



# TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER EL PASO

## Operating Policy and Procedure

**HSCEP OP:** 77.06, **Texas Public Educational Grants**

**PURPOSE:** The purpose of this Texas Tech University Health Sciences Center El Paso (TTUHSC El Paso) Operating Policy and Procedure (HSCEP OP) is to establish the approval process for the Texas Public Educational Grants Program (TPEG) and Emergency Tuition and Fees Loans.

**REVIEW:** This HSCEP OP will be reviewed by May 1 of every even-numbered year (ENY) by the director of Financial Aid and the director of Student Business Services, with recommendations for revisions submitted to the Chief Financial Officer (CFO), or designee, by May 15.

### **POLICY/PROCEDURE:**

- I. **General Policy.** The *Texas Education Code*, Chapter 56, Subchapters C and D, authorizes the governing board of TTUHSC El Paso to set aside a portion of each resident and nonresident student's tuition charges for the purpose of funding the TPEG and Emergency Tuition and Fees Loans. Awards will be made to students for both grants and emergency tuition and fees loans.
- II. The Board of Regents shall cause to be set aside, not less than 15 percent nor more than 20 percent of each resident student's tuition charge and 3 percent of each nonresident student's tuition charge, as authorized by Section 56.033 of the *Texas Education Code*.
- III. Of the funds set aside, not less than 90 percent shall be used for TPEG, and not more than 10 percent shall be used for Emergency Tuition and Fees Loans if such a program is established. The actual amount may be determined each year by the senior vice president for Academic Affairs, in consultation with the CFO.
- IV. Criteria for awarding grants and use of grant funds are as follows:
  - A. Grants are to be made to students who have been accepted for enrollment and who actually enroll in the term or terms for which the grant is awarded.
  - B. Grants are to be awarded based on the financial need of the applicant using accepted needs analysis procedures generally in use in other "needs based" financial assistance programs. Deviation from such procedures shall be properly documented.
  - C. Except as otherwise provided by this section, grants to resident students may only be funded through funds set aside from resident tuition revenues. Grants to nonresident and foreign students may only come from funds set aside from tuition revenues of such students. However, after the end of the sixth class week of each semester, any excess funds set aside from tuition paid by resident or nonresident students may be transferred to the funds set aside for grants awarded to the other class of students. Priority for awarding grants from any excess funds set aside from tuition paid by resident students shall be given to resident students.
  - D. Any or all of the funds set aside for TPEG may be transferred to the Texas Higher Education Coordinating Board (THECB), to be used for matching federal or other grant funds for awarding to students. Generally, only such amounts as can be equally matched by funds transferred to the THECB shall be returned upon request of the president or his

designee.

- E. At the fiscal year-end, if the total unencumbered funds plus the unencumbered funds transferred to the THECB exceed 150 percent of the total set aside, the institution shall transfer this excess amount to the THECB as provided by the law. Interest earned from the funds set aside for TPEG may be spent only for grants to students as provided by this policy.

**V.** Criteria for awarding and maximum amount of Emergency Tuition and Fees Loans:

- A. All students registered in TTUHSC El Paso programs are eligible.
- B. Applications will be processed on a first-come, first-serve basis.
- C. The maximum loan may not exceed the amount of tuition, required fees and books for the current term. Lower amounts may be awarded if the institution decides it would be in the best interest of the student.
- D. Emergency tuition loans are available prior to the start of each semester and up until the census date of the current semester that is in session.

**VI.** Stipulations for repayment of a loan:

- A. The loan must be repaid over a period not to exceed 90 days for a loan made for regular semester or long summer session or 30 days for a six-week summer session.
- B. The loan must be evidenced by a promissory note that bears interest at a rate of not more than 5 percent per year or an origination fee of not more than 1.25 percent of the amount of the loan.
- C. It is agreed and understood that the promissory note will be considered delinquent if not paid in full by the original due date and subject to 10 percent interest rate per annum. In the event the loan becomes delinquent, re-enrollment at TTUHSC El Paso will be denied until the debt is liquidated. The borrower will be responsible for all legal and collection charges in the recovery of the debt obligation.
- D. Defaulted loans may be placed with a collection agency and will be reported to the appropriate credit reporting agencies.
- E. Repayment of the loan shall be deferred on a finding that a Texas resident would be deprived of an education due to a lack of financial ability. The deferral provided by this section is not a property right of the borrower. The deferred repayment must begin on the earlier of the following dates:
  - 1) The first day of the ninth month after the last month in which the borrower was enrolled in a public institution of higher education; or
  - 2) The fifth anniversary of the date on which the loan was executed.
- F. Repayment of loans for students enrolled in graduate or professional degree programs may be extended for up to three years, but not longer than one year beyond the time when the student fails to be enrolled at TTUHSC El Paso on at least a half-time basis.
- G. TTUHSC El Paso may extend the time for repayment or forgive a loan, in accordance

with guidelines established by the THECB and shall maintain documentation justifying the deferral of repayment or the forgiveness of emergency loans for review by the State auditor.

- VII.** The Office of Student Financial Aid and Office of Student Business Services (SBS) are responsible for the promulgation of this policy and for monitoring and implementing applicable Coordinating Board policies and guidelines.
- VIII.** The Office of Student Financial Aid will be responsible for authorizing all loans and informing the Office of SBS of eligible recipients. The Office of SBS will be responsible for collecting all loans.