TO: Directors of Financial Aid
Public and Private/Independent Institutions of Higher Education

FROM: DeChà Reid
Director, Financial Aid Services

DATE: April 4, 2018

RE: B-On-Time (BOT) Forgiveness and Default Rates

The Texas Higher Education Coordinating Board (THECB) has calculated the default and loan forgiveness rates for the B-On-Time program using a method that mirrors the federal methodology of using a three-year cohort. Enclosed are each institution’s forgiveness and default rates.

The statewide average default rate for the BOT cohort with an original repayment contract date between 9/1/2014 and 8/31/2015 is 28%. Each institution with a default rate higher than 28% will be required to provide loan repayment and default prevention counseling to student borrowers.

The statewide average forgiveness rate for BOT loans with a school separation date between 9/1/2014 and 8/31/2015 is 38%. Each institution with a forgiveness rate that is less than 19% will be required to provide loan repayment and default prevention counseling to student borrowers.

Texas Administrative Code 22.343 requires loan repayment and default prevention counseling at institutions with a BOT loan default rate that exceeds the statewide average default rate and at institutions that have a loan forgiveness rate less than 50 percent of the statewide average forgiveness rate.

Trellis Company has a learning module called “A Guide to the Texas B-On-time Loan Program” that institutions can use to meet the loan repayment and default prevention counseling requirement. The module is located on the Adventures in Education (AIE) website at: http://www.adventuresineducation.org/pay-for-college/learn-about-student-loans/BOT-module/index.html.

If you have any questions, please contact Financial Aid Services at (844) 792-2640 or CONTACT US (select the “State and Federal Grant and Scholarships” option in the drop-down selection under Contact Reason).

Enclosed: BOT Default and Forgiveness Rates

cc: Presidents of Texas Public and Private/Independent Institutions
Ken Martin, Assistant Commissioner
Charles W. Puls, Deputy Assistant Commissioner
Rinn Harper, Director, Borrower Services