1 of this definition, or that is acceptable for full credit in a bachelor's degree program in a high-need field at an institution described in paragraph 3 of this definition;
3. Offers a bachelor's degree that, in combination with other training or experience, prepares a student to teach in a high-need field and has entered into an agreement with an institution described in paragraphs 1 or 4 of this definition to provide courses necessary for its students to begin a career in teaching; or
4. Provides a post-baccalaureate program of study.

For more detail on the requirements for a school to be a TEACH Grant-eligible institution, refer to the regulatory definition cited below.

High-Need Field

To satisfy the TEACH Grant service obligation, a TEACH Grant recipient must teach in a high-need field. For purposes of the TEACH Grant Program, high-need fields are:

- Bilingual education and English language acquisition;
- Foreign language;
- Mathematics;
- Reading specialist;
- Science (including, but not limited to, computer science); and
- Special education.

In addition to the fields listed above, high-need fields also include any other field listed as high-need in the Department's annual [Teacher Shortage Area Nationwide Listing](#) (also known as the "Nationwide List").

The Nationwide List includes fields that have been documented as high-need by the federal government, a state government, or a local educational agency. These high-need fields may be subject areas, geographic areas (for example, a particular county or counties within a state), or specific grade levels (for instance, elementary education) where it has been determined that there is a need for teachers. The Nationwide List is updated annually. For teaching in a high-need field listed in the Nationwide List to satisfy a TEACH Grant recipient's

service obligation, that field must be listed in the Nationwide List for the state in which the grant recipient teaches:

- At the time the recipient begins teaching in that field, even if that field is later removed from the Nationwide List; or
- At the time the grant recipient signed the TEACH Grant Agreement to Serve or Repay or received a TEACH Grant, even if that field is no longer designated as high-need when the recipient begins teaching.

Volume 9, Chapter 1, Example 1: Field Is No Longer High-Need After the First Year of Teaching

A TEACH Grant recipient begins teaching to satisfy the service obligation during the 2024-2025 school year. The grant recipient is employed as an elementary school teacher in a state where elementary education is designated in the Nationwide List as a high-need field for the 2024-2025 school year. Beginning with the 2025-2026 school year, elementary education is no longer designated as a high-need field in that state. However, the grant recipient can still satisfy the service obligation by serving as an elementary school teacher in that state, because elementary education was designated as high need at the time they began teaching in that field.

Volume 9, Chapter 1, Example 2: Field Is No Longer High-Need When the Grant Recipient Begins Teaching

At the time a student receives a TEACH Grant, history is designated as a high-need field in the Nationwide List for the state where the grant recipient intends to teach to satisfy the service obligation. Although history is no longer designated as a high-need field when the grant recipient later begins teaching in that state, the grant recipient can still satisfy the service obligation by teaching history because history was designated as a high-need field in the state where the recipient is teaching at the time they received a TEACH Grant.

Post-Baccalaureate Program

Except as noted below, a post-baccalaureate program is a program of instruction that:

- Is for students who have completed a bachelor's degree;
- Does not lead to a graduate degree;
- Is treated as an undergraduate program for all *Title IV* purposes; and
- Consists of courses required by a state in order for a student to receive a professional certification or license that is a requirement for employment as an elementary or secondary school teacher in that state.

Note: A program does not qualify as a post-baccalaureate program if it is offered by a TEACH Grant-eligible institution offering a bachelor's degree in education.

Definitions

[34 CFR 686.2\(d\)](#):

- [high-need field](#)
- [post-baccalaureate program](#)
- [TEACH Grant-eligible institution](#)
- [TEACH Grant-eligible program](#)

Teaching in a High-Need Field Listed in the Nationwide List

[34 CFR 686.12\(d\)](#)

Academic Eligibility Requirements (Grade Point Average or Test Score)

In general, students who wish to receive TEACH Grants must meet an academic standard. Specifically, they must either have a cumulative grade point average (GPA) of at least 3.25 on a 4.0 scale or the numeric equivalent (see below), or must have scored above the 75th percentile on at least one of the batteries from a nationally normed standardized undergraduate, graduate, or post-baccalaureate admissions test (not a placement test). However, these requirements do not apply to certain students who are current or former teachers or retirees (see below).

