

College Access Loan (CAL) Program

Texas Education Code (TEC), Title 3, Chapter 52, Subchapter C, Student Loans

Sec. 52.31. PARTICIPATING INSTITUTIONS. In this subchapter, "participating higher educational institution" means a public or private nonprofit institution of higher education, including a junior college, accredited by a recognized accrediting agency as defined by Section [61.003](#), or a regional education service center or other entity that offers an alternative educator certification program approved by the State Board for Educator Certification, that:

- (1) is located in this state; and
- (2) complies with the provisions of this chapter and the rules of the board promulgated in accordance with this chapter.

Acts 1971, 62nd Leg., p. 3072, ch. 1024, art. 1, Sec. 1, eff. Sept. 1, 1971.

Amended by:

Acts 2005, 79th Leg., Ch. 1181 (S.B. [1227](#)), Sec. 5, eff. September 1, 2005.

Sec. 52.32. QUALIFICATIONS FOR LOANS. (a) The board may authorize loans from the Texas Opportunity Plan Fund or the student loan auxiliary fund to a qualified applicant who:

- (1) is a resident of this state as defined by the board in accordance with Subchapter B, Chapter [54](#);
- (2) has been accepted for enrollment at a participating higher educational institution;
- (3) has established that the student has insufficient resources to finance the student's college education or alternative educator certification program;
- (4) has submitted to the board at least two references, including the names of the persons giving those references and appropriate contact information for those persons; and
- (5) has complied with other requirements established by the rules adopted by the board in conformity with this chapter.

(a-1) Repealed by Acts 2019, 86th Leg., R.S., Ch. 325 (H.B. [4465](#)), Sec. 11(1), eff. September 1, 2019.

(b) Repealed by Acts 2019, 86th Leg., R.S., Ch. 325 (H.B. [4465](#)), Sec. 11(1), eff. September 1, 2019.

(c) In no event may a higher standard of academic performance be required of an applicant than the minimum standard required for enrollment in the participating institution. The student must be meeting the minimum academic requirements of the institution in the semester any loan is made.

(d) Repealed by Acts 2007, 80th Leg., R.S., Ch. 1334, Sec. 6(e)(2), eff. September 1, 2007.

Acts 1971, 62nd Leg., p. 3072, ch. 1024, art. 1, Sec. 1, eff. Sept. 1, 1971. Amended by Acts 1985, 69th Leg., ch. 892, Sec. 1, eff. Sept. 1, 1985; Acts 1987, 70th Leg., 2nd C.S., ch. 23, Sec. 1, eff. Aug. 3, 1987; Acts 1989, 71st Leg., ch. 1084, Sec. 2.01, eff. Sept. 1, 1989; Acts 2003, 78th Leg., ch. 364, Sec. 2.01, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 817, Sec. 8.16, eff. Sept. 1, 2003.

Amended by:

Acts 2005, 79th Leg., Ch. 1181 (S.B. [1227](#)), Sec. 6, eff. September 1, 2005.

Acts 2007, 80th Leg., R.S., Ch. 1334 (S.B. [1640](#)), Sec. 6(e)(2), eff. September 1, 2007.

Acts 2019, 86th Leg., R.S., Ch. 325 (H.B. [4465](#)), Sec. 3, eff. September 1, 2019.

Acts 2019, 86th Leg., R.S., Ch. 325 (H.B. [4465](#)), Sec. 11(1), eff. September 1, 2019.

Sec. 52.321. STANDARDS CONCERNING ABILITY TO REPAY CERTAIN LOANS. In establishing requirements to be met by applicants for student loans authorized by the board under this chapter, the board may not establish standards relating to demonstration of ability to repay a federally insured student loan that are stricter for a certain class of applicants than for other applicants, except in cases where the applicant attends a school with a loan default rate of 15 percent or more.

Added by Acts 1989, 71st Leg., ch. 1084, Sec. 2.02, eff. Sept. 1, 1989.

Sec. 52.33. AMOUNT OF LOAN. The amount of the loan to any qualified applicant shall be limited to the difference between the financial resources available to the applicant, including the applicant's scholarships, gifts, grants, and other financial aid, and the amount necessary to pay the applicant's reasonable expenses as a student at the participating institution of higher education where the applicant has been accepted for enrollment, under the rules and regulations adopted by the board. The total loan to any individual student may never be more than the amount the student can reasonably be expected to repay in the maximum loan period provided by board rule, except as otherwise provided for in this chapter.

