



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 Operating Policy and Procedure (HSCEP OP) is to establish the approval process for the Texas Public Educational Grants Program and Emergency Tuition and Fees Loans.

REVIEW: This HSCEP OP will be reviewed by May 1 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, or designee, by May 15.

POLICY/PROCEDURE:

1. **General Policy.** The *Texas Education Code*, Chapter 56, Subchapters C and D, authorizes the governing board of Texas Tech University Health Sciences Center El Paso (TTUHSC El Paso) to set aside a portion of each resident and nonresident student's tuition charges for the purpose of funding the Texas Public Educational Grants Program (TPEG) and Emergency Tuition and Fees Loans. Awards will be made to students for both grants and emergency tuition and fee loans.
2. 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 54.051 of the *Texas Education Code*.
3. Of the funds set aside, not less than 90 percent shall be used for Texas Public Educational Grants, 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 VP for Academic Affairs, in consultation with the Chief Financial Officer.
4. 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 upon 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 the Texas Public Educational Grants Program may be transferred to the Texas Higher Education Coordinating Board, 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 Coordinating Board 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 Coordinating Board, exceeds 150 percent of the total set aside, the

institution shall transfer this excess amount to the Coordinating Board as provided by the law. The Coordinating Board shall use these funds to award grants under the Toward Excellence, Access, & Success (TEXAS) Grant Program.

5. Interest earned from the funds set aside for Texas Public Education Grants may be spent only for grants to students as provided by this policy.
6. Criteria for awarding and maximum amount of emergency tuition and fees loans:
 - a. All students registered in TTUHSC El Paso and TTU 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.
7. 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% 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 15 percent interest rate per annum. In the event the loan becomes delinquent, the borrower's official transcript requests and re-enrollment at Texas Tech University Health Sciences Center 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. All defaulted loans 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. Repayment of the loan may also be deferred according to guidelines established by the Office of Student Business Services.
 - f. The deferred repayment referenced in part 'e' 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.
 - g. TTUHSC El Paso may extend the time for repayment or forgive a loan, in accordance with guidelines established by the Coordinating Board.
8. The TTUHSC 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.
9. 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.