

2021-22

Program Guidelines

College Access Loan (CAL)



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.

NEW: Statutes (TEC) and rules (TAC) periodically change and may affect the links referenced in this document. Copies of statutes and rules used to create these guidelines are available in [Appendix 2](#).

PROGRAM AUTHORITY 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](#)
- regional education service centers or other entities that offers an alternative educator certification program approved by the State Board for Educator Certification as defined in [TEC, Section 21.049](#)

ELIGIBILITY

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

STUDENTS MUST MEET THE FOLLOWING:	COSIGNERS MUST MEET THE FOLLOWING:
<ul style="list-style-type: none"> ✓ be classified by the institution as a Texas resident ✓ be registered with Selective Service, or be exempt (see Selective Service Statement) ✓ have insufficient resources to finance their education ✓ be enrolled at least half-time as determined by the institution in a course of study leading to a certificate, an associate, baccalaureate, graduate or higher degree, or an approved alternative educator certification program ✓ meet the satisfactory 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"> ✓ 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
	STUDENTS OR COSIGNERS MUST MEET THE FOLLOWING CREDIT APPROVAL 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

SATISFACTORY ACADEMIC PROGRESS (SAP) ([19 TAC, SECTION 22.46](#))

A student must meet 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.

ADDITIONAL INFORMATION

CAL INTEREST CHANGE

- Applications certified prior to July 1, 2021 will carry a fixed annual interest rate of 4.2%.
- Applications certified on or after July 1, 2021 will carry a fixed annual interest rate of 3.75%.

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.

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

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

<p>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. For more information about Selective Service System, visit sss.gov.</p>	
<input type="checkbox"/> I am under the age of 18 and not currently required to register.	
<input type="checkbox"/> I am REGISTERED with the Selective Service and, <i>Check the following box that applies:</i> <input type="checkbox"/> I have already submitted proof of registration to my current institution. <input type="checkbox"/> Proof of registration is included with this statement. <input type="checkbox"/> I will submit proof of my registration. NOTE: Proof is required to be considered eligible for financial aid.	<input type="checkbox"/> I am EXEMPT from registration and, <i>Check the following box that applies:</i> <input type="checkbox"/> I have already submitted proof of my exemption to my current institution. <input type="checkbox"/> Proof of my exemption is included with this statement. <input type="checkbox"/> I will submit proof of my exemption. NOTE: Proof is required to be considered eligible for financial aid.
<input type="checkbox"/> I am over the age of 18. I am not registered with Selective Service and I am not exempt from registration with Selective Service. NOTE: Choosing this option may result in the loss of eligibility for state financial aid.	
<p>I, _____, hereby certify that the Selective Service status statement provided above is true and accurate.</p>	
Student ID: _____	Signature: _____ Date: _____

AWARDING

AWARD AMOUNTS ([19 TAC, SECTION 22.49](#))

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.

Eligibility for Federal PLUS loans should not be considered when determining the amount of a CAL.

