

2019-20

Program Guidelines

College Access Loan

(CAL)

60x30TX



Texas Higher Education Coordinating Board

Student Financial Aid Programs
Texas Higher Education Coordinating Board

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COLLEGE ACCESS 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 20 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 ([19 TAC, SECTION 22.43](#)) AND PURPOSE ([19 TAC, SECTION 22.42](#))

The College Access Loan (CAL) Program is part of the Hinson-Hazlewood College Student Loan Program, authorized by [TEC, Chapter 52, Subchapter A](#). Rules establishing procedures to administer the subchapter can be found in [Title 19 of the TAC, Chapter 22, Subchapter C](#). The CAL Program provides alternative educational loans to Texas students who are unable to meet the Cost of Attendance (COA).

ELIGIBLE INSTITUTIONS ([19 TAC, SECTION 22.45](#))

The following institutions and entities located in Texas are eligible to participate in the CAL Program:

- Public or private nonprofit institutions of higher education, including junior colleges, accredited by a recognized accrediting agency as defined in [TEC, Section 61.003](#); OR
- Entities, including Regional Education Services Centers, approved by the State Board of Educator Certification to offer an alternative certification program.

ELIGIBILITY

ELIGIBILITY REQUIREMENTS ([19 TAC, SECTION 22.46 & 22.47](#))

STUDENTS MUST MEET THE FOLLOWING ELIGIBILITY REQUIREMENTS:	STUDENTS AND COSIGNERS MUST MEET THE FOLLOWING CREDIT APPROVAL REQUIREMENTS:
<ul style="list-style-type: none"> ✓ Be classified by the institution as a Texas resident ✓ Be registered with Selective Service, or be exempt ✓ Have insufficient resources to finance his or her education ✓ Be enrolled at least half-time in: <ul style="list-style-type: none"> • A course of study leading to a certificate, an associate, baccalaureate, graduate, or higher degree; OR • An approved alternative educator certification program ✓ Be meeting the satisfactory academic progress (SAP) requirements set by the institution ✓ Receive a favorable credit evaluation or provide a cosigner who has a good credit standing and meets other requirements 	<ul style="list-style-type: none"> ✓ Have an Experian VantageScore of 650 or higher ✓ Not have public records such as tax liens or bankruptcy proceedings ✓ Have a minimum of 4 credit trade lines, excluding student loans or authorized user accounts ✓ Not have defaulted on any federal or private education loans <div style="text-align: center; background-color: #005696; color: white; padding: 5px; margin: 10px 0;">COSIGNERS MUST:</div> <ul style="list-style-type: none"> ✓ Be at least 21 years of age ✓ Have a regular source of income ✓ Not be the borrower or the spouse of the borrower ✓ Receive a favorable credit evaluation ✓ Be a U.S. citizen or a permanent U.S. resident and reside in the U.S. or in a U.S. territory

AWARDING

Students may receive CAL funding to cover reasonable expenses only, not to exceed the Cost of Attendance (COA) (See [19 TAC, Section 22.49](#)) and [IRS Certification Requirements](#)). When certifying a CAL, institutions are confirming that the amount of the requested loan is greater than \$100 and does not exceed the difference between the student’s COA and other forms of financial assistance for which the student is eligible. The other forms of student assistance that must be considered when determining the amount of a CAL eligibility include:

- Free sources of student aid, such as gifts, grants and scholarships; **AND**
- The amount of any Federal Direct Stafford loan (including subsidized and unsubsidized) that a student borrower is eligible to receive. Eligibility for Federal PLUS loans should not be considered when determining the amount of CAL.

ADDITIONAL INFORMATION

HELMNET LOAN PORTAL

THECB’s Higher Education Loan Management System (HELMS) allows institutions, students and cosigners to manage loan accounts through a secure online portal called HelmNet.

LOGIN PAGE

[HelmNet Portal](#)

- Institutions must submit a [System Authorization Form](#) to THECB to request access to certify a loan.
- Students and cosigners must each create an online account to apply for a loan or view the status of any loans with THECB.

