

# Future Occupations & Reskilling Workforce Advancement to Reach Demand

Texas Administrative Code (TAC), Title 19, Chapter 22, Subchapter J

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## §22.175 Authority and Purpose

(a) Unless otherwise noted in a section, the authority for these provisions is provided by Texas Education Code, §§52.17, 52.32-52.39, and 52.54.

(b) This subchapter establishes rules relating to the administration of the Future Occupations & Reskilling Workforce Advancement to Reach Demand (FORWARD) Loan Program. The program provides access to low interest loans to cover educational expenses, with the goal of accelerating the ability of employers throughout the State of Texas to fill high-demand jobs while providing students with high-value credentials.

Source Note: The provisions of this §22.175 adopted to be effective January 1, 2023, 47 TexReg 8983

## §22.176 Definitions

In addition to the words and terms defined in Texas Administrative Code, §22.1 of this title (relating to Definitions) the following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise.

(1) Cosigner--one who signs a student loan promissory note and thereby assumes liability for the debt and all fees and expenses associated with the note and who is not a direct beneficiary of the proceeds of the loan.

(2) Default--the failure of a borrower and cosigner, if any, to make loan installment payments when due for a total of 180 days.

(3) Forbearance--permission from Board staff, granted through documented loan program policies and procedures, that allows a borrower to cease payments temporarily, or allows an extension of time for making payments, or temporarily reduces the payment amount from the amount that was previously scheduled.

(4) Fund--the Texas Opportunity Plan Fund as created by the Constitution of the State of Texas, Article III, 50b.

(5) High-demand credential--undergraduate degrees, certificates, or short-term credentials identified by the Board in consultation with the Texas Workforce Commission, Texas Workforce Investment Council, and the Governor's Office of Economic Development and Tourism as filling critical workforce needs in the State while providing a high-value credential to students upon completion.

(6) Program--the Future Occupations & Reskilling Workforce Advancement to Reach Demand (FORWARD) Loan Program.

Source Note: The provisions of this §22.176 adopted to be effective January 1, 2023, 47 TexReg 8983

## §22.177 Eligible High-Demand Credentials

The Higher Education Coordinating Board shall determine which high-demand credentials shall be eligible for loans under the Program, in consultation with the Texas Workforce Commission, Texas Workforce Investment Council, and the Governor's Office of Economic Development and Tourism or their delegates.

(1) Eligible credentials shall be selected based on current and projected workforce demands and the ability of students to graduate from identified programs with manageable debt as defined by the Board's long-term strategic plan for Texas higher education.

(2) Selected credentials must meet measures for credentials of value to students and employers as defined by the Board's long-term strategic plan for Texas higher education.

(3) Eligible credentials shall be reassessed at least annually.

Source Note: The provisions of this §22.177 adopted to be effective January 1, 2023, 47 TexReg 8983

## **§22.178 Eligibility of Institutions**

(a) Eligible higher educational institution means an institution of higher education or a private or independent institution of higher education, as defined by Texas Education Code §61.003, that:

(1) is located in this state; and

(2) be a resident of Texas;

(b) Each eligible institution shall designate a full-time administrative official of the institution who will act as the Board's on-campus agent. This officer shall certify all institutional transactions and activities with respect to the Program and shall be responsible for all records and reports reflecting the transactions with respect to the Program. The Program Officer may authorize other student financial aid officials at the institution to certify applications through this Program.

(c) Each eligible institution shall promptly report student borrower changes in enrollment status to Board Staff directly or to the National Student Clearinghouse.

Source Note: The provisions of this §22.178 adopted to be effective January 1, 2023, 47 TexReg 8983

## **§22.179 Eligibility of Students**

(a) Subject to the requirements in §22.183 of this subchapter (relating to Amount of Loan), Board Staff may authorize, or cause to be authorized, loans through the Program to students at any eligible institution which certifies that the student meets program qualifications, if the student:

(1) is a resident of Texas as defined in Texas Education Code Chapter 54 and Chapter 21, Subchapter B of this title;

(2) is enrolled in an eligible high-demand credential program so that the student will be able to complete the credential program in two years or less;

(3) is in good standing and is making satisfactory academic progress toward the eligible high-demand credential as determined by the institution;

(4) has insufficient resources to finance his or her education;

(5) has provided information on two references who live at separate addresses and are expected to know the student's current address at all times throughout the life of the loan;

(6) has signed a promissory note acknowledging his or her obligations and responsibilities to the fund; and

(7) has received a favorable evaluation of his/her credit report or has obtained the signature of a qualified cosigner who has received a favorable evaluation of his/her credit report.