If the GPA standard is used, eligibility for an undergraduate student in the first year of a TEACH Grant-eligible program is based on the student's final cumulative high school GPA upon graduation or the cumulative GPA for all classes the student has taken at the postsecondary school through the most recently completed payment period. After the first year, eligibility is based on the student's cumulative GPA through the most recently completed payment period.

For a graduate student, eligibility is based on the student's cumulative undergraduate GPA for the first payment period, and thereafter the student's cumulative graduate GPA through the most recently completed payment period.

For an undergraduate student in the first year of a program, you must confirm the student's high school GPA using documentation obtained directly from the cognizant authority, or documentation from the cognizant authority that is provided by the student. A cognizant authority includes, but is not limited to, a public or private secondary school, a local or state education agency (or other state agency) or, in the case of a home-schooled student, the student's parent or guardian. If the student provides the document but you have reason to question its accuracy, you must obtain documentation directly from the cognizant authority.

Academic Standard

[34 CFR 686.11\(a\)](#)

GPA Standard for Transfer Students

If the GPA standard is used for a transfer student, you must determine the student's TEACH Grant eligibility for the first payment period in accordance with your academic policy, as described below.

If your school does not incorporate grades from coursework that it accepts upon transfer into a student's GPA at your school, then for the courses accepted upon transfer you must calculate the student's GPA for the first payment period using the grades the student earned in coursework you accept from any prior school. For all subsequent payment periods, you must apply your academic policy and not incorporate grades from coursework accepted upon transfer into the student's GPA at your school.

If your school incorporates grades from coursework it accepts upon transfer into a student's GPA at your school, you must use the grades assigned to the accepted coursework as the student's cumulative GPA to determine eligibility for the first payment period and all subsequent payment periods in accordance with your academic policy.

GPA for Transfer Students

Numeric Equivalent to a Traditional GPA

Schools that do not use a standard 4.0 GPA scale for a program must have an equivalency policy with a numeric scale for purposes of determining TEACH Grant eligibility. The policy must be in writing and must be made available to students upon request. The policy must clearly differentiate student performance to support a determination that a student has performed at a level commensurate with at least a 3.25 GPA on a 4.0 scale.

A grading policy that includes only “pass/fail,” “satisfactory/unsatisfactory,” or some other non-numeric assessment qualifies as a numeric equivalent to a traditional GPA only if it meets both requirements described below.

First, the school must demonstrate that the “pass” or “satisfactory” standard has the numeric equivalent of at least a 3.25 GPA on a 4.0 scale, or that a student’s performance on tests and assignments yielded such a numeric equivalent.

Second, the school’s policy must be consistent with any other standards the school has developed for academic and other *Title IV* program purposes (e.g., graduate school applications, scholarship eligibility, and insurance certifications), to the extent that such standards distinguish between levels of student academic performance.

Numeric Equivalent

Current or Former Teachers or Retirees

Certain students are not required to meet the minimum GPA or standardized test score standards described above. Those requirements do not apply to a student who:

- Is a current teacher or retiree (see below) applying for a TEACH Grant to obtain a master’s degree, or who is or was a teacher who is pursuing certification through a high-quality alternative certification route; and
- Is enrolled in a TEACH Grant-eligible program at a TEACH Grant-eligible institution during the period required for the completion of a master’s degree.

For this purpose, a “retiree” is an individual who has decided to change their occupation for any reason and who has expertise, as determined by your school, in a high-need field.

Current or Former Teachers or Retirees

TEACH Grant Counseling, and the Agreement to Serve or Repay

Before receiving a TEACH Grant, a student must first complete counseling and then sign an Agreement to Serve or Repay. TEACH Grant recipients must also complete counseling before they cease attendance at the school where they received their grants. We describe these requirements in the sections that follow.

