2017-18 Program Guidelines College Access Loan

(CAL)

60x30TX
Texas Higher Education Coordinating Board

State Financial Aid Programs
Texas Higher Education Coordinating Board

TABLE OF CONTENTS

60×30TX

COLLEGE ACCESS 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 (19 TAC, SECTION 22.43) AND PURPOSE (19 TAC, SECTION 22.42)

The College Access Loan (CAL) program is authorized by TEC, Chapter 52, Subchapter A. Rules establishing procedures to administer the subchapter can be found in TAC, Chapter 22, Subchapter C. The CAL program provides alternative educational loans to Texas students who are unable to meet the Cost of Attendance (COA). The CAL may be used to cover part or all of a student's COA. The amount of federal aid that a student is eligible for (regardless of whether the funds are accepted) must be deducted from the COA in determining the CAL loan amount.

ELIGIBLE INSTITUTIONS (19 TAC, SECTION 22.45)

The following institutions and entities located in Texas are eligible to participate in the CAL program:

- Public or private nonprofit institution of higher education, including a junior college, accredited by a recognized accrediting agency as defined in TEC, Section 61.003; **OR**
- Entities, including Regional Education Services Centers, approved by the State Board of Educator Certification to offer an alternative certification program can participate.

ELIGIBILITY

ELIGIBILITY REQUIREMENTS (19 TAC, SECTION 22.46)

THE STUDENT MUST MEET FOLLOWING ELIGIBILITY REQUIREMENTS:	STUDENTS OR COSIGNERS MUST MEET THE FOLLOWING CREDIT APPROVAL REQUIREMENTS:
✓ Be classified by the institution as a Texas resident ✓ Be registered with Selective Service or be exempt ✓ Be enrolled at least half-time in: • A course of study leading to a certificate, an associate, baccalaureate, graduate, or higher degree; **OR** • An approved alternative educator certification program ✓ Meet the satisfactory academic progress requirements set by the institution ✓ Receive a favorable credit evaluation or provide a cosigner who has a good credit standing and meets other requirements	✓ Have an Experian VantageScore of 650 or higher ✓ Not have any public records such as tax liens or bankruptcy proceedings ✓ Have a minimum of 4 credit trade lines, excluding student loans or authorized user accounts ✓ Not have defaulted on any federal or private education loans

COSIGNERS MUST:

✓ Be at least 21 years of age
✓ Have a regular source of income
✓ Not be the borrower or the spouse of the borrower
✓ Receive a favorable credit evaluation
✓ Be a U.S. citizen or a permanent U.S. resident and reside in the U.S. or in a U.S. territory

ADDITIONAL INFORMATION

HELMNET LOAN PORTAL

THECB's Higher Education Loan Management System (HELMS) allows institutions, students and co-signers to manage loan accounts through a secure online portal called HelmNet.

LOGIN PAGE

HelmNet Portal

• Institutions must submit a System Request Form to THECB to request access to certify a loan and to extract loan reports.
• Students and cosigners must each create an online account to apply for a loan or view the status of any loans with THECB.

CAL PROGRAM CHANGES EFFECTIVE APRIL 25, 2017

• The CAL program has a 6.60% fixed annual interest rate.
• A minimum Experian VantageScore of 650 is required for credit approval.
• No loan origination fee will be assessed for approved borrowers.

College Access Loan (CAL) Interest Rate Change Memo

AWARDING

Students can only receive CAL funding to cover reasonable expenses, not to exceed the Cost of Attendance (COA) (See 19 TAC, Section 22.49) and IRS Certification Requirements). When certifying a CAL loan, institutions are confirming that the amount of the requested loan is greater than $100 and does not exceed the difference between the student's COA and other forms of financial assistance for which the student is eligible. The other forms of student assistance that must be considered when determining the amount of a CAL eligibility include:

- Free sources of student aid, such as gifts, grants and scholarships; **AND**
- The amount of any Federal Perkins loan and/or Federal Direct Stafford loan (including of subsidized and unsubsidized) that a student borrower is eligible to receive. Eligibility for Federal PLUS loans should not be considered when determining the amount of CAL.

PROCESSING FUNDS

REQUESTING PROGRAM FUNDS

Institutions can certify eligible CAL loans throughout the academic year on an as-needed basis. Funds will not be disbursed until the promissory note is signed by the borrower (and co-signer, when applicable) and the Financial Aid Administrator certifies the loan using the following two methods:
- Certify the loan through the HelmNet loan portal; OR
- Submit a **Commonline Loan Certification File** using the MOVEit DMZ secure file transfer portal.

⚠️**ALERT:** The following steps of the CAL application process must be complete before an institution can certify:

- Borrower's promissory note and self-certification must be signed
- When applicable, the cosigner's promissory note must be signed

TIMELY DISTRIBUTION OF FUNDS

⚠️ **NEW RULE**

19 TAC, Section 22.2

- 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 his or her 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

CAL loans have a 6-month grace period from 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 (See 19 TAC, Section 22.53). All loans have a minimum monthly repayment amount of $50. There is a maximum repayment period of 10 years for loans with a principal balance under $30,000, and a maximum repayment period of 20 years for loans with a principal balance of $30,000 or more. If the balance is greater than $30,000 at the time the account initially enters repayment, the monthly payment amount must be enough to pay off the entire debt in no more than 20 years. The CAL will not be sold to another lender.

IMPORTANT NOTE: Postponements of loan repayment and income-sensitive or graduated repayment schedules are available on HHloans under Forms.

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. Interested individuals must subscribe to receive these communications.	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