(b) For students enrolled in degree programs, the student must have completed at least 50% of the required coursework prior to receiving a loan through the Program.

(c) For students enrolled in non-degree programs, the program's duration must be less than two years.

(d) Students enrolled in master's degree coursework are eligible for this Program if the master's degree is part of a combined baccalaureate-master's program approved by the institution of higher education.

Source Note: The provisions of this §22.179 adopted to be effective January 1, 2023, 47 TexReg 8983

## **§22.180 Discontinuation of Eligibility**

(a) A student's eligibility for the program ends two years from the start of the semester in which the student received the first loan through the Program unless the student is granted a hardship extension in accordance with §22.181 of this subchapter (relating to Hardship Provisions).

(b) In circumstances when a prior recipient of a loan through this Program is no longer eligible solely due to not meeting the requirement of being enrolled in an eligible high-demand credential program per §22.179(2) of this subchapter (relating to Eligibility of Students), the student may continue to receive loans through the Program if:

(1) The student continues to be enrolled in the credential program that was used to demonstrate initial eligibility for the Program; and

(2) The student continues to meet all other eligibility criteria outlined in §22.179 of this subchapter (relating to Eligibility of Students).

Source Note: The provisions of this §22.180 adopted to be effective January 1, 2023, 47 TexReg 8983

## **§22.181 Hardship Provisions**

(a) In the event of a hardship or for other good cause, the Program Officer at a participating institution may allow an otherwise eligible student to receive a loan through this Program:

(1) while not meeting the satisfactory academic progress requirements, as defined in §22.179(3) of this subchapter (relating to Eligibility of Students); or

(2) while enrolled beyond the time limit restrictions defined in §22.180(a) of this subchapter (relating to Discontinuation of Eligibility).

(b) Hardship conditions may include, but are not limited to:

(1) a showing of a severe illness or other debilitating condition that may affect the student's academic performance; or

(2) an indication that the student is responsible for the care of a sick, injured, or needy person and that the student's provision of care may affect his or her academic performance.

(c) Documentation of the hardship circumstances approved for a student to receive a loan must be kept in the student's files, and the institution must identify students approved for a loan based on a hardship to the Coordinating Board upon request.

(d) Each institution shall adopt a hardship policy under this section and have the policy available in writing in the financial aid office for public review upon request.

Source Note: The provisions of this §22.181 adopted to be effective January 1, 2023, 47 TexReg 8983

## **§22.182 Requirements of Cosigner**

(a) A cosigner shall:

- (1) be at least 21 years of age or older;
- (2) have a regular source of income;
- (3) have received a favorable evaluation of his/her credit report; and
- (4) reside in the United States or a U.S. territory and be a U.S. citizen or permanent resident of the United States.

(b) A spouse may not act as the cosigner for the student.

(c) Cosigners are guarantors of payment and not of collection; it is not necessary for the Board Staff to demonstrate that the borrower is insolvent before it may pursue collection against the cosigner.

Source Note: The provisions of this §22.182 adopted to be effective January 1, 2023, 47 TexReg 8983

## **§22.183 Amount of Loan**

(a) Aggregate Loan Limit. The maximum aggregate loan amount for any eligible student shall take into account the definition of manageable debt under the Board's Long-Range Master Plan for Higher Education.

(b) Annual Loan Limit. In no case shall the annual loan amount exceed the difference between the cost of attendance and the financial resources available to the applicant, including the applicant's scholarships, gifts, grants, and other financial aid. The student's maximum eligibility for Federal Direct Loans, except for Federal Plus loans, must be considered by the institution as other financial aid, whether or not the student actually receives such assistance.

