2017-18 Program Guidelines B-On-Time Loan

(BOT)

60×30TX
Texas Higher Education Coordinating Board

State Financial Aid Programs
Texas Higher Education Coordinating Board

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B-ON-TIME 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 (19 TAC, SECTION 22.329)

The Texas B-On-Time (BOT) Loan Program is authorized by TEC, Chapter 56, Section 56.0092. Rules establishing procedures to administer the program can be found in Title 19 of the TAC, Chapter 22, Subchapter Q. The purpose of the BOT loan program is to improve and increase access to higher education in Texas.

ELIGIBLE INSTITUTIONS (19 TAC, SECTION 22.331)

Public and private/independent institutions of higher education as defined in TEC Section 61.003 (8) are eligible to make only renewal awards under the BOT program.

SATISFACTORY ACADEMIC PROGRESS (SAP) (19 TAC, SECTION 22.333)

A student's SAP eligibility is determined at the end of each academic year. A student must complete 75% of total attempted hours in the academic year and have a minimum 2.5 cumulative GPA on a 4-point scale or its equivalent.

END OF EACH ACADEMIC YEAR	SATISFACTORY ACADEMIC PROGRESS (SAP) REQUIREMENTS	
	75% completion rate in an academic year	2.5 cumulative GPA on a 4-point scale

AWARDING

In determining the amount of a BOT award, students can only receive funding up to their cost of attendance (COA). A student's COA includes tuition and fees, allowances for books and supplies, room and board, transportation expenses, and miscellaneous personal expenses. When certifying a BOT loan, the institution is confirming that the amount of the loan does not exceed the difference between the COA and other forms of student assistance for which the student is eligible (See 19 TAC, Section 22.334).

🛑 **Stop:** Only eligible renewal recipients can have a BOT Loan originated in the HelmNet Loan Portal. If a SSN entered does not have a prior BOT Loan associated with it, the system will not allow an application to be created or certified.

BOT 2017-18 AWARD MAXIMUMS		
INSTITUTION TYPE	AWARD MAX/YEAR	AWARD MAX/SEMESTER
PUBLIC UNIVERSITIES, HRIs AND PRIVATE/INDEPENDENT INSTITUTIONS	$9,050	$4,525
PUBLIC STATE COLLEGES	$5,666	$2,833
PUBLIC TECHNICAL INSTITUTES	$5,496	$2,748
PUBLIC COMMUNITY COLLEGES	$3,010	$1,505
A 3% ORIGINATION FEE WILL BE DEDUCTED FROM THE LOAN PROCEEDS.		

PROCESSING FUNDS

REQUESTING PROGRAM FUNDS

Institutions can begin disbursing loan funds on September 6, 2017 for the 2017-18 academic year. Funds will not be processed until the promissory note is signed by the borrower and the Financial Aid Administrator certifies the loan using one of the following methods:

- Certify the loan through the HelmNet loan portal; or
- Submit a **Commonline Loan Certification File** using the MOVEit DMZ secure file transfer portal

⚠️ **NEW RULE**

19 TAC, Section 22.2

TIMELY DISTRIBUTION OF FUNDS

- Institutions have **3** business days after receiving the funds to apply the funds to a recipient'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 their decision to cancel the award

RETURNING PROGRAM FUNDS

A Return of Funds Form must be submitted and approved before any funds are returned to the THECB. This form is available on the Student Financial Aid Programs Information Website.

REPAYMENT

BOT loans have a 6-month grace period after the date the student ceases to be enrolled at least half-time at an eligible institution. Repayment begins after the expiration of the 6-month grace period. The BOT loan has a 15-year repayment period or a minimum monthly payment of $75.00. BOT loans have a 0% interest rate (See 19 TAC, Section 22.339).

Deferments for education enrollment or forbearances (financial hardship) are available. If the borrower defaults and a judgment is entered against the borrower, interest will begin to accrue at the legal rate described in the "Terms and Notices" from the date of judgment until the entire debt is paid in full.

FORGIVENESS REQUIREMENTS (19 TAC, SECTION 22.337)

A BOT loan can be forgiven if the student provides the THECB an Application for Forgiveness. The form should be completed by the institutional Registrar's office certifying that the student:

- Graduated with a B average, or a cumulative grade point average of at least 3.0 on a 4-point scale and:
    - Received a baccalaureate degree within four calendar years after the date the student initially enrolled in an eligible institution; or
    - Within five calendar years after the student initially enrolled in an eligible institution if the institution reports that the student graduated with a degree in architecture, engineering, or any other program that the institution certifies to the Board is a program that requires more than four years to complete; or
- Graduated a B average, or with a cumulative grade point average of at least 3.0 on a 4-point scale with no more than six hours more than the number of credit hours required to complete a baccalaureate degree.
    - Total number of hours earned Includes transfer credit hours and excludes hours earned exclusively by examination, dual credit course hours, and hours earned for developmental coursework that an institution required the student to take under TEC, Section 51.3062 (relating to Success Initiative).

ADDITIONAL INFORMATION

APPEALS PROCESS

If a student disagrees with the decision about his or her eligibility for forgiveness, the student can send a dispute letter explaining their situation and reason for appealing to:

Director of Borrower Services
THECB
P.O. Box 12788
Austin, TX 78711
Fax: (512) 427-6423

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FORGIVENESS DEADLINE

BOT Loans are automatically scheduled for repayment six months after the last date of a student's enrollment. While there is no deadline for completing the **B-On-Time Loan Application for Forgiveness**, submitting the application within 90 days after a student is no longer enrolled at least half-time will help avoid collection efforts.

APPENDIX 1: ADDITIONAL RESOURCES

CONTACT FINANCIAL AID SERVICES

By phone: (844) 792-2640

Contact us by completing an online inquiry form and use one of the following contact reasons below:

Contact Reason - Exemptions/Waiver Programs • All state exemption and waiver programs including EAE Contact Reason - Student Loan- School Info Request • CAL • BOT • TASSP	Contact Reason - State and Federal Grants and Scholarships • TEXAS Grant • TEOG • TEG • Top 10% Scholarship • Bilingual Education Scholarship Program Contact Reason - Work-Study Programs • TCWS • TCWS Mentorship

OTHER RESOURCES FOR INSTITUTIONS

General program information for institutions	Student Financial Aid Programs Information Website
General loan information	HHloans
Texas Program Statutes	Texas Education Code
Texas Program Rules	Texas Administrative Code
Information concerning programs, procedures, allocations, and other topics will be communicated to institutions through the GovDelivery system. To receive these communications, interested individuals must subscribe.	GovDelivery

AVAILABLE FORMS

This form must be used for the return of all state grant, scholarship, Educational Aide Exemption, and loan program funds.	Return of Funds Form

CALENDAR

Institutional Calendar