

2017-18

Program Guidelines

B-On-Time

Loan

(BOT)



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.

ELIGIBILITY

ELIGIBILITY REQUIREMENTS ([19 TAC, SECTION 22.333](#))

 **Alert:** Beginning with the 2015-16 academic year, only renewal awards are authorized for the BOT Loan Program.

TO RECEIVE A RENEWAL AWARD, A STUDENT MUST:

- ✓ Be classified by the institution as a Texas resident or be entitled to pay resident tuition rates as a dependent child of a member of the U.S. armed forces
- ✓ Be registered with Selective Service or be exempt
- ✓ Be eligible to receive federal financial aid
- ✓ Be enrolled full-time in a baccalaureate degree program
- ✓ Have completed at least 75 percent of the hours attempted in the most recent academic year
- ✓ Maintain an overall GPA of at least 2.5 on a four-point scale
- ✓ Be an undergraduate baccalaureate student that previously received an initial year award
- ✓ Have not earned a baccalaureate degree


DISCONTINUATION OF ELIGIBILITY ([19 TAC, SECTION 22.333](#))

After a student has attempted 150 semester credit hours (SCH) the student is no longer eligible for a BOT award.

If, in any given academic period, a student is no longer enrolled full-time and the THECB does not receive a refund of the BOT loan for that period, the dropped courses will be counted toward the calculation of the 150 SCH limit.

HARDSHIP PROVISIONS ([19 TAC, SECTION 22.335](#))

A student who is ineligible for the BOT Loan based on course load and completion requirements may be deemed eligible under a hardship provision. Participating institutions must adopt a hardship policy and have the policy available for public review upon request. All hardship decisions must be documented in the student's record and be available for submission to the THECB if requested.

 **Stop:** No student enrolled less than 6 SCH may receive a BOT Loan, even with an approved hardship.

ADDITIONAL INFORMATION

ELIGIBILITY

A student who is below the SAP requirements at the end of the semester can appeal to have transfer courses included in the SAP calculation. In this case, all transfer courses must be included when determining program eligibility.

SUMMER ELIGIBILITY

A BOT loan can be awarded in the summer as long as the annual award maximum has not been disbursed and the following stipulations are met:

- The combined summer terms/sessions are considered to be the same as a regular fall or spring semester.
- Full-time enrollment (12 SCHs or more) in the combined summer terms/sessions is considered the equivalent as full-time enrollment in a regular semester.
- A summer award cannot exceed the regular semester maximum award amount allowed in the 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% ORIGATION 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

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](#)