Acts 1971, 62nd Leg., p. 3072, ch. 1024, art. 1, Sec. 1, eff. Sept. 1, 1971. Amended by Acts 1987, 70th Leg., 2nd C.S., ch. 23, Sec. 2, eff. Aug. 3, 1987.

Amended by:

Acts 2005, 79th Leg., Ch. 1181 (S.B. [1227](#)), Sec. 7, eff. September 1, 2005.

Acts 2019, 86th Leg., R.S., Ch. 325 (H.B. [4465](#)), Sec. 4, eff. September 1, 2019.

Sec. 52.335. REQUIRED LOAN DEBT DISCLOSURE. (a) This section applies to a participating higher educational institution that enrolls one or more students receiving state financial aid administered by the Texas Higher Education Coordinating Board.

(b) At least annually a participating higher educational institution to which this section applies that receives education loan information for a student enrolled at the institution shall provide to that student in an electronic communication the following information:

- (1) an estimate of the total amount of state and federal education loans incurred by the student;
- (2) an estimate of the total payoff amount, or a range for that amount, for the amount described by Subdivision (1), including principal and interest; and
- (3) an estimate of the monthly repayment amount that the student may incur for the repayment of the amount described by Subdivision (1), including principal and interest.

(b-1) A participating higher educational institution is not required to provide in any disclosure or report required under this section information regarding loans issued by a private entity.

(c) A participating higher educational institution is required to include in the disclosure only education loan debt information regarding the student that the institution:

(1) receives or otherwise obtains from the United States Department of Education's central database for student aid; and

(2) may reasonably collect from its own records.

(d) The disclosure required under this section must:

(1) identify the types of education loans included in the institution's estimates; and

(2) include:

(A) a statement that the disclosure is not a complete and official record of the student's education loan debt;

(B) an explanation regarding why the disclosure may not be complete or accurate, including an explanation that for a transfer student, the institution's estimates regarding state loans reflect only state loans incurred by the student for attendance at the institution; and

(C) a statement that the institution's estimates are general in nature and are not intended as a guarantee or promise.

(e) A participating higher educational institution does not incur liability for any representation made under this section.

(f) The Texas Higher Education Coordinating Board shall adopt rules for the administration of this section.

Added by Acts 2017, 85th Leg., R.S., Ch. 202 (S.B. [887](#)), Sec. 1, eff. May 27, 2017.

Amended by:

Acts 2019, 86th Leg., R.S., Ch. 573 (S.B. [241](#)), Sec. 1.05, eff. September 1, 2019.

Sec. 52.34. PAYMENTS TO STUDENT. (a) No payment may be made to any student until the student has executed a note payable to the Texas Opportunity Plan Fund or the student loan auxiliary fund for the full amount of the authorized loan plus interest.

(b) For the purposes of this chapter, a student has the capacity to contract and is bound by any contract executed by the student, and the defense that the student was a minor at the time the student executed the note is not available to the student in any action arising on the note.

(c) Payments to students executing notes may be made annually, semiannually, quarterly, monthly, or for each semester as the board may determine, depending on the demonstrated capacity of the student to manage the student's financial affairs.

(d) Disbursements may be made by the board or by the participating institution pursuant to a contract between the board and the institution executed in conformity with this chapter.

(e) Money may be distributed to a participating institution only to make payments to a student under a loan authorized by this chapter.

(f) The board shall distribute money to a participating institution through the current statewide accounting system.

Acts 1971, 62nd Leg., p. 3072, ch. 1024, art. 1, Sec. 1, eff. Sept. 1, 1971. Amended by Acts 2003, 78th Leg., ch. 820, Sec. 45, eff. Sept. 1, 2003.

Amended by:

Acts 2019, 86th Leg., R.S., Ch. 325 (H.B. [4465](#)), Sec. 5, eff. September 1, 2019.

Sec. 52.35. TERM OF LOANS. The term of all authorized loans must be for the shortest possible period consistent with general practice by issuers of student loans, as determined by the board.

Acts 1971, 62nd Leg., p. 3072, ch. 1024, art. 1, Sec. 1, eff. Sept. 1, 1971. Amended by Acts 1971, 62nd Leg., p. 3339, ch. 1024, art. 2, Sec. 7, eff. Sept. 1, 1971; Acts 1987, 70th Leg., 2nd C.S., ch. 23, Sec. 3, eff. Aug. 3, 1987.

Amended by:

Acts 2005, 79th Leg., Ch. 1181 (S.B. [1227](#)), Sec. 8, eff. September 1, 2005.

