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AG Balderas Announces U.S. Department of Education to Allow TEACH Grant Recipients to Contest Conversion of Grants to Unsubsidized Loans

Albuquerque, NM - Today, Attorney General Balderas announced that after investigating numerous complaints to the Office of the Attorney General and demanding that the U.S. Department of Education evaluate its conversion of thousands of TEACH Grants to Direct Unsubsidized Loans, the Department is finalizing a process that will provide an opportunity for certain TEACH Grant recipients whose TEACH Grants were converted to Direct Unsubsidized Loans to request reconsideration of the conversions.

"Teachers who have committed themselves to serving our most vulnerable communities must have the critical grant funds the federal government promised them in exchange for their service," said Attorney General Balderas. "I will continue to fight aggressively to ensure that teachers are protected so that they can do the important work of teaching our most vulnerable students."

Nationally, reports are that approximately a third of TEACH grants have been "converted" to loans without giving teachers notice or time to correct even minor clerical errors in renewal paperwork. When a TEACH grant is converted to a loan, recipients have to repay the whole amount of grants received, with accrued interest dating from the original date of the grant.

Teachers who have met or are meeting the TEACH Grant service requirements within the eight-year service obligation period, but had grants converted to loans due to a failure to comply with the annual certification requirement, will be able to request a reconsideration. The U.S. Department of Education plans to update its website by Jan. 31, 2019, with instructions on how to apply for reconsideration of converted TEACH Grants.

Additionally, the U.S. Department of Education has communicated that it has adopted a standardized annual certification date for all TEACH Grant recipients. Beginning in 2019, the change simplifies the annual certification requirement by having only one certification date—Oct. 31—for all TEACH Grant recipients.

The Attorney General urges teachers to seek additional information and watch for updates from the Department to ensure they meet any new deadlines. Teachers should not assume the Department will automatically fix their loans and should be proactive in contacting the Department to seek help. Teachers can access the website to monitor news of the department's reconsideration process. Updates will be provided and the Department says it will have the process finalized by the end of January, 2019.

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