

TEXAS ARMED SERVICES SCHOLARSHIP (TASSP)

TEXAS ADMINISTRATIVE CODE (TAC), TITLE 19, CHAPTER 22, SUBCHAPTER I

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§22.163 AUTHORITY AND PURPOSE

(a) Authority. Authority for this subchapter is provided in the Texas Education Code, Subchapter FF, Texas Armed Services Scholarship Program. These rules establish procedures to administer the subchapter as prescribed in the Texas Education Code, §§61.9771 - 61.9776.

(b) Purpose. The purpose of the Texas Armed Services Scholarship Program is to encourage students to complete a baccalaureate degree and become members of the Texas Army National Guard, the Texas Air National Guard, the Texas State Guard, the United States Coast Guard, or the United States Merchant Marine, or to become commissioned officers in any branch of the armed services of the United States.

Source Note: The provisions of this §22.163 adopted to be effective November 30, 2009, 34 TexReg 8530; amended to be effective September 6, 2011, 36 TexReg 5686; transferred effective June 1, 2017, as published in the Texas Register May 19, 2017, 42 TexReg 2739; amended to be effective August 3, 2020, 45 TexReg 5341

§22.164 DEFINITIONS

In addition to the words and terms defined in Texas Administrative Code, §22.1, the following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise:

- (1) Award--The amount of a scholarship in an academic year, which may be comprised of multiple disbursements.
- (2) Institution of Higher Education--As defined in Texas Education Code, §61.003(8), and which includes, for purposes of this subchapter, private or independent institutions of higher education as defined in Texas Education Code, §61.003(15).
- (3) Contract to serve--A legally-binding agreement between the recipient and the armed services of the United States, prescribing the terms of the military commitment to which the recipient is obligated to serve.
- (4) Loan--A Texas Armed Services Scholarship that has become a loan as outlined in §22.170 of this subchapter (relating to Conversion of the Scholarship to a Loan).
- (5) Recipient--A person who has received a Texas Armed Services Scholarship.
- (6) Scholarship--A conditional scholarship through the Texas Armed Services Scholarship Program.

Source Note: The provisions of this §22.164 adopted to be effective November 30, 2009, 34 TexReg 8530; amended to be effective September 6, 2011, 36 TexReg 5686; transferred effective June 1, 2017, as published in the Texas Register May 19, 2017, 42 TexReg 2739; amended to be effective May 29, 2018, 43 TexReg 3353; amended to be effective August 3, 2020, 45 TexReg 5341

§22.165 AWARD AMOUNT AND LIMITATIONS

- (a) The amount of a scholarship in an academic year shall not exceed \$15,000.
- (b) A scholarship awarded to a student under this subchapter shall be reduced for an academic year by the amount by which the full amount of the scholarship plus the total amount to be paid to the student for being under contract with one of the branches of the armed services of the United States exceeds the student's total cost of attendance for that academic year at the institution of higher education in which the student is enrolled.
- (c) A student may receive a scholarship for four of the six years allowed for graduation, if the student is enrolled in a degree program of four years or less, or for five of the six years allowed for graduation, if enrolled in a degree program of more than four years.
- (d) A student may not receive a scholarship after having earned a baccalaureate degree or a cumulative total of 150 credit hours, including transferred hours, as verified by the student's institution of higher education.

Source Note: The provisions of this §22.165 adopted to be effective November 30, 2009, 34 TexReg 8530; amended to be effective September 6, 2011, 36 TexReg 5686; transferred effective June 1, 2017, as published in the Texas Register May 19, 2017, 42 TexReg 2739; amended to be effective August 3, 2020, 45 TexReg 5341