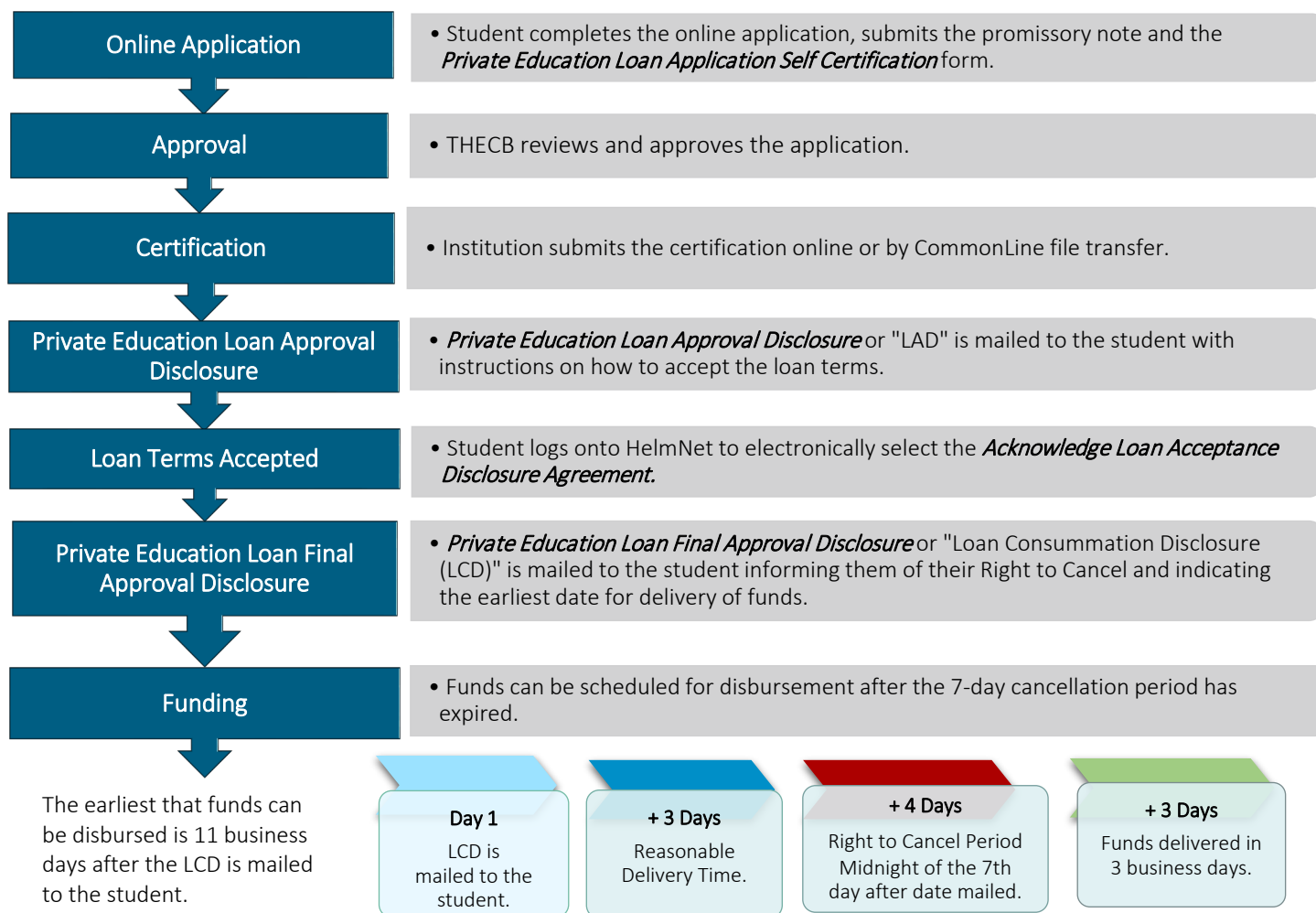
NOTE: A student's Federal Direct Loan Program eligibility must be taken into consideration even if the institution does not package Direct Loans or if the student declines to complete a Free Application for Federal Student Aid (FAFSA).

(See [19 TAC, Section 22.46\(b\)](#))

PROCESSING FUNDS

LOAN PROCESS FLOW

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



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 portal](#)
- 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.

NEW The institution can make certain predisbursement changes (see [HelmNet Change Transactions Instruction Guide](#)) through the HelmNet Portal or request changes such as reinstatement in writing through [CONTACT US](#). Loans can be increased or reinstated up to the original certification amount. 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 their 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.

ADDITIONAL INFORMATION

HELMNET 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 [User Access 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.



STOP: REINSTATING CANCELED LOANS

Institutions can send a request in writing through [CONTACT US](#) to reinstate a canceled loan or disbursement. Requests will be reviewed on a case-by-case basis.

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: REQUIRED [CONTACT US](#) INQUIRY INFORMATION

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

- select Institution
- enter the Institution's Full Name
- select **Financial Aid Question** (regardless of the inquiry reason)

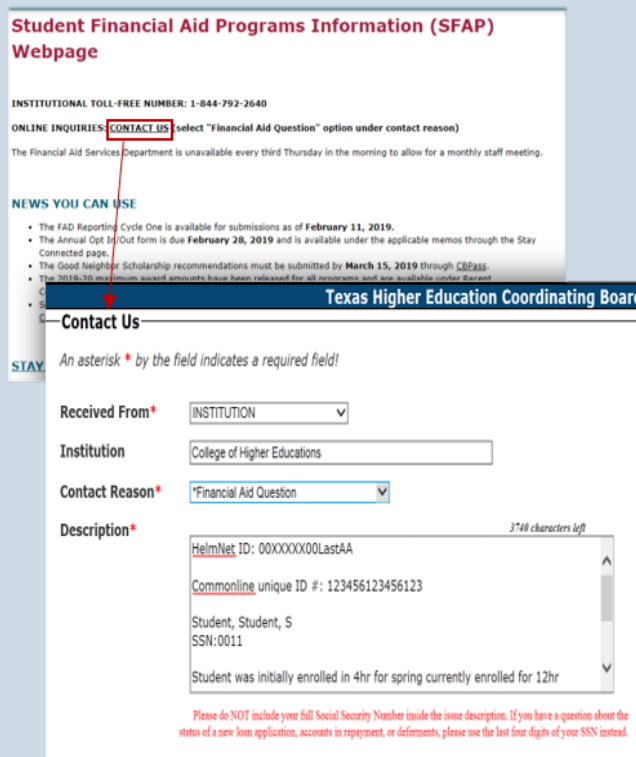
Enter the following information in the Description box:

- requestor's HelmNet portal ID (Username)
- CommonLine Unique ID #: (16 Characters)
- student's first name, last name, and middle initial
- last four digits of the student's SSN

Note: For security purposes, do NOT provide the student's full SSN when submitting online inquiries.

