2020-21 Program Guidelines College Access Loan (CAL)

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 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

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

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

STUDENTS MUST MEET THE FOLLOWING ELIGIBILITY REQUIREMENTS:	STUDENTS AND COSIGNERS MUST MEET THE FOLLOWING CREDIT APPROVAL REQUIREMENTS:

✓ 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 or higher in
    • 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
	✓ 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

	COSIGNERS MUST:
	✓ 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 IRS Certification Requirements). When certifying a CAL, institutions are confirming that the amount of the requested loan is $100 or greater and does not exceed the difference between the student's COA and other forms of financial assistance for which the student is eligible (regardless of whether the student actually accepts the aid). 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.
  - o Eligibility for Federal PLUS loans should not be considered when determining the amount of a CAL.

NOTE: A student's federal Direct Loan Program eligibility must be taken into consideration even if the institution does not package Direct Loans or if the student declines to complete a Free Application for Federal Student Aid (FAFSA).

ADDITIONAL INFORMATION

CAL INTEREST RATE CHANGE

Applications certified on or after May 1, 2019 will carry a fixed annual interest rate of 5.2%.

CALCULATING ELIGIBILITY FOR TASFA FILERS:

If a student files a Texas Application for State Financial Aid (TASFA), the financial assistance to be deducted should include all aid they were awarded. No Title IV eligibility would be included in the deduction of other forms of financial assistance when calculating the loan amount.

CALCULATING ELIGIBILITY FOR NON-FAFSA FILERS:

If a student is eligible but chooses not to file a FAFSA, the financial assistance to be deducted should include all aid they were awarded. The institution must also deduct the maximum Direct Loan eligibility (including subsidized and unsubsidized) based on the student's grade level and the institution's best determination of dependency status (even if the institution does not participate in the Direct Loan program). If the institution has nothing in their records that would suggest the student is independent, then dependent can be used as the default.

UPDATED

SELECTIVE SERVICE STATEMENT

Male students must be registered with or exempt from Selective Service (SS) in order to be eligible to receive federal or state financial assistance. In accordance with TEC, Section 51.9095, male students must file the required **Selective Service Statement of Registration Status** (found below) with their institution or other entity granting or guaranteeing financial assistance. This includes grants, scholarships, loans, or other assistance funded by state revenue, including federal funds or gifts and grants accepted by the state.

When is the statement NOT Required?

- **When the SS registration is confirmed through the Institutional Student Information Record (ISIR):** The ISIR confirmation serves as the student's official, signed statement because the Department of Education validates registration directly with the Selective Service System (SSS).

- **NEW When the SS registration is confirmed through the SSS.gov website:** The institution can save the confirmation directly from the website to serve as the student's official, signed statement on record.

- **NEW When the ISIR confirms that a student is under the age of 18:** No statement or documentation is needed for the applicable award year, even if the student turns 18 during that year.

When is the statement REQUIRED, including all supporting documentation?

- When the student completes a Free Application for Federal Student Aid (FAFSA) but is flagged "not registered" on the ISIR and SS status **cannot** be confirmed on the SSS.gov website.

- **NEW When the student completes a Texas Application for State Financial Aid (TASFA):** The required statement is embedded in the 2020-21 TASFA and must be completed by the student.

- **NEW** When the student does not complete a FAFSA or TASFA but applies for state financial aid, such as through exemptions or waivers, and SS status **cannot** be confirmed on the SSS.gov website.

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. (Example: The student entered the U.S. after the eligible age to register.)

If the student's status is temporary, the statement must be collected each academic year until the student is registered or determined exempt. (Example: Student is under age 18 but did not complete a FAFSA or TASFA.)

RETENTION SCHEDULE
The status statement and all documentation must be retained in the student's record for 7 years after the date of completion of the award period (TEC, Section 441.1855).

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

Institutions may collect the required status statement and documentation either electronically or on paper. (English Statement or Spanish Statement)

SELECTIVE SERVICE STATEMENT OF REGISTRATION STATUS

Male students must verify their current Selective Service registration status by marking one of the statements below and providing proof of their registration status to their current institution. Failure to do so may result in the loss of eligibility for state financial aid.

_____ I am under the age of 18 and not currently required to register.

_____ I am **REGISTERED** with the Selective Service and,
Check the following box that applies:
☐ I have already submitted proof of registration to my current institution.
☐ Proof of registration is included with this statement.
☐ I will submit proof of my registration.
NOTE: *Proof is required to be considered eligible for financial aid.*

_____ I am **EXEMPT** from registration and,
Check the following box that applies:
☐ I have already submitted proof of my exemption to my current institution.
☐ Proof of my exemption is included with this statement.
☐ I will submit proof of my exemption.
NOTE: *Proof is required to be considered eligible for financial aid.*

_____ I am over the age of 18. I am not registered with Selective Service and I am not exempt from registration with Selective Service.

