**Emergency Loan Program (ELP) UPPS No. 07.07.05**

 **Issue No. 5**

 **Effective Date: 01/09/2020**

 **Next Review Date: 11/01/2024 (E4Y)**

 **Sr. Reviewer: Treasurer**

**01. POLICY STATEMENT**

* 1. This policy describes the procedures for the administration of the Emergency Loan Program (ELP), in accordance with the [Texas Education Code, Section 56.051](https://statutes.capitol.texas.gov/Docs/ED/htm/ED.56.htm#56.051) which states: "Each institution of higher education may establish an emergency loan program under which students are loaned money to pay tuition, fees, and the cost of textbooks."

**02. QUALIFICATIONS**

02.01 Chapter VI, Section 4 of [The Texas State University System (TSUS) Rules and Regulations](https://www.tsus.edu/about-tsus/policies.html) specifies eligibility criteria for ELPs.

02.02 Applicants for an emergency loan must be enrolled in courses for which the loan is intended. Applications are submitted electronically at the following link: [Emergency Loan Application](https://www.sbs.txstate.edu/students/ETL-STL.html).

02.03 ELPs are awarded to eligible students on the basis of the order of the receipt of applications and availability of funds (see [Texas Education Code, Section 56.052).](https://statutes.capitol.texas.gov/Docs/ED/htm/ED.56.htm%22%20%5Cl%20%2256.052)

02.04 Grade Point Average (GPA) – Students must have a minimum GPA of at least a 2.0 (for all continuing students).

02.05 Financial Obligations – Students are not eligible to receive an ELP if they have any outstanding financial obligations. Students with financial holds on their records due to returned bank payments, parking fines, installments, or other financial obligations must make payment to Texas State to clear the hold before receiving the ELP award.

02.06 Sufficient Funds – Students are not eligible to receive an ELP if they have sufficient funds from other sources such as financial aid, tuition adjustments, or any other funds to meet the minimum required down payment for a payment plan. Loans will be denied if funds are available and applied to the student’s account.

**03. TERMS OF THE LOAN**

03.01 Loan amounts should not exceed the total of tuition and course-related fees for which the student is enrolled.

03.02 The university will credit funds from an ELP directly to a student’s account. Applications are accepted three to five days prior to the scheduled due date for each registration period. This date is dependent upon the disbursement of financial aid funds to assure that all available funds are applied to the student’s account. Loans for subsequent installment payments are not available.

03.03 Due dates are based upon the term for which the funds are loaned.

1. ELPs are due on the established due date for the final installment of the semester.

b. If the student withdraws from the university before the due date, the total unpaid balance of the loan plus the origination fee becomes due and payable immediately.

03.04 Default – The loan defaults if the student does not pay off the loan amount on or before the due date, even though a repayment plan is established. The university will assess an additional fee and place a hold on the student’s records.

03.05 Origination Fee – A 1.25 percent origination fee based on the amount borrowed will be added to the student’s account at the time loan is disbursed. No additional interest is charged.

03.06 Delinquent Fee – If a loan is not paid in full by the established due date, an additional $65 fee will be added to the account balance.

03.07 Promissory Note – Students must electronically sign a promissory note. Failure to do so will cause the loan to be canceled.

03.08 Repayment – Recipients should make payments to Student Business Services (SBS) either online or by mail. Cash payments will only be accepted in person at the SBS cashier windows.

03.09 Prepayment – The student may pay the ELP prior to the due date without penalty.

03.10 Texas State will automatically credit all funds available to the student, such as scholarships, other financial aid, or refunds (for withdrawals, drops, etc.) to the outstanding ELP balance. Available funds are first applied to tuition and fee balances due, then to ELP balances.

03.11 Collection Agency – Texas State reserves the right to refer any defaulted loan to an outside agency for collection. The outstanding debt will include the outstanding balance of the loan, loan fees, agency collection fee, and attorney’s fees. These additional fees shall not exceed the amount allowable by the state of Texas.

