2018-19 Program Guidelines B-On-Time (BOT) Loan

60x30TX

Texas Higher Education Coordinating Board

Student Financial Aid Programs
Texas Higher Education Coordinating Board

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B-ON-TIME LOAN PROGRAM

The Texas Higher Education Coordinating Board (THECB) Program Guidelines are intended to support institutions by highlighting requirements that appear in the Texas Education Code (TEC) and Title 19 of the Texas Administrative Code (TAC). When administering this program, institutions should always refer to the applicable statutes and rules. The information provided in this document is to be used solely as a resource and does not supersede the statute and/or rules for this program.

PROGRAM AUTHORITY AND PURPOSE (19 TAC, SECTION 22.329)

The Texas B-On-Time (BOT) Loan Program is authorized by TEC, Chapter 56, Section 56.0092. Rules establishing procedures to administer the program can be found in Title 19 of the TAC, Chapter 22, Subchapter Q. The purpose of the BOT loan program is to improve and increase access to higher education in Texas.

ELIGIBLE INSTITUTIONS (19 TAC, SECTION 22.331)

Public and private/independent institutions of higher education as defined in TEC Section 61.003 (8) are eligible to make renewal awards only under the BOT program.

ELIGIBILITY

ELIGIBILITY REQUIREMENTS (19 TAC, SECTION 22.333)

⚠️ **ALERT:** Beginning with the 2015-16 academic year, renewal awards **only** are authorized for the BOT Loan Program.

TO RECEIVE A RENEWAL AWARD, A STUDENT MUST:

- ✓ Be classified by the institution as a Texas resident or be entitled to pay resident tuition rates as a dependent child of a member of the U.S. armed forces
- ✓ Be registered with Selective Service, or be exempt
- ✓ Be eligible to receive federal financial aid
- ✓ Be enrolled full-time in a baccalaureate degree program
- ✓ Have completed at least 75 percent of the hours attempted in the most recent academic year
- ✓ Maintain an overall GPA of at least 2.5 on a four-point scale or its equivalent for all coursework attempted
- ✓ Be an undergraduate baccalaureate student that previously received an initial year award
- ✓ Have not earned a baccalaureate degree

DISCONTINUATION OF ELIGIBILITY (19 TAC, SECTION 22.333)

A student may not receive a BOT loan for more than 150 semester credit hours or the equivalent.

If, in any given academic period, a student is no longer enrolled full-time and the THECB does not receive a refund of the BOT loan for that period, the dropped courses will be counted towards the calculation of the 150 SCH limit.

HARDSHIP PROVISIONS (19 TAC, SECTION 22.335)

A student who is ineligible for the BOT Loan based on course load and completion requirements may be deemed eligible under a hardship provision. Participating institutions must adopt a hardship policy and have the policy available for public review upon request. All hardship decisions must be documented in the student's record and be available for submission to the THECB, if requested.

🛑 **STOP:** No student enrolled for fewer than six hours may receive a BOT award, regardless of the circumstances including graduation.

ADDITIONAL INFORMATION

GPA APPEALS

A student who does not meet the GPA requirement at the end of a spring term can appeal to have courses taken at other institutions included in the GPA calculation. In this case, all grade points previously earned must be included in the overall GPA calculation.

REINSTATEMENT OF ELIGIBILITY

A student who fails to meet any of the requirements for receiving a continuation award after completion of any year, may not receive a BOT loan until he or she completes the necessary coursework to meet the completion and GPA requirements for a continuation award.

LOAN ORIGINATION

BOT loans may be originated in the HelmNet Loan Portal only for eligible renewal recipients. If an entered SSN does not have a prior BOT Loan associated with it, the system will not allow an application to be created or certified.

SELECTIVE SERVICE STATEMENT (19 TAC, SECTION 22.3)

⚠️ **ALERT NEW:** STUDENT COMPLIANCE WITH SELECTIVE SERVICE

A male student cannot receive a grant, scholarship, loan or other financial assistance funded by state revenue, unless a statement of the individual's selective service status is completed with the institution or other entity granting or guaranteeing the financial assistance. This requirement also includes federal funds or gifts and grants accepted by this state and any loans guaranteed by the state of Texas (See TEC, 51.9095).