Provide a detailed explanation of the change needed:

- **Unclear request:** "Please reinstate the loan."
- **Clear request:** "Please reinstate the loan. The student's SAP appeal has been granted and the student is now eligible."



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

- The FAD Reporting Cycle One is available for submissions as of **February 11, 2019**.
- The Annual Opt In/Out form is due **February 28, 2019** and is available under the applicable memos through the Stay Connected page.
- The Good Neighbor Scholarship recommendations must be submitted by **March 15, 2019** through CDEpass.
- The 2018/2019 endowment award amounts have been released for all campuses and are available under Parent.

Contact Us

An asterisk * by the field indicates a required field!

Received From*

Institution

Contact Reason*

Description*

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 delinquencies, 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.

TIMELY DISTRIBUTION OF FUNDS ([19 TAC, SECTION 22.2](#))

Institutions **must** follow these requirements when processing program funds:

- 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 six-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 six-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 or Automatic Clearinghouse (ACH) payment service will receive a 0.25% interest rate reduction on the interest rate of each applicable loan in repayment.



STOP: 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 (loans types 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: FREQUENTLY ASKED QUESTIONS

1. Can institutions change disbursement amounts after a loan has been certified?

Yes, institutions can process changes to pending disbursements up to the original certified amount through the HelmNet loan portal during the loan period.

Institutions can make the following changes on pending disbursements during certain stages of the loan life cycle:

- cancel disbursement(s)
- change disbursement date
- change disbursement amounts
- change disbursement status

For instructions on how to process loan changes, refer to the [HelmNet Change Transactions Instruction Guide](#).

Note: To reinstate a loan, refer to [Requesting Loan Changes](#) section.

2. Can a student who is not meeting satisfactory academic progress (SAP) appeal their SAP status and receive a CAL?

Yes, if an institution has an appeal process for students who have not met SAP requirements, it must be documented. Students whose SAP appeal has been approved by the institution can receive a CAL.

3. Do institutions need to place academic holds on students who are delinquent on state loans?

No, as of Nov. 1, 2019, the THECB no longer places academic holds on delinquent borrowers. Therefore, institutions should not place an academic hold related to a THECB delinquency.

Beginning January 2021, the THECB reinstated the MOVEit DMZ Cumulative Delinquency Report file (see [2021 State Financial Aid Resource Updates Memo](#)). Reporting can be used by institutions to help counsel students to reduce the likelihood of default and to avoid restrictions from borrowing future state loan funds.

4. If a student has reached the maximum aggregate limits for Direct Loans, are federal loan amounts considered when calculating the College Access Loan award amount?

No, while the CAL award amount calculation would deduct any financial assistance awarded to the student, it would not include the Direct Subsidized or Unsubsidized Loans since this student would not be eligible once the aggregate limits have been reached.

APPENDIX 2: 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.	
PROGRAM RULES AND STATUTES	
Texas Program Statutes	Texas Education Code TEC, Chapter 52, Subchapter C [PDF]
Texas Program Rules	Texas Administrative Code 19 TAC, Chapter 22, Subchapter A [PDF] 19 TAC, Chapter 22, Subchapter C [PDF]
WEBSITES, PORTALS AND GUIDES	
General program information for institutions	Student Financial Aid Programs Information Webpage
General college enrollment and financial aid information for students	College for All Texans
General loan information for students	HHloans Website
Loan and scholarship account information for institutions	HelmNet Login Portal HelmNet Online Reporting Manual [PDF] HelmNet Change Transactions Instruction Guide [PDF]
Secure file transfer and processing portal	MOVEit DMZ Portal MOVEit DMZ User Access Guide [PDF]
FORMS AND INSTRUCTIONS	
Form for adding, updating, or removing a user's access for state financial aid web portals	User Access Form [PDF]
Form for returning program funds	Loan Programs Online Return of Funds Form
Instructions for returning funds electronically	Electronic Funds Transfer Information [PDF]