Sec. 52.36. LOAN INTEREST AND FEES. (a) The board shall from time to time fix the interest to be charged for any student loan at a rate sufficient to pay the interest on outstanding bonds, any expenses incident to their issuance, sale, and retirement, and all or a portion of the board's expenses related to the operation of the student loan program. Interest shall be postponed by the board as long as a student is enrolled at a participating institution and may be postponed at the board's discretion as long as a student is enrolled at any other higher educational institution, provided that the total interest paid is to be equal to that fixed at the time the note evidencing the loan is executed.

(b) The board may charge and collect loan origination fees from borrowers for use in offsetting in whole or in part the operating expenses for the loans.

Acts 1971, 62nd Leg., p. 3072, ch. 1024, art. 1, Sec. 1, eff. Sept. 1, 1971. Amended by Acts 1979, 66th Leg., p. 785, ch. 347, Sec. 1, eff. June 6, 1979; Acts 1987, 70th Leg., 2nd C.S., ch. 23, Sec. 4, eff. Aug. 3, 1987; Acts 1993, 73rd Leg., ch. 571, Sec. 10, eff. Aug. 30, 1993.

Sec. 52.37. INSURANCE. The board may contract with any insurance company or companies licensed to do business in Texas for insurance on the life of any student borrower in an amount sufficient to retire the principal and interest owed under a loan made under the provisions of this chapter. The cost of the insurance shall be paid by the student borrower. No contract for insurance as provided for in this section may be approved except by the board during a regular meeting attended by a quorum of the total board membership.

Acts 1971, 62nd Leg., p. 3072, ch. 1024, art. 1, Sec. 1, eff. Sept. 1, 1971.

Sec. 52.38. REPAYMENT OF LOANS. Repayment of any loan and interest authorized under this chapter shall be made monthly and shall begin not later than nine months after the date the student borrower is last enrolled in a participating institution or any other institution of higher education. The board may, however, authorize a longer period before beginning repayment of loans to medical students, dental students, and other students seeking professional or graduate degrees. The board may extend the time for beginning repayment for unusual financial hardships, with the approval of the attorney general. Repayment shall be made directly to the board pursuant to a contract executed by the board in accordance with its rules and regulations.

Acts 1971, 62nd Leg., p. 3072, ch. 1024, art. 1, Sec. 1, eff. Sept. 1, 1971. Amended by Acts 1971, 62nd Leg., p. 3339, ch. 1024, art. 2, Sec. 7, eff. Sept. 1, 1971.

Amended by:

Acts 2019, 86th Leg., R.S., Ch. 325 (H.B. [4465](#)), Sec. 6, eff. September 1, 2019.

Sec. 52.39. DEFAULT; SUIT. When any person who has received or cosigned as a guarantor for a loan authorized by this chapter has failed or refused to make as many as six monthly payments due in accordance with an executed note, then the full amount of the remaining principal and interest becomes due and payable immediately, and the amount due, the person's name and last known address, and other necessary information shall be reported by the board to the attorney general. Suit for the remaining sum shall be instituted by the attorney general, unless the attorney general finds reasonable justification for delaying suit and so advises the board in writing. Venue for a suit arising under this section is exclusively conferred on a court of competent jurisdiction in Travis County.

Acts 1971, 62nd Leg., p. 3072, ch. 1024, art. 1, Sec. 1, eff. Sept. 1, 1971.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 1155 (S.B. [215](#)), Sec. 3, eff. September 1, 2013.

Sec. 52.41. SERVICING OF CERTAIN FEDERALLY INSURED STUDENT LOANS. (a) Repealed by Acts 2019, 86th Leg., R.S., Ch. 325 (H.B. [4465](#)), Sec. 11(3), eff. September 1, 2019.

(b) The board may service any outstanding student loans issued by the board under the Federal Family Education Loan Program authorized under Part B, Title IV, of the Higher Education Act of 1965 (20 U.S.C. Section 1071 et seq.).

(c) Repealed by Acts 2019, 86th Leg., R.S., Ch. 325 (H.B. [4465](#)), Sec. 11(3), eff. September 1, 2019.

Added by Acts 2003, 78th Leg., ch. 820, Sec. 46, eff. Sept. 1, 2003.

Amended by:

Acts 2019, 86th Leg., R.S., Ch. 325 (H.B. [4465](#)), Sec. 7, eff. September 1, 2019.

Acts 2019, 86th Leg., R.S., Ch. 325 (H.B. [4465](#)), Sec. 8, eff. September 1, 2019.

Acts 2019, 86th Leg., R.S., Ch. 325 (H.B. [4465](#)), Sec. 11(3), eff. September 1, 2019.