Source Note: The provisions of this §22.183 adopted to be effective January 1, 2023, 47 TexReg 8983

## **§22.184 Loan Interest**

The interest rate charged for loans through this program shall be set annually by the Commissioner, shall be simple interest, and shall begin to accrue on the outstanding principal from the date of disbursement. These loans are not eligible for interest subsidy.

Source Note: The provisions of this §22.184 adopted to be effective January 1, 2023, 47 TexReg 8983

## **§22.185 Disbursements to Students**

(a) No disbursement shall be made to any student until he or she has executed a promissory note payable to the program for the full amount of any loan plus interest and other authorized fees. In addition, a cosigner's signature may be also required in accordance with the provisions of §22.179(7) of this subchapter (relating to Eligibility of Students).

(b) The original of such executed promissory note shall be forwarded to the Board immediately.

(c) For the purposes of any promissory note executed by a borrower, the defense that he or she was a minor at the time he or she executed a note shall not be available to him or her in any action arising on the note.

Source Note: The provisions of this §22.185 adopted to be effective January 1, 2023, 47 TexReg 8983

## **§22.186 Repayment of Loans**

(a) Period of loan repayment. The repayment period shall be 10 years.

(b) The repayment period shall begin no earlier than six months after:

(1) the date on which the student ceases to be enrolled at least half-time at an eligible institution, for borrowers enrolled in credential programs measured in semester credit hours; or

(2) the anticipated graduation date certified by the institution of higher education on the loan application, for borrowers enrolled in programs that are not measured in semester credit hours.

(c) Monthly repayment amount. The method for calculating the monthly repayment amount for loans through this Program shall be determined annually by the Commissioner, and shall be calculated annually based on:

(1) the borrower's income, as demonstrated through federal income tax returns or other documentation determined to be acceptable by Board staff;

(2) the borrower's monthly accrued interest on loans through the Program; and

(3) the borrower's cumulative outstanding student loan principal balance.

(d) Income threshold. Borrowers may be automatically placed in forbearance when the demonstrated income is below a threshold established by Board staff in consultation with the Texas Workforce Commission.

Source Note: The provisions of this §22.186 adopted to be effective January 1, 2023, 47 TexReg 8983

## **§22.187 Deceased or Disabled Borrowers and Cosigners**

(a) Upon final verification of the death or determination of permanent and total disability of a borrower, all loans through the Program shall be discharged unless there is a judgment against the borrower and the Commissioner determines that a release of the borrower's liability is not in the best interest of the Program.

(b) Verification of death and determination of permanent and total disability of a borrower or cosigner through the Program shall be made in accordance with the governing provisions of the Federal Direct Loan Program.

(c) The final verification of death and determination of permanent and total disability of a borrower or cosigner shall be made by Board Staff.

(d) Upon final verification of the death or determination of permanent and total disability of a borrower, the liability of the cosigner for that borrower shall be discharged.

(e) Upon final verification of the death or determination of permanent and total disability of a cosigner, Board Staff shall determine if the release of the liability of the cosigner is in the best interest of the loan program and, if so, shall authorize a release of the cosigner's liability, whether or not there is a judgment against the cosigner.

Source Note: The provisions of this §22.187 adopted to be effective January 1, 2023, 47 TexReg 8983

## **§22.188 Enforcement of Collection**

When any borrower or cosigner fails or refuses to make as many as five monthly payments due in accordance with an executed note through the Program, the full amount of remaining principal, accrued interest, and other charges shall become due and payable immediately. When as many as six payments have been missed, the loan will be considered in default, and the Office of the Attorney General may file suit for the outstanding balance.

Source Note: The provisions of this §22.188 adopted to be effective January 1, 2023, 47 TexReg 8983

## **§22.189 Delegation**

The board delegates to the Commissioner the powers, duties, and functions authorized by the Act, necessary to carry out this subchapter, except those relating to the sale of bonds and the letting of contracts for insurance.

Source Note: The provisions of this §22.189 adopted to be effective January 1, 2023, 47 TexReg 8983