

# CHAPTER 12

## Teacher Shortage Loan Forgiveness Program

### Overview

The Teacher Shortage Loan Forgiveness Program is a state-funded program that will provide student loan repayment assistance to Iowa teachers repaying Federal Stafford Loans. This program is designed to increase the number of teachers in Iowa schools teaching in instructional shortage areas designated by the Iowa Department of Education. The Teacher Loan Forgiveness Program is administered by the Iowa College Student Aid Commission.

**Date Established:** July, 2007

### Funding:

TEACHER LOAN FORGIVENESS PROGRAM FUNDING HISTORY		
ACADEMIC YEAR	STATE APPROPRIATION	TOTAL FUNDING
2007-08	\$485,400	\$485,400
*2008-09	\$478,119	\$478,119
**2009-10	\$438,282	\$438,282
2010-11	\$421,016	\$421,016
2011-12	\$392,452	\$392,452

\* Reduced by 1.5% due to mid-year across the board cut.

\*\* Reduced by 10% due to across the board cut on 10/8/09. Backfill appropriation added \$43,828 on 10/28/09.

### **A. Eligibility Requirements**

To be eligible for loan forgiveness, teachers must:

- Be teaching in approved shortage areas at Iowa kindergarten through 12th grade schools recognized and approved by the Iowa Department of Education
- Complete and file annual applications by the deadline established by the Commission. If funds remain available after the application deadline, the Commission will continue to accept applications
- Annually complete and return to the Commission affidavits of practice verifying that they are teaching in eligible teacher shortage areas
- Begin their first teaching jobs in Iowa on or after July 1, 2007

## **B. Priority for Awards**

If funding is not available to assist all applicants, awards will be made using the following priorities in the order listed:

- Application renewal status
- Instructional shortage area being served (ranked by the Iowa Department of Education)
- Geographic shortage area being served (if provided to the Commission by the Iowa Department of Education)
- Iowa Residency Status
- Employment status – full-time, part-time
- Total indebtedness
- Date of Application

## **C. Award Amounts and Limits**

The maximum annual award shall be the lesser of:

- The average resident tuition rate established for students attending universities governed by the Iowa board of regents for the first year following the teacher's graduation from an approved practitioner preparation program, or
- Twenty percent of the teacher's total federally guaranteed Stafford loan balance, including principal and interest, under the Federal Family Education Loan Program (FFELP) or the Federal Direct Loan Program (FDLP). Eligible loans include subsidized and unsubsidized Stafford loans and consolidated loans. Only the outstanding portion of a Federal Consolidation Loan that was used to repay an eligible subsidized or unsubsidized Federal Stafford Loan, an eligible Direct Subsidized Loan, or an eligible Direct Unsubsidized Loan qualifies for loan forgiveness.

## **D. Extent of Forgiveness**

- Recipients may receive loan forgiveness for no more than five consecutive years. Recipients who fail to complete five consecutive years teaching in the designated shortage area will not be considered for subsequent years of forgiveness.

## **E. Disbursement of Loan Forgiveness Funds**

- Loan payments will be disbursed upon completion of the year for which forgiveness was approved and upon certification from the school district that the teacher was employed during the entire academic year and completed the academic year in good standing.
- Loan proceeds will be distributed to the recipient's student loan holder and applied directly to eligible loans.