



**TEXAS HIGHER EDUCATION  
COORDINATING BOARD**  
*Agency Operations and Communications*  
P.O. Box 12788 Austin, Texas 78711

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LINDA BATTLES, M.P.AFF.  
*Deputy Commissioner  
Agency Operations and  
Communications/Chief Operating  
Officer*  
512-427-6205  
Fax 512-427-6127

KEN MARTIN  
*Assistant Commissioner for  
Financial Services/Chief Financial  
Officer*  
512-427-6173  
Fax 512-427-6169

CHARLES W. PULS, Ed.D  
*Deputy Assistant Commissioner  
for Student Financial Aid Programs*  
512-427-6365  
Fax 512-427-6423

ZHEN ZHEN SUN  
*Assistant Commissioner for  
Information Solutions & Services*  
512-427-6259  
Fax 512-427-6447

TONIA SCAPERLANDA  
*Director  
Human Resources*  
512-427-6193  
Fax 512-427-6510

JOHN WYATT  
*Director  
External Relations*  
512-427-6586  
Fax 512-427-6127

**TO:** Directors of Financial Aid  
Public and Private/Independent Institutions of Higher Education

**FROM:** DeChà Reid  
Director, Financial Aid Services

**DATE:** April 4, 2018

**RE:** B-On-Time (BOT) Forgiveness and Default Rates

The Texas Higher Education Coordinating Board (THECB) has calculated the default and loan forgiveness rates for the B-On-Time program using a method that mirrors the federal methodology of using a three-year cohort. Enclosed are each institution's forgiveness and default rates.

The statewide average default rate for the BOT cohort with an original repayment contract date between 9/1/2014 and 8/31/2015 is 28%. Each institution with a default rate higher than 28% will be required to provide loan repayment and default prevention counseling to student borrowers.

The statewide average forgiveness rate for BOT loans with a school separation date between 9/1/2014 and 8/31/2015 is 38%. Each institution with a forgiveness rate that is less than 19% will be required to provide loan repayment and default prevention counseling to student borrowers.

[Texas Administrative Code 22.343](#) requires loan repayment and default prevention counseling at institutions with a BOT loan default rate that exceeds the statewide average default rate and at institutions that have a loan forgiveness rate less than 50 percent of the statewide average forgiveness rate.

Trellis Company has a learning module called "A Guide to the Texas B-On-time Loan Program" that institutions can use to meet the loan repayment and default prevention counseling requirement. The module is located on the Adventures in Education (AIE) website at: <http://www.adventuresineducation.org/pay-for-college/learn-about-student-loans/BOT-module/index.html>.

If you have any questions, please contact Financial Aid Services at (844) 792-2640 or CONTACT US (select the "State and Federal Grant and Scholarships" option in the drop-down selection under Contact Reason).

Enclosed: [BOT Default and Forgiveness Rates](#)

**cc:** Presidents of Texas Public and Private/Independent Institutions  
Ken Martin, Assistant Commissioner  
Charles W. Puls, Deputy Assistant Commissioner  
Rinn Harper, Director, Borrower Services