CAL INTEREST RATE CHANGE

- Applications certified prior to May 1, 2019 will carry a fixed annual interest rate of 5.3%.
- Applications certified on or after May 1, 2019 will carry a fixed annual interest rate of 5.2%.
- Beginning January 31, 2019, borrowers who enroll in the Automatic Debit payment service (ACH), will receive a 0.25% interest rate reduction on the total interest rate of each applicable loan in repayment.

SELECTIVE SERVICE STATEMENT ([19 TAC, SECTION 22.3](#))

In accordance with [TEC, 51.9095](#), male students may not receive financial assistance without filing a **Selective Service Status Statement** with their institution or other entity granting or guaranteeing the assistance. Financial assistance includes grants, scholarships, loans or other assistance funded by state revenue, including federal funds or gifts and grants accepted by the state.

When is a statement NOT required?

A Selective Service Status Statement is not required when a student’s registration is confirmed on the Institutional Student Information Record (ISIR). The confirmation on the ISIR will serve as the student’s signed statement since the Department of Education validates registration directly with the Selective Service System (SSS) through a database match for male students who complete the Free Application for Federal Student Aid (FAFSA).

When is a statement required?

- For a male student that completes a FAFSA but is flagged “not registered” on the ISIR, the institution must determine the student’s status.
 - o If the student is **registered**, the institution must collect the status statement and proof of registration which can be used for subsequent semesters.
 - o If the student is **exempt**, the institution must collect the status statement and proof of exemption based on the student’s circumstances. The institution can determine what additional documentation to collect to verify the exemption.
- For a male student that does not complete a FAFSA, the required status 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.

ADDITIONAL INFORMATION

FREQUENCY COLLECTING THE STATEMENT

If the student’s status will NOT change, the statement and supporting documentation can be used for subsequent semesters (e.g., the individual entered the U.S. after the eligible age to register).

In the event the student’s status could change, the statement must be collected each academic year until the male student is registered or determined exempt (e.g., student is under 18).

METHOD FOR COLLECTING THE STATEMENT

The institution has discretion to determine how to collect this required status statement, which can be done electronically or on paper (e.g., online form, signed award letter, etc.).

RETENTION SCHEDULE

The status 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 status 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\(a\)\(2\)\(A\)](#)).

REPROCESSED ISIRS

If the student’s most recent ISIR transaction has been reprocessed by the Central Processing System (CPS) and the registration with SSS was confirmed, the institution does not need to collect the status statement or any documentation.

Required Statement of Selective Service Status

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

Registered (Proof of registration required)
 Not Registered
 Exempt (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, and 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 22.46](#))

A student must be meeting the minimum satisfactory academic progress (SAP) requirements of the institution in the semester any loan is made. Institutions have the flexibility to define what it means to meet SAP requirements. If a student is not meeting the institution’s SAP, a documented appeal process may be used to determine if the student is eligible for CAL. A student can receive a CAL if a SAP appeal has been approved by the institution.