§22.166 REQUIREMENTS FOR APPOINTMENT BY ELECTED OFFICE

- (a) Each year the governor and the lieutenant governor may each appoint two students and two alternates, and each state senator and each state representative may appoint one student and one alternate to receive an initial scholarship.
- (b) Appointments must be reported to the Board by the deadline established by the Commissioner.
- (c) A selected student must meet two of the following four academic criteria at the time of application:
 - (1) Is on track to graduate high school or graduated with the Distinguished Achievement Program (DAP), the distinguished level of achievement under the Foundation High School program, or the International Baccalaureate Program (IB);
 - (2) Has a current high school GPA of 3.0 or higher or graduated with a high school GPA of 3.0 or higher;
 - (3) Achieved a college readiness score on the SAT or ACT;
 - (4) Is currently ranked in the top one-third of the prospective high school graduating class or graduated in the top one-third of the high school graduating class.
- (d) If a student appointed to receive a scholarship fails to initially meet eligibility or fails to meet the requirements to initially receive the scholarship, the Board must notify the alternate on file of his or her nomination.
- (e) If a recipient's scholarship converts to a loan prior to graduation, beginning with the academic year following the determination, the appointing official may appoint another eligible student to receive any available funds designated for the recipient who no longer meets the requirements for the scholarship.

Source Note: The provisions of this §22.166 adopted to be effective November 30, 2009, 34 TexReg 8530; amended to be effective November 29, 2011, 36 TexReg 8026, amended to be effective February 22, 2017, 42 TexReg 685; transferred effective June 1, 2017, as published in the Texas Register May 19, 2017, 42 TexReg 2739; amended to be effective November 29, 2017, 42 TexReg 6625; amended to be effective May 29, 2018, 43 TexReg 3353; amended to be effective August 3, 2020, 45 TexReg 5341

§22.167 AWARD ELIGIBILITY

To receive a scholarship, a selected student must:

- (1) Be enrolled in an institution of higher education, as certified by that institution;
- (2) Enroll in and be a member in good standing of a Reserve Officers' Training Corps (ROTC) program or another undergraduate officer commissioning program while enrolled in the institution of higher education, as certified by that institution;
- (3) Enter into a written agreement with the Board, set forth in §22.168 of this subchapter (relating to Promissory Note);
- (4) Be appointed to receive a scholarship by the governor, lieutenant governor, a state senator, or a state representative; and
- (5) Maintain the satisfactory academic progress requirements as indicated by the financial aid office at the recipient's institution of higher education.

Source Note: The provisions of this §22.167 adopted to be effective November 30, 2009, 34 TexReg 8530; amended to be effective September 6, 2011, 36 TexReg 5686; amended to be effective February 28, 2012, 37 TexReg 1332; transferred effective June 1, 2017, as published in the Texas Register May 19, 2017, 42 TexReg 2739; amended to be effective November 29, 2017, 42 TexReg 6625; amended to be effective August 3, 2020, 45 TexReg 5341

§22.168 PROMISSORY NOTE

(a) The Board shall require a recipient to sign a promissory note acknowledging the conditional nature of the scholarship and promising to repay the amount of the scholarship plus applicable interest, late charges, and any collection costs, including attorneys' fees, if the recipient fails to meet certain conditions of the scholarship, set forth in §22.170 of this subchapter (Conversion of the Scholarship to a Loan).

(b) Recipients agree to:

- (1) Complete four years of ROTC training, or the equivalent of four years of ROTC training if the institution of higher education awards ROTC credit for prior service in any branch of the U.S. Armed Services or the Texas Army National Guard, Texas Air National Guard, Texas State Guard, United States Coast Guard, or United States Merchant Marine, or another undergraduate officer commissioning program;
- (2) Graduate no later than six years after the date the student first enrolls in an institution of higher education after having received a high school diploma or a General Educational Diploma or its equivalent;
- (3) After graduation, enter into and provide the Board with verification of:
 - (A) A four-year commitment to be a member of the Texas Army National Guard, Texas Air National Guard, Texas State Guard, United States Coast Guard, or United States Merchant Marine; or
 - (B) A contract to serve as a commissioned officer in any branch of the armed services of the United States;
- (4) Meet the physical examination requirements and all other prescreening requirements of the Texas Army National Guard, Texas Air National Guard, Texas State Guard, United States Coast Guard, or United States Merchant Marine, or the branch of the armed services with which the student enters into a contract; and
- (5) Repay the scholarship according to the terms of the promissory note if the student fails to meet the requirements described in §22.170 of this subchapter (relating to Conversion of the Scholarship to a Loan).