TEACH Grant Counseling

Initial and Subsequent Counseling

Schools must ensure that all students who have requested TEACH Grants complete initial counseling before they receive their first grant and subsequent counseling before they receive each subsequent TEACH Grant. [TEACH Grant initial and subsequent counseling](#) must be completed on the Department’s [StudentAid.gov](#) website. Because the information provided in initial counseling and subsequent counseling is similar, there is a single online counseling session that covers both counseling types.

Initial and subsequent counseling explain the terms and conditions of the TEACH Grant service obligation and emphasize that if the grant recipient fails to complete the service obligation, all TEACH Grants they received will be converted to Direct Unsubsidized Loans that must be repaid in full, with interest charged from the date of each TEACH Grant disbursement. Students are required to complete initial and subsequent counseling before they can sign and submit the TEACH Grant Agreement to Serve or Repay.

Exit Counseling

Schools that participate in the TEACH Grant Program must also ensure that all grant recipients complete exit counseling before they cease enrollment at the school where they received TEACH Grants, at a time determined by the school. Schools may provide the exit counseling themselves or may require grant recipients to complete [TEACH Grant exit counseling](#) on the StudentAid.gov site.

TEACH Grant Exit Counseling explains the terms and conditions of the TEACH Grant service obligation, the circumstances under which a TEACH Grant will be converted to a Direct Unsubsidized Loan, and the grant recipient’s responsibility for repayment if their TEACH Grants are converted to loans.

If a TEACH Grant recipient withdraws without the school’s knowledge or fails to complete exit counseling as required, exit counseling must be provided either in person, through interactive electronic means, or by mailing written counseling materials to the student’s last known address within 30 days after the school learns of the withdrawal or failure to complete exit counseling. The requirement to mail written counseling materials can be met by mailing the [TEACH Grant Exit Counseling Guide](#) or sending the student a **direct link** to the counseling guide.

Schools that choose to provide TEACH Grant exit counseling themselves must ensure that the counseling covers all the information required by the TEACH Grant exit counseling regulations (see the regulatory citations below).

TEACH Grant Counseling Requirements

- [34 CFR 686.32\(a\)](#) (initial counseling)
- [34 CFR 686.32\(b\)](#) (subsequent counseling)
- [34 CFR 686.32\(c\)](#) (exit counseling)

Notification of Completed Counseling

Schools receive a TEACH Grant Counseling Response from the Common Origination and Disbursement (COD) System when a TEACH Grant recipient has completed TEACH Grant counseling on StudentAid.gov. The counseling type field in the response will indicate the type

of counseling (initial and subsequent or exit) that the student completed.

Agreement to Serve or Repay

To receive a TEACH Grant, a student must complete and submit a Free Application for Federal Student Aid (FAFSA®) form, complete required counseling, and sign an Agreement to Serve or Repay (Agreement). A student must sign a new Agreement each award year before receiving the first disbursement of a TEACH Grant. Students must complete the Agreement online at [TEACH Grant Program | Federal Student Aid](#).

As explained earlier in the chapter, a student must complete TEACH Grant initial and subsequent counseling before they can sign and submit the Agreement. Schools receive a response from the COD System once a student has completed an Agreement on StudentAid.gov.

The Agreement explains that as a condition for receiving a TEACH Grant, the student must agree to:

- Serve as a full-time teacher for a total of at least four elementary or secondary school years at a school or educational service agency (see below) that serves low-income students (qualifying schools and educational service agencies are listed in the Department's [Teacher Cancellation Low-Income Directory](#));
- Meet all state certification requirements for teaching in the state where the grant recipient teaches (this may include meeting the requirements through certification obtained through alternate routes to teaching);
- Teach the majority of their classes in a high-need field; and
- Complete the required four years of teaching within eight years after the student graduates from or otherwise ceases to be enrolled at the institution of higher education where they received their TEACH Grants.

An educational service agency is a regional, public multi-service agency authorized by state law to develop, manage, and provide services or programs to local educational agencies.