PROCESSING FUNDS

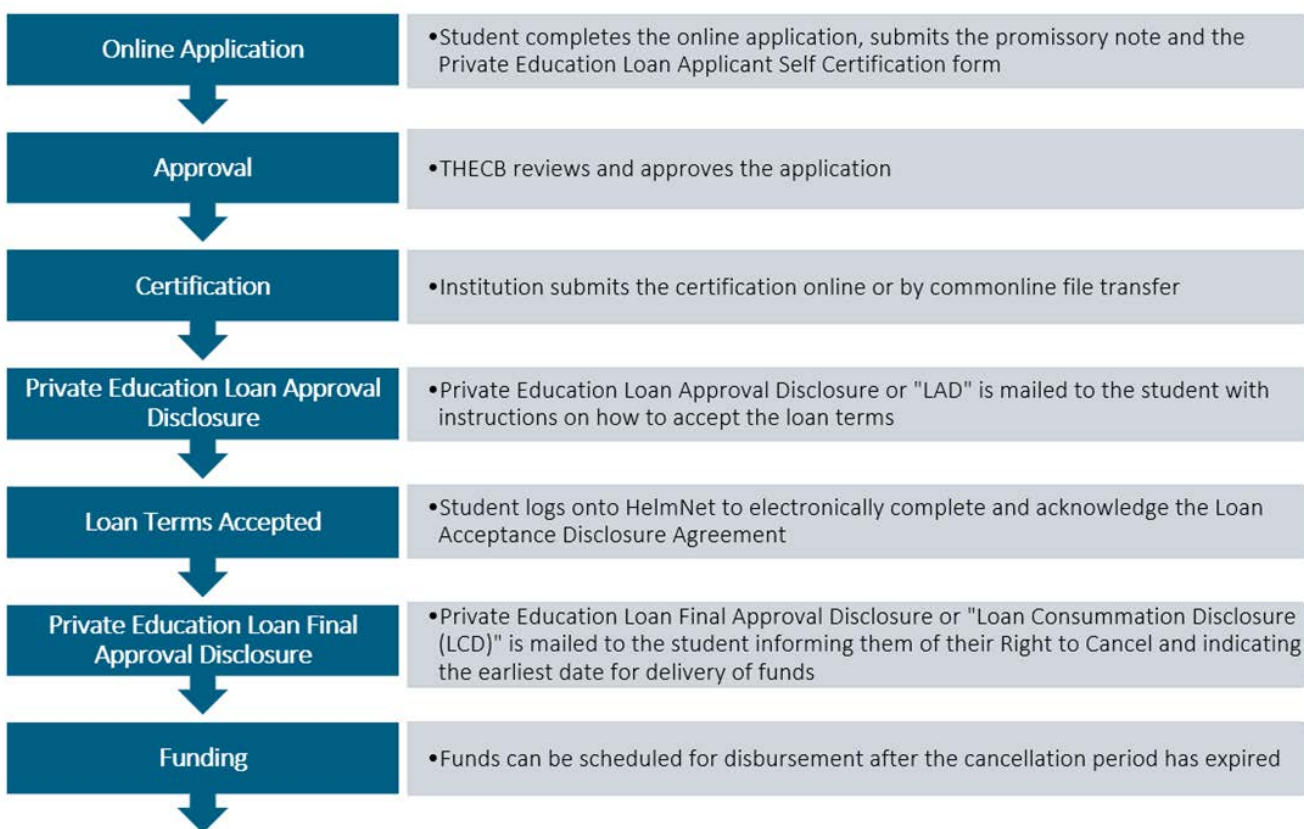
CERTIFYING FUNDS

Institutions can certify eligible applications throughout the academic year on an as-needed basis. Funds will not be disbursed until the promissory note is signed by the borrower (and cosigner, when applicable) and the Financial Aid Administrator certifies the loan using the following two methods:

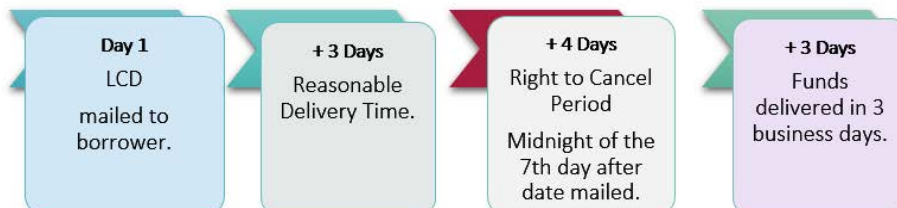
- Certify the loan through the [HelmNet](#) loan portal; **OR**
- Submit a **Commonline Loan Certification File** using the [MOVEit DMZ](#) secure file transfer portal.

LOAN PROCESS FLOW

Below is the loan process flow that occurs when a borrower completes a CAL application:



The earliest a loan can be disbursed is 11 business days after the LCD is mailed to borrower.



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 (SFAP) 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.

REQUESTING LOAN CHANGES

A CAL can never exceed the amount certified by the institution but there are several common situations where a CAL can be increased. Loan changes can be requested in writing through the [CONTACT US](#) link found on the SFAP webpage.