03.12 After the university has referred a delinquent ELP to an outside collection agency, the student must make payments to the agency.

**04. PROCEDURES REGARDING DEFERRED REPAYMENT**

04.01 The university may allow a student who is financially unable to repay an ELP to defer repayment (see [Texas Education Code, Section 56.055](https://statutes.capitol.texas.gov/Docs/ED/htm/ED.56.htm#56.055)). Students who receive deferrals are not eligible for additional extensions (see Section 05.).

04.02 To qualify for deferred repayment, students must prove that inability to repay the ELP on its due date would deprive them of an education. Under this section, lack of financial ability is defined as having an expected family contribution (EFC). EFC is the amount of assistance the student and their family are expected by the federal government to contribute toward the student’s education during an academic year that would qualify them for a Pell Grant.

04.03 When qualifying for deferred repayment under this section, the student must make the deferred repayment on the earlier of the following dates:

a. the first day of the ninth month after the last month in which the borrower was enrolled at Texas State; or

b. the fifth anniversary of the date on which the loan was executed.

04.04 For deferrals, students must request the Emergency Loan Program Request for Deferred Repayment or Extension of Due Date form from [SBS](https://www.sbs.txstate.edu/). Complete applications must be received by SBS prior to the loan due date. Late charges continue to apply.

04.05 The university will allow students who qualify under this section to register for classes.

04.06 Determination of Pell Grant eligibility (see Section 04.02) is the responsibility of the director of Financial Aid and Scholarships.

**05. PROCEDURES FOR PAYMENT EXTENSIONS**

05.01 Students who do not meet the qualifications for deferred repayment under Section 04. may qualify for a payment extension for the ELP. Students who receive an extension under this section are not eligible to subsequently qualify for deferred repayment under Section 04.

05.02 The university makes ELP payment extensions only for extraordinary circumstances, such as a student or family member medical emergency, and may require written documentation of those circumstances.

05.03 Each extension may be for a period of time not to exceed 90 days.

05.04 For extensions, students must request the Emergency Loan Program Request for Deferred Repayment or Extension of Due Date form from [SBS](https://www.sbs.txstate.edu/). Complete applications must be received by SBS on or before loan due date.

05.05 Determination of a student's need for extended due dates under this section is the responsibility of the supervisor or manager of SBS.

**06. PROCEDURES FOR LOAN FORGIVENESS**

06.01 A student may request loan forgiveness if the student has been certified by a physician as having a total and permanent disability. Total and permanent disability means the student is:

1. unable to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment that can be expected to result in death, that has lasted for a continuous period of not less than 60 months, or that can be expected to last for a continuous period of not less than 60 months; or
2. the applicant is a veteran who has been determined by the secretary of Veterans Affairs to be unemployable due to a service-connected disability.

06.02 Documentation of a financial hardship condition must indicate that the condition is expected to continue and would likely make repayment infeasible for the succeeding five years.

06.03 Students may request an Emergency Loan Program Request for Forgiveness form by contacting [SBS](https://www.sbs.txstate.edu/).

**07. FISCAL INFORMATION**

07.01 The director of SBS, or designee, has the authority to make exceptions to this policy’s eligibility criteria.

07.02 It is the responsibility of the director of SBS to assure that the total funds awarded for ELPs do not exceed the funds available.

07.03 Texas State will record the 1.25 percent origination fee from ELPs.

07.04 Texas State will record the delinquent fee revenue from delinquent loans in the designated fund group (similar to other incidental fees).

**08. REVIEWERS OF THIS UPPS**

08.01 Reviewers of this UPPS include the following:

Position Date

Treasurer November 1 E4Y

Director, Student Business Services November 1 E4Y

**09. CERTIFICATION STATEMENT**

This UPPS has been approved by the following individuals in their official capacities and represents Texas State policy and procedure from the date of this document until superseded.

Treasurer; senior reviewer of this UPPS

Vice President for Finance and Support Services

President