The Agreement further explains that if the student does not meet the terms and conditions of the TEACH Grant service obligation, all TEACH Grants the student received will be converted to Direct Unsubsidized Loans that must be repaid in full, with interest charged from the date of each TEACH Grant disbursement. If a grant recipient's TEACH Grants are converted to loans, the Department offers [TEACH Grant conversion counseling](#) on StudentAid.gov that explains the terms and conditions that apply to the loan, how the new loan affects the student's overall loan balance, and options available to help with repayment.

The Agreement describes in detail the terms and conditions of the TEACH Grant service obligation, including the conditions under which the eight-year period for completing the required four years of teaching may be temporarily suspended, and the conditions under which TEACH Grants that have been converted to loans may be changed back to TEACH Grants. It also explains that if a TEACH Grant recipient decides not to teach in a qualified school or field or for any other reason no longer intends to satisfy the service obligation, they can avoid further interest accrual by requesting that the Department convert their TEACH Grants to Direct Unsubsidized Loans that they can begin repaying immediately.

A TEACH Grant recipient must complete one four-year service obligation for all TEACH Grants received for undergraduate study, and one four-year service obligation for all TEACH Grants received for graduate study. This means that a student who receives TEACH Grants for an undergraduate program and then later receives additional TEACH Grants for a master's degree program has two separate four-year service obligations. However, in some cases the same teaching service may count toward satisfying more than one service obligation.

For more detail on the requirements of the TEACH Grant service obligation (including examples showing how the same teaching service may satisfy more than one service obligation), refer to the Agreement.

Agreement to Serve or Repay

[34 CFR 686.12](#)

[TEACH Grant Agreement to Serve or Repay | Federal Student Aid](#) (read-only version of Agreement to Serve or Repay)

[34 CFR 686.32\(e\)](#) (conversion counseling)

[34 CFR 686.43](#) (obligation to repay the grant)

Chapter 3

Calculating TEACH Grants

The TEACH Grant program is a non-need-based grant program that provides up to \$4,000 per year to students who meet the eligibility requirements described in *Chapters 1* and *2* of this volume. This chapter explains the amounts a student may receive under the TEACH Grant Program and shows how to determine the correct grant award for each payment period (for guidance on payment periods, see *Volume 3, Chapter 1*).

TEACH Grant Resources

FSA Partner and School Relations Center: 1-800-848-0978; CODSupport@ed.gov

TEACH Grant FAQs: <https://studentaid.gov/understand-aid/types/grants/teach>

TEACH Grant Scheduled, Annual, and Aggregate Awards

Pell Grants and TEACH Grants are similar in that both have a Scheduled Award, which is the maximum that a full-time student may receive for a year, and an Annual Award, which is the amount a student may receive for a year based on enrollment status. However, while the Pell Grant Scheduled Award for a student who is enrolled less than full-time must be prorated based on the student’s enrollment intensity (the percentage of full-time enrollment for which the student is enrolled; see *Volume 7* for more detail), the concept of enrollment intensity is not used for TEACH Grants. The TEACH Grant Scheduled Award for a less-than-full-time student is reduced according to whether the student is enrolled three-quarter-time, half-time, or less-than-half-time, as described in this section.

For an undergraduate student, a program must require the student to enroll for at least 12 credit hours in each term in the award year to qualify as full time. For a graduate student, each term in the award year must meet the minimum full-time enrollment status established by your school for a semester, trimester, or quarter.

The Scheduled Award for TEACH Grants is \$4,000, and the annual awards are:

Full-time	\$4,000
3/4-time.....	\$3,000
1/2-time.....	\$2,000
less-than-1/2-time	\$1,000

An undergraduate student may receive the equivalent of up to four Scheduled Awards (\$16,000) during the period required for completion of a **first** bachelor’s degree program and **first** post-baccalaureate program of study combined.

A graduate student is eligible to receive the equivalent of up to two Scheduled Awards (\$8,000) during the period required for completion of a TEACH Grant-eligible master’s degree program.