- The institution certifies a loan and the student cancels all or part of the loan but later ends up needing the money during the loan period. The institution can request, in writing through CONTACT US, that the loan be increased up to the original certification amount. The institutions must confirm that the loan does not exceed the difference between the student's COA and other forms of financial assistance for which the student is eligible.
- The institution certifies a loan and the student becomes ineligible prior to the disbursement from the THECB. The institution cancels the loan but the student later becomes eligible during the loan period. The institution can request, in writing through CONTACT US, that the loan be reinstated up to the original certification amount. The institutions must confirm that the loan does not exceed the difference between the student's COA and other forms of financial assistance for which the student is eligible.
- The institution certifies a loan and returns funds during the loan period to the THECB. The institution can request, in writing through CONTACT US, that the loan be reinstated up to the original certification amount. The institutions must confirm that the loan does not exceed the difference between the student's COA and other forms of financial assistance for which the student is eligible.

A CAL **cannot** be increased in the following situation:

- The institution certifies LESS than what the student was pre-approved to borrow. The student ends up needing more money after certification (ex. additional tuition and fees) and wants to increase his or her current loan amount. The loan amount CANNOT be increased beyond the certified amount by the institution even though the student may have been pre-approved for more than what was certified.



STOP: REINSTATING CANCELED LOANS

Institutions can send a request in writing to reinstate a canceled loan or disbursement through CONTACT US. Requests received more than 60 days after the end of the loan period will not be processed.

Common reasons why loans are canceled by the THECB:

- Student did not approve the Loan Acceptance Disclosure (LAD) within 45 days of loan certification.
- Student was reported by the National Student Clearinghouse (NSC) database as enrolled less than half-time.
- Student contacted the THECB and canceled the loan without informing the institution.

REQUESTING LOAN CHANGES CONTINUED

⚠️ ALERT NEW: REQUIRED [CONTACT US](#) INQUIRY INFORMATION

To ensure inquiries are routed correctly, the following steps must be completed:

- **Received From:** Select Institution
- **Institution:** Enter the Institution’s Full Name
- **Contact Reason:** Select **Financial Aid Question** (regardless of the inquiry reason)

Enter the following information in the Description box:

- HelmNet Loan portal ID
- Commonline Unique ID #: (16 Characters)
- Student’s first name, last name, and middle initial
- Last four digits of the student’s SSN

Provide a detailed explanation of the change needed:

- **Unclear request:** “Please update the loan disbursement to 04-01-2019”.
- **Clear request:** “Please update loan disbursement #1 from 01-15-2019 to 04-01-2019”.

REPAYMENT

The CAL has 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 (See [19 TAC, Section 22.53](#)). All loans have a minimum monthly repayment amount of \$50. There is a maximum repayment period of 10 years for loans with a principal balance under \$30,000, and a maximum repayment period of 20 years for loans with a principal balance of \$30,000 or more. If the balance is greater than \$30,000 at the time the account initially enters repayment, the monthly payment amount must be enough to pay off the entire debt in no more than 20 years. The CAL will not be sold to another lender.

⚠️ ALERT NEW: ANNUAL STUDENT LOAN DEBT DISCLOSURE ([19 TAC, SECTION 21.45](#))

All participating institutions must provide students with a letter, in an electronic format, estimating each student’s total loan obligations, at least once a year. The purpose of this letter is to provide students with timely information on their education loan debt so they can make informed decisions about student loan borrowing.

Student loan debt disclosures must include:

- All education loan debt from the National Student Loan Data System (NSLDS), as well as information that the institution may reasonably collect from its own records.
- Any estimates of the unpaid amount of state, federal, and other education loans obtained by the student (if reasonably available to the institution); the types of education loans must be identified for each total included.
- *An estimate of the total payoff amount or a range for that amount, including principal and interest.
- *An estimate of monthly repayment amount, including principal and interest.

*At a minimum, institutions shall provide this information based on a 10-year repayment plan.

NOTE: This guidance may change based on recent legislative activity; any necessary updates will be provided accordingly.

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

Directors of Financial Aid must submit a form to add, update or remove a user’s access to state financial aid web portals through the THECB.	System Authorization Form
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](#)