Typically, a student's selective service status is confirmed through the online FAFSA process which validates registration directly with the Selective Service Administration. If a student's selective service status is confirmed on the Institutional Student Information Record (ISIR), no statement needs to be collected by the institution.

The statement below **must** be collected for all male applicants, each academic year, in the following situations:

• A FAFSA that that is flagged "not registered" must be reviewed by the institution to determine if the student is exempt and may be eligible for federal or state financial aid programs. If the student is **exempt**, additional documentation should be collected by the institution to verify the circumstances. The institution can determine what additional documentation to collect for this verification.

• For a student that does not complete a FAFSA, the required statement and back-up documentation must be collected by the institution to verify the current selective service status if the individual is applying for any state financial aid.

NOTE: The institution has discretion to determine how to collect this required statement, which can be done electronically or on paper (e.g. online form, signed award letter, etc.). The statement and all documentation must be retained in the student's record and be made available if requested during a program review or audit. Each statement collected must be retained with the student's records for 7 years after the date of completion for the applicable award period (See TAC, Section 22.4(a)(2)(A)).

Required Statement of Selective Service Status

Are you currently registered for Selective Service, as required by federal law?

☐ Registered   ☐ Not Registered   ☐ Exempt
(Proof of registration required)   (Documentation required)

I, _____, hereby certify that the selective service status provided is true and correct. I understand that I must provide documentation if requested by my institution that I may be required to complete a new statement for each academic year for continued eligibility.

_____   _____
Student Signature   Date

SATISFACTORY ACADEMIC PROGRESS (SAP) (19 TAC, SECTION 22.333)

A student's SAP eligibility is determined at the end of each academic year. A student must complete 75% of total attempted hours in the academic year and have a minimum 2.5 cumulative GPA on a 4-point scale, or its equivalent.

END OF EACH ACADEMIC YEAR	SATISFACTORY ACADEMIC PROGRESS (SAP) REQUIREMENTS	
	75% completion rate in the most recent academic year	2.5 cumulative GPA on a 4-point scale

AWARDING

In determining the amount of a BOT award, students can receive funding only up to their cost of attendance (COA). A student's COA includes tuition and fees, allowances for books and supplies, room and board, transportation expenses, and miscellaneous personal expenses. When certifying a BOT loan, the institution is confirming that the amount of the loan does not exceed the difference between the COA and other forms of student assistance (except Federal Plus loans) for which the student is eligible (See 19 TAC, Section 22.334).

⚠ **ALERT NEW:** BOT loan funds must be certified by **February 20**. Allocated funds that have not been certified by this deadline will be used in the reallocation process. Funds redistributed during the reallocation process will have a separate deadline published. All disbursements on certified loans must be made no later than **May 4**. Any funds not disbursed by the May 4 deadline will be forfeited by the institution.

BOT 2018-19 AWARD MAXIMUMS		
INSTITUTION TYPE	AWARD MAX/YEAR	AWARD MAX/SEMESTER
PUBLIC UNIVERSITIES, HRIs AND PRIVATE/INDEPENDENT INSTITUTIONS	$9,348	$4,674
PUBLIC STATE COLLEGES	$5,862	$2,931
PUBLIC TECHNICAL INSTITUTES	$5,590	$2,795
PUBLIC COMMUNITY COLLEGES	$3,150	$1,575
A 3% ORIGINATION FEE WILL BE DEDUCTED FROM THE LOAN PROCEEDS.		

PROCESSING FUNDS

REQUESTING PROGRAM FUNDS

Institutions can begin disbursing loan funds on September 6, 2018 for the 2018-19 academic year. Funds will not be processed until the promissory note is signed by the borrower and the Financial Aid Administrator certifies the loan using one of the following methods:

- Certify the loan through the HelmNet loan portal; **OR**
- Submit a **Commonline Loan Certification File** using the MOVEit DMZ secure file transfer portal.

