

## **Texas B-On-Time Loan Program Fact Sheet**

The purpose of the Texas B-On-Time Loan Program is to provide eligible Texas Students no-interest loans to attend colleges and universities in Texas. If the student meets specified goals, the entire loan amount can be forgiven upon graduation. The Texas Higher Education Coordinating Board will begin offering B-On-Time loans in January 2004 for the 2003-2004 academic year.

### **Eligibility Requirements**

- ★ Texas resident,
- ★ graduated 2002-2003 academic year or later under the recommended high school program from public or accredited private high school in Texas or received an associates degree from an eligible institution no earlier than May 1, 2005,
- ★ has not earned a bachelor's degree,
- ★ enrolled full time in an undergraduate degree or certificate program at an eligible institution, and
- ★ has completed a FAFSA and is eligible to receive federal financial aid.

### **Annual Loan Amounts for 2003-2004**

Students attending eligible:

- ★ 4-year public and private institutions: \$3,140
- ★ 2-year public and private junior colleges: \$1,270
- ★ Public technical colleges: \$1,860

A 3% origination fee will be deducted from the loan proceeds.

### **Electronic Application Process**

Your institution's financial aid office will determine if you are eligible. As funding for the Texas B-On-Time Loan Program is limited, your financial aid package may not include this loan. If this loan is offered to you, your financial aid office will instruct you to complete an application/promissory note on-line.

### **Renewal Eligibility**

To maintain eligibility for future disbursements, the student must:

- ★ In the 1<sup>st</sup> Academic Year – make satisfactory academic progress toward a degree or certificate as determined by the institution.
- ★ In the 2<sup>nd</sup> and Subsequent Academic Years – complete at least 75% of the semester credit hours attempted in the most recent academic year and have a cumulative GPA of at least a 2.5 on a 4.0 scale (or the equivalent) on all coursework previously attempted at institutions of higher education.

A student may not receive B-On-Time loans for more than 150 hours.

### **Forgiveness Requirements**

A Texas B-On-Time Loan shall be forgiven if the student receives an undergraduate degree or certificate from an eligible institution and the student either:

- ★ graduated with a cumulative GPA of at least a 3.0 on a four-point scale, within:
  - ✓ 4 calendar years after the date the student initially enrolled in an eligible 4-year institution,
  - ✓ 5 calendar years, if the degree is in architecture, engineering, or any other program determined by the board to require more than 4 years to complete; or
  - ✓ 2 calendar years after the date the student initially enrolled in a public or private 2-year institution
- or
- ★ graduated with a cumulative GPA of at least 3.0 on a 4.0 scale, with a total number of credit hours (including transfer hours and hours earned exclusively by examination) that is no more than 5 hours beyond what is required to complete the degree or certificate.

**IRS regulations indicate that these loans must be reported as taxable income when they are forgiven.**

For more information about this loan program, please visit our website [www.HHLoans.com](http://www.HHLoans.com) or call us toll-free: 1-800-242-3062 or in Austin (512) 427-6340.