The Sequester and TEACH Grants

The *Budget Control Act of 2011* put into place a federal budget cut known as the sequester that requires a reduction in the TEACH Grant award amount that a student would otherwise be eligible to receive. For more details on the sequester and TEACH Grants, see the [Electronic Announcement GENERAL 24-51](#).

Calculating TEACH Grant Payments for Payment Periods

As for other *Title IV* programs, for purposes of calculating a TEACH Grant for a payment period the definition of an academic year must include, for undergraduate programs of study (including TEACH Grant-eligible post-baccalaureate programs), both the required credit or clock hours and weeks of instructional time (see *Volume 3, Chapter 1*).

The formula you will use to calculate the amount of a student's TEACH Grant that will be awarded for a payment period depends on the academic calendar used by the student's program. These formulas are the same as for Pell Grants, with the exception of master's degree programs. TEACH Grant formulas 1 through 5 are identical to the corresponding Pell Grant formulas. For details on the Pell Grant payment formulas, see *Volume 7*. For TEACH Grant recipients enrolled in master's degree programs, you must use the calculation formula that corresponds to the academic calendar of the student's program.

As is the case for Pell Grants, if your school uses Formula 3 to calculate a TEACH Grant award, the student's total payment for a payment period may exceed 50% of the student's Annual Award. However, the student must first complete in that payment period at least half of the weeks of instructional time in the academic year.

For master's degree programs, a TEACH Grant eligible program's academic year must be defined as at least the required number of weeks of instructional time and the minimum number of credit or clock hours that a full-time student would be expected to complete in the weeks of instructional time.

A student's payment for a payment period is calculated based on the coursework in the student's TEACH Grant-eligible program. You must ensure that the courses are necessary for the student to complete that program.

Note that no TEACH Grant payment for a payment period may be less than \$25.

Calculation of a TEACH Grant for a Payment Period and TEACH Grant Formulas

[34 CFR 686.22](#)

[34 CFR 686.22\(a\)\(1\)](#), [\(b\)](#) (Formula 1)

[34 CFR 686.22\(a\)\(2\)](#), [\(c\)](#) (Formula 2)

[34 CFR 686.22\(a\)\(3\)](#), [\(d\)](#) (Formula 3)

[34 CFR 686.22\(a\)\(4\)](#), [\(e\)](#) (Formula 4)

[34 CFR 686.25](#) (Formula 5)

Timing of Correspondence Program TEACH Grant Disbursements

As in the Pell Grant Program, for non-term correspondence programs you make the first TEACH Grant disbursement to a student after the student completes 25% of the coursework scheduled for the program or academic year. You make the second disbursement after the student completes 75% of the coursework scheduled for the program or academic year.

For term-based correspondence programs, you make the first disbursement to a student for each payment period after the student completes 50% of the coursework scheduled for the term.

TEACH Grant Correspondence Program Disbursements

TEACH: [34 CFR 686.25](#)

Crossover Payment Periods

If a student enrolls in a payment period that is scheduled to occur in two award years, the entire payment period must be considered to occur within one of those award years, and the school must report TEACH Grant payments to the student for that payment period as being made for the award year to which the crossover payment period was assigned. There is no requirement for a TEACH Grant crossover payment period to be placed in the same award year as a student's Pell Grant.

In most cases, it's up to your school to determine the award year in which the payment period will be placed. However, if more than six months of a payment period are scheduled to occur within one award year, you must place that payment period in that award year.

Crossover Payment Periods

[34 CFR 686.23](#)

Payment for a Payment Period From Two Scheduled Awards

When a student's payment period spans two different Scheduled Awards, the student's payment for the payment period is calculated based on the total credit or clock hours and weeks of instructional time in the payment period, and is the remaining amount of the Scheduled Award being completed plus an amount from the next Scheduled Award (if available), up to the payment for the payment period.

Payment Period That Completes a Scheduled Award

[34 CFR 686.22\(i\)](#)

Payment Within a Payment Period and Retroactive Payment

Within each payment period, you may pay the student at such times and in such installments as you determine will best meet the student's needs.