RETURNING PROGRAM FUNDS

A Return of Funds Form (RFF) must be submitted and approved before any funds are returned to the THECB. This form is available on the Student Financial Aid Programs Information Webpage under **Online Resources**.

> ✋ **STOP: TIMELY DISTRIBUTION OF FUNDS** (19 TAC, Section 22.2)
>
> - Institutions have 3 business days after receiving the funds to apply the funds to a student's account
> - Institutions have 6 business days after receiving the funds to return undisbursed funds
> - Institutions have 45 calendar days from the date a student becomes ineligible to return disbursed funds
> - Institutions have 120 calendar days to return funds after a student has notified the institution of a decision to cancel the award

REPAYMENT

BOT loans have a 6-month grace period beginning on the date the student ceases to be enrolled at least half-time at an eligible institution. Repayment is scheduled to begin after the expiration of the 6-month grace period. The BOT loan has a 15-year repayment period or a minimum monthly payment of $75.00. BOT loans have a 0% interest rate (See 19 TAC, Section 22.339).

Deferments for education enrollment or periods of forbearance based on financial hardship are available.

FORGIVENESS REQUIREMENTS (19 TAC, SECTION 22.337)

A BOT loan may be forgiven if the student provides the THECB an Application for Forgiveness. Section two of this form must be completed by the institutional Registrar's office certifying that the student:

- Graduated with a B average, or a cumulative grade point average of at least 3.0 on a 4-point scale and:
  - Received a baccalaureate degree within four calendar years after the date the student initially enrolled in an eligible institution; or
  - Within five calendar years after the student initially enrolled in an eligible institution if the institution reports that the student graduated with a degree in architecture, engineering, or any other program that the institution certifies to the Board is a program that requires more than four years to complete; or
- Graduated a B average, or with a cumulative grade point average of at least 3.0 on a 4-point scale with no more than six hours more than the number of credit hours required to complete a baccalaureate degree.
  - Total number of hours earned Includes transfer credit hours and excludes hours earned exclusively by examination, dual credit course hours, and hours earned for developmental coursework that an institution required the student to take under TEC, Section 51.336 (relating to Success Initiative).

ADDITIONAL INFORMATION

APPEALS PROCESS

If a student disagrees with the decision about his or her eligibility for forgiveness, the student can send a dispute letter explaining their situation and reason for appealing to:

Director of Borrower Services
THECB
P.O. Box 12788
Austin, TX 78711
Fax: (512) 427-6423

FORGIVENESS DEADLINE

BOT Loans are automatically scheduled for repayment six months after the last date of a student's enrollment. While there is no deadline for completing the **B-On-Time Loan Application for Forgiveness**, submitting the application within 90 days after a student is no longer enrolled at least half-time will help avoid collection efforts.

APPENDIX 1: QUICK REFERENCES

CONTACT FINANCIAL AID SERVICES	
By phone: (844) 792-2640	
Contact us by completing an online inquiry form and select "Financial Aid Question" as the Contact Reason.	
OTHER RESOURCES FOR INSTITUTIONS	
General program information for institutions	Student Financial Aid Programs Information Webpage
General loan information	HHloans
Higher Education Loan Management System (HelmNet)	HelmNet Student Loan Portal
Texas Program Statutes	Texas Education Code
Texas Program Rules	Texas Administrative Code
Information concerning programs, procedures, allocations, and other topics will be communicated to institutions through the GovDelivery system. To receive these communications, interested individuals must subscribe.	GovDelivery
Federal Selective Service Requirement Guide	Who Must Register Chart
AVAILABLE FORMS	
A form is required when returning funds for all state grant, scholarship, Educational Aide Exemption, and loan program funds.	Grants and Special Programs Online Return of Funds Form Loan Programs Online Return of Funds Form
CALENDAR	
Institutional Calendar	