Source Note: The provisions of this §22.168 adopted to be effective November 30, 2009, 34 TexReg 8530; transferred effective June 1, 2017, as published in the Texas Register May 19, 2017, 42 TexReg 2739; amended to be effective August 3, 2020, 45 TexReg 5341

§22.170 CONVERSION OF THE SCHOLARSHIP TO A LOAN

(a) A scholarship will become a loan if the recipient:

(1) Fails to maintain satisfactory academic progress as described in §22.167 of this subchapter (relating to Award Eligibility);

(2) Withdraws from the scholarship program, as indicated through withdrawal or removal from the institution of higher education or that institution's ROTC program or other undergraduate officer commissioning program, without subsequent enrollment in another institution of higher education and that subsequent institution's ROTC program or other undergraduate officer commissioning program; or

(3) Fails to fulfill one of the following:

(A) a four-year commitment to be a member of the Texas Army National Guard, Texas Air National Guard, Texas State Guard, United States Coast Guard, or United States Merchant Marine; or

(B) the minimum active service requirement included in a contract to serve as a commissioned officer in any branch of the armed services of the United States; honorable discharge is considered demonstration of fulfilling the minimum active service requirement.

(b) A scholarship converts to a loan if documentation of the contract or commitment outlined in subsection (a)(3) of this section is not submitted to the Coordinating Board within twelve months of graduation with a baccalaureate degree. Subsequent filing of this documentation will revert the loan back to a scholarship.

(c) If a recipient's scholarship converts to a loan, the recipient:

(1) cannot regain award eligibility in a subsequent academic year; and

(2) loses eligibility to receive any future awards.

(d) If a recipient requires a temporary leave of absence from the institution of higher education and/or the ROTC program or another undergraduate officer commissioning program for personal reasons or to provide service for the Texas Army National Guard, Texas Air National Guard, Texas State Guard, United States Coast Guard, or United States Merchant Marine for fewer than twelve months, the Board may agree to not convert the scholarship to a loan during that time.

(e) If a recipient is required to provide more than twelve months of service in the Texas Army National Guard, Texas Air National Guard, Texas State Guard, United States Coast Guard, or United States Merchant Marine as a result of a national emergency, the Board shall grant that recipient additional time to meet the graduation and service requirements specified in the scholarship agreement.

Source Note: The provisions of this §22.170 adopted to be effective November 30, 2009, 34 TexReg 8530; amended to be effective September 6, 2011, 36 TexReg 5686; transferred effective June 1, 2017, as published in the Texas Register May 19, 2017, 42 TexReg 2739; amended to be effective November 29, 2017, 42 TexReg 6625; amended to be effective May 29, 2018, 43 TexReg 3353; amended to be effective August 3, 2020, 45 TexReg 5341

§22.171 REPAYMENT OF LOANS

(a) A scholarship is considered a loan on the date the recipient fails to meet the conditions of the scholarship as described in §22.170 of this subchapter (relating to Conversion of the Scholarship to a Loan); the loan amount must be repaid, plus interest accrued.

(b) Loan interest. The interest rate charged on the loans shall be the same rate charged for a College Access Loan at the time the funds were disbursed. Interest shall begin to accrue on the date the scholarship is converted to a loan.

(c) Period of loan repayment. The total amount of principal, interest, late charges, and any costs of collection that accrue over the life of the loans are to be repaid in installments over a period of not more than 15 years after the date the scholarship becomes a loan.