You may pay a student TEACH Grant funds in one lump sum for all prior payment periods for which the student was eligible within the award year, as long as the student has signed the Agreement prior to disbursement of the TEACH Grant. The student's enrollment status must be determined based on coursework that the student has already completed.

Frequency of Payment

[34 CFR 686.33](#)

Transfer Students

A student who receives a TEACH Grant at one school and subsequently enrolls at a second school may receive a TEACH Grant at the second school if the second school obtains the student's valid *Institutional Student Information Record* (ISIR) or *FAFSA Submission Summary* with an official Student Aid Index (SAI).

The second school may pay a TEACH Grant only for that period in which a student is enrolled in a TEACH Grant-eligible program at that school. The second school must calculate the student's award using the appropriate formula, unless the remaining balance of the Scheduled Award at the second school is the balance of the student's last Scheduled Award and is less than the amount the student would normally receive for that payment period.

A transfer student must repay any amount received in an award year that exceeds the amount the student was eligible to receive. A student may not receive TEACH Grant payments concurrently from more than one school.

Transfer Students

[34 CFR 686.24](#)

Packaging TEACH Grants

TEACH Grants are non-need-based aid. That is, eligibility for TEACH Grants is not based on a student's SAI. As explained in *Volume 3, Chapter 3*, a student's eligibility for non-need-based aid is determined by subtracting the student's other financial assistance (OFA), including any Pell Grants and other aid the student receives (whether need-based or non-need-based), from the cost of attendance (COA).

As with Direct Unsubsidized Loans, Direct PLUS Loans, and nonfederal education loans, TEACH Grants can be used to replace the SAI. For instance, if a student's TEACH Grant and OFA (including any need-based aid) exceed the COA, the school may choose to replace some or all of the SAI with TEACH Grant funds. If the TEACH Grant exceeds the SAI, the excess amount is considered OFA when determining the student's eligibility for other *Title IV* aid. If the school replaces the SAI with TEACH Grant funds and the total amount of aid the student receives (including amounts used to replace the SAI) still exceeds the student's COA, the student is in an overaward status that the school must resolve.

If a school chooses not to use the TEACH Grant to replace the SAI, then the entire grant is considered OFA that must be considered when determining the student's eligibility for need-based *Title IV* aid. We strongly encourage schools to replace the SAI with TEACH Grants where appropriate.

Note: In the second regulation cited below, the term "EFC" (Expected Family Contribution) should be understood as referring to the SAI.

TEACH Grants Plus Other Aid May Not Exceed COA

[34 CFR 686.21\(c\)](#)

TEACH Grants May Replace EFC

[34 CFR 686.21\(d\)](#)

For more detailed guidance on packaging *Title IV* aid and using non-need-based aid to replace the SAI, refer to *Volume 3, Chapter 3*. For guidance on resolving overawards, see *Volume 4, Chapter 3*.

Recalculating TEACH Grants

Recalculating for Changes in Enrollment Status

If a student’s enrollment status changes from one term to another within the same award year, you **must** recalculate the TEACH Grant award for the new payment period, taking into account any changes in the COA.

If a student’s projected enrollment status changes during a payment period after the student has begun attendance in all classes for that payment period, you may (but are not required to) establish a policy under which you recalculate such a student’s TEACH Grant award. Such recalculations must take into account any changes in the COA. In the case of an undergraduate or post-baccalaureate program of study, your school's TEACH Grant recalculation policy must match your Pell Grant recalculation policy, and you must apply the policy to all students in the TEACH Grant-eligible program.

If a student’s enrollment status changes during a payment period before the student begins attendance in all classes for that payment period, you must recalculate the student’s enrollment status to reflect only those classes for which they actually began attendance.

Recalculating for Changes in COA

If a student’s COA changes during the award year and their enrollment status remains the same, your school **may**, but is not required to, establish a policy under which you recalculate the student’s TEACH Grant award. If you establish such a policy, you must apply it to all students in the program.

TEACH Grant Recalculations

[34 CFR 686.35](#)