I, _____, hereby certify that the Selective Service status statement provided above is true and accurate.

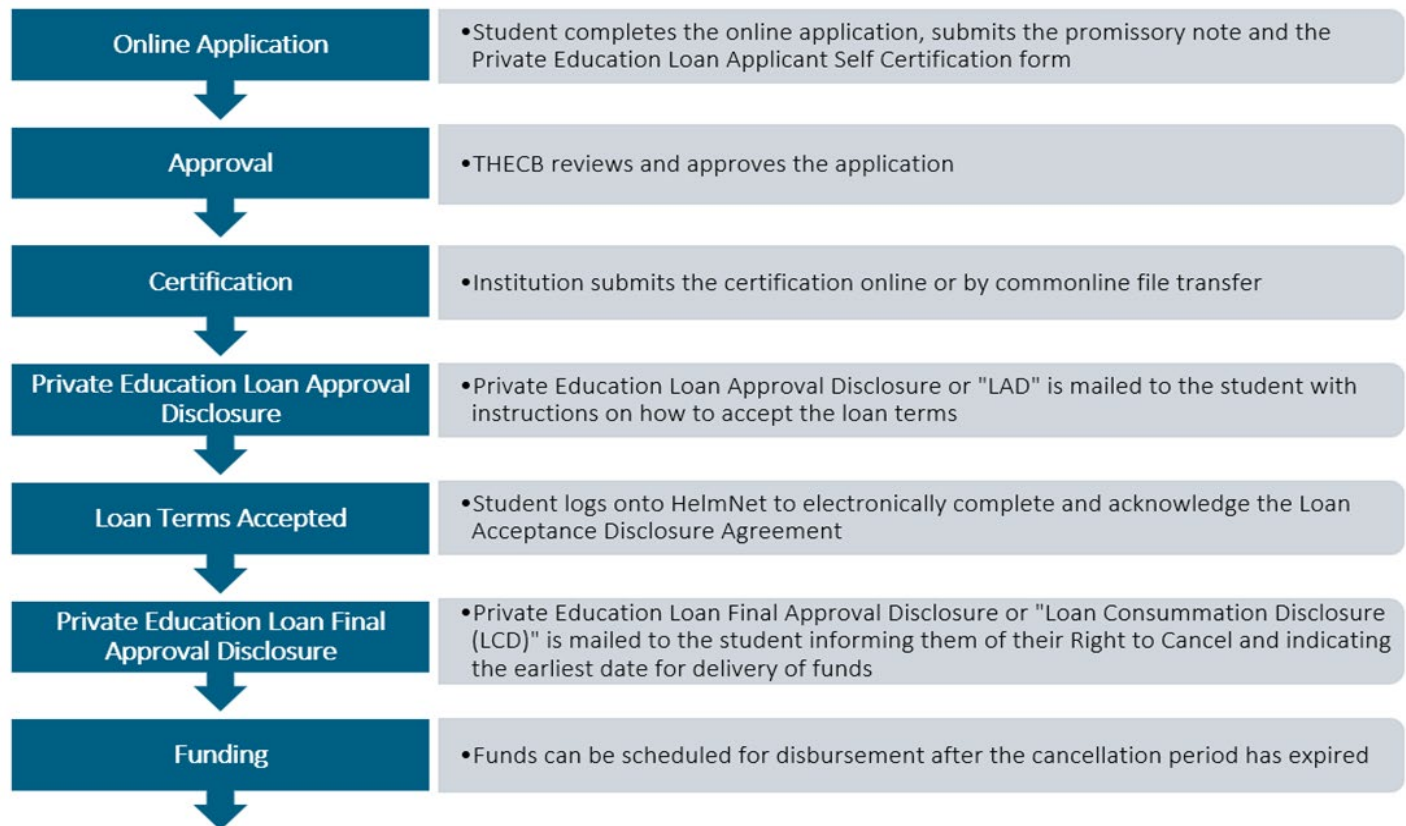Student ID:_____   Signature:_____   Date:_____

SATISFACTORY ACADEMIC PROGRESS (SAP)