(d) Grace period. A recipient shall begin making payments six months after the date the scholarship becomes a loan.

(e) Minimum repayment amount. The minimum monthly payment amount required by any repayment plan is \$100, or an amount required to repay the loan within 15 years, whichever is greater.

(f) Late charges. A charge of 5 percent of the scheduled monthly payment amount or five dollars (\$5), whichever is less, shall be assessed if the past due amount is not received within 20 days of the scheduled due date. These charges shall be collected for late payment of all sums due and payable and shall be taken out of the next payment received by the Board.

(g) Collection charges. In the case of delinquent accounts, the Commissioner may authorize the assessment of charges to cover costs necessary to collect the loan.

(h) Deferments. An education deferment is available to any recipient whose loan is not in a default status and who provides the Board documentation of enrollment as at least a half-time student.

(i) Forbearance. Board staff may grant periods of forbearance in the form of postponed or reduced payments for unusual financial hardship if the Board receives a written or verbal request stating the circumstances that merit such consideration.

(j) Prepayment. Any loans made through the program may be prepaid without penalty.

(k) Application of payments. In accordance with the terms of the promissory note, Board staff shall determine the priority order in which payments shall be applied to interest, late charges, principal, collections costs and any other charges.

Source Note: The provisions of this §22.171 adopted to be effective November 30, 2009, 34 TexReg 8530; transferred effective June 1, 2017, as published in the Texas Register May 19, 2017, 42 TexReg 2739; amended to be effective May 29, 2018, 43 TexReg 3353; amended to be effective August 3, 2020, 45 TexReg 5341

§22.172 ENFORCEMENT OF COLLECTION

(a) When a scholarship recipient fails to make as many as five monthly payments due in accordance with the established repayment schedule for a scholarship which has become a loan, the entire unpaid balance shall become due and payable immediately.

(b) When as many as six payments have been missed, the loan(s) will be considered to be in default, and the Office of the Attorney General, at the request of the Commissioner, may file suit for the unpaid balance plus court costs and attorneys' fees.

(c) Board staff shall notify the Comptroller of Public Accounts when a recipient's loan has become 90 days or more past due, resulting in the non-issuance of certain state warrants.

Source Note: The provisions of this §22.172 adopted to be effective November 30, 2009, 34 TexReg 8530; transferred effective June 1, 2017, as published in the Texas Register May 19, 2017, 42 TexReg 2739; amended to be effective August 3, 2020, 45 TexReg 5341

§22.173 EXEMPTION AND CANCELLATION

(a) The recipient shall be exempt from the requirement to repay the scholarship if the person is unable to meet the obligations of the agreement solely as a result of physical inability and provides a physician's certification and/or other appropriate documentation to the satisfaction of the Board.

(b) Board staff shall cancel a recipient's loan upon the death of the recipient unless the debt was reduced to judgment before the death occurred.

(c) Board staff may cancel a recipient's service and/or repayment obligation if funding for the Texas Armed Services Scholarship Program is discontinued while the recipient continues to meet eligibility requirements.

Source Note: The provisions of this §22.173 adopted to be effective November 30, 2009, 34 TexReg 8530; transferred effective June 1, 2017, as published in the Texas Register May 19, 2017, 42 TexReg 2739; amended to be effective August 3, 2020, 45 TexReg 5341

§22.174 PROVISIONS FOR DEATH AND DISABILITY

(a) All loans through the Texas Armed Services Scholarship Program are discharged in the event of the borrower's death or permanent and total disability.

(b) Verification of death, and determination of permanent and total disability of a borrower through the Texas Armed Services Scholarship Program, shall be made in accordance with student loan industry standards.

(c) The final determination of permanent and total disability of a borrower shall be made by the Commissioner, or his/her designee.

Source Note: The provisions of this §22.174 adopted to be effective August 3, 2020, 45 TexReg 5341