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.
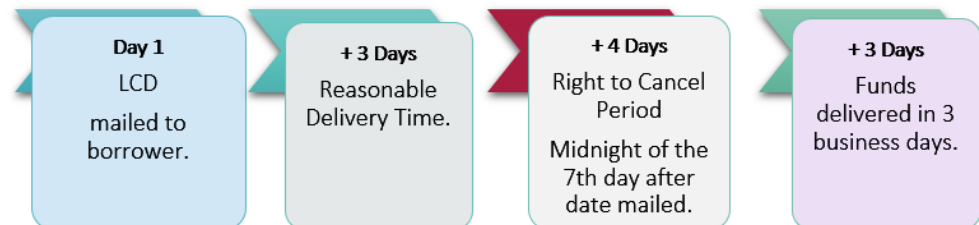
PROCESSING FUNDS

LOAN PROCESS FLOW

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

Online Application	• Student completes the online application, submits the promissory note and the Private Education Loan Applicant Self Certification form
Approval	• THECB reviews and approves the application
Certification	• Institution submits the certification online or by commonline file transfer
Private Education Loan Approval Disclosure	• Private Education Loan Approval Disclosure or "LAD" is mailed to the student with instructions on how to accept the loan terms
Loan Terms Accepted	• Student logs onto HelmNet to electronically complete and acknowledge the Loan Acceptance Disclosure Agreement
Private Education Loan Final Approval Disclosure	• Private Education Loan Final Approval Disclosure or "Loan Consummation Disclosure (LCD)" is mailed to the student informing them of their Right to Cancel and indicating the earliest date for delivery of funds
Funding	• Funds can be scheduled for disbursement after the cancellation period has expired

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

Day 1	+ 3 Days	+ 4 Days	+ 3 Days
LCD mailed to borrower.	Reasonable Delivery Time.	Right to Cancel Period Midnight of the 7th day after date mailed.	Funds delivered in 3 business days.

CERTIFYING LOAN APPLICATIONS

Institutions can certify eligible loans throughout the academic year on an as-needed basis. The certification of the loan cannot exceed the student's requested amount. 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 application using one of 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.

REQUESTING LOAN CHANGES

A CAL can never exceed the amount certified by the institution. After certification, a CAL can be increased up to the original certified amount when:

- The student cancels all or part of the loan but later ends up needing the money during the loan period.

- 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 has already returned funds to the THECB during the loan period but needs all or part of the funds reissued.

The institution can request in writing through CONTACT US that the loan be increased or 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.

For example: The student ends up needing more money after certification 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 through CONTACT US to reinstate a canceled loan or disbursement. 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.

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 the 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 the THECB.

REQUESTING LOAN CHANGES CONTINUED

⚠ **ALERT: 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:

Give as many details pertaining to your request as possible, for example:

- **Unclear request:** "Please update the loan disbursement to 04-01-2020."
- **Clear request:** "Please update loan disbursement #1 from 01-15-2020 to 04-01-2020."

Student Financial Aid Programs Information (SFAP) Webpage

INSTITUTIONAL TOLL-FREE NUMBER: 1-844-792-2640

ONLINE INQUIRIES: CONTACT US (select "Financial Aid Question" option under contact reason)

The Financial Aid Services Department is unavailable every third Thursday in the morning to allow for a monthly staff meeting.

NEWS YOU CAN USE

STAY CON...

Texas Higher Education Coordinating Board

Contact Us

*An asterisk * by the field indicates a required field!*

Received From*	INSTITUTION
Institution	College of Higher Educations
Contact Reason*	*Financial Aid Question
Description*	*3740 characters left*

HelmNet ID: 00XXXXX00LastAA

Commonline unique ID #: 123456123456123

Student, Student, S
SSN:0011

Student was initially enrolled in 4hr for spring currently enrolled for 12hr

Please do NOT include your full Social Security Number inside the issue description. If you have a question about the status of a new loan application, accounts in repayment, or deferments, please use the last four digits of your SSN instead.

RETURNING PROGRAM FUNDS

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

TIMELY DISTRIBUTION OF FUNDS

Institutions **must** follow these requirements when processing program funds (see 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

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. 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.

NOTE: Borrowers who enroll in the Automatic Debit (ACH) payment service will receive a 0.25% interest rate reduction on the interest rate of each applicable loan in repayment.

⚠ UPDATED: ANNUAL STUDENT LOAN DEBT DISCLOSURE (19 TAC, SECTION 21.49)

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 that 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.
• An estimate of the unpaid amount of federal education loans and state education loans obtained by the student at the current 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.

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
Texas Program Statutes	Texas Education Code
Texas Program Rules	Texas Administrative Code
First-time users will be required to create an account for CBPass and then request access to the online **Grant Payment** application.	CBPass CBPass User Instruction Guide
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.	Special Programs Online Return of Funds Form Loan Programs Online Return of Funds Form
The THECB accepts funds electronically as an Automated Clearing House (ACH) or wire transfer.	Electronic Funds Transfer Information