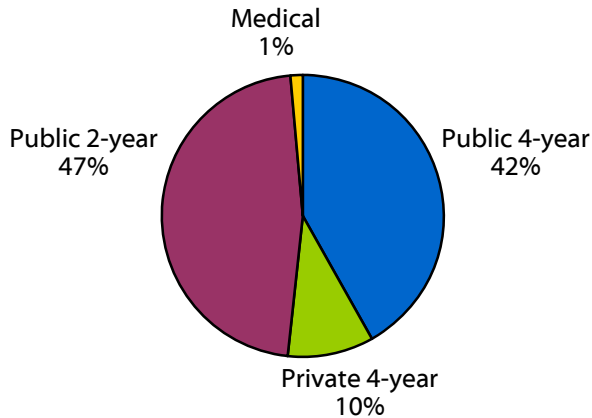
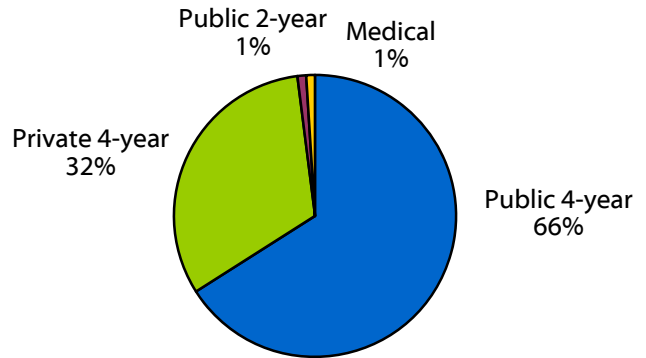


Most Volume for Texas' Newest State Loan, the B-On-Time Loan, Goes to Students at Public Universities

Student Enrollment in Texas, Fall 2007



B-On-Time Loan Volume, by School Type, Award Year 2007-2008



Although nearly half of Texas postsecondary students attend public two-year schools, only one percent of B-On-Time (BOT) loan volume went to these students. One reason for this may be that students are required to attend school full-time in order to receive the loan, and two-year students are far less likely to attend full-time compared to four-year university students.

In 2003, the Texas Legislature created the BOT Loan, a no-interest loan which may be forgiven entirely upon graduation if the borrower graduates with a Grade Point Average (GPA) of at least 3.0 on a 4.0 scale, and also graduates within four years* after entering a four-year institution or within two years after entering a two-year institution. In Award Year (AY) 2003-2004, the first year in which awards were allocated, approximately \$4.1 million in BOT aid was allocated to 1,663 students. BOT aid increased in AY 2006-2007 to \$42.9 million and was distributed to 10,247 students. In AY 2007-2008, 6,875 students received \$32.2 million in BOT loans.

It is not certain how many students will be able to benefit from the loan forgiveness component of the loan, as most students in the U.S. take longer than four years to graduate.** About 25 percent of first-time, full-time freshmen who entered Texas public four-year universities in fall 2002 graduated within four years, but the average GPA for these students is unknown. The six-year graduation rate in Texas is 56 percent.

* Five years for architecture or engineering majors.

** Bachelor's degree recipients in the U.S. in AY 1999-2000 averaged 55 months from first enrollment to degree completion.

Sources: Loan volume: Texas Higher Education Coordinating Board (THECB). "Financial Aid Database for AY 2007-2008." Austin, Texas, 2009; Public Enrollment: THECB. "PREP Online" (http://www.txhighereddata.org/Interactive/PREP_New); Private Enrollment: Independent Colleges and Universities of Texas (ICUT). Fall 2007 Headcount Enrollment (Unpublished tables); Graduation rates: Six-year: THECB. Baccalaureate Graduation Rates (<http://www.txhighereddata.org/Interactive/GradRates.cfm>); Four-year: THECB. Higher Education Accountability System (<http://www.txhighereddata.org/Interactive/Accountability/>); Time to degree completion: U.S. Department of Education. *Condition of Education: Student Effort and Educational Progress* (<http://www.nces.ed.gov/programs/coe/2003/section3/indicator21.asp>); Loan terms and loan eligibility: THECB. "College for Texans" Web site (<http://www.collegefortexans.com/paying/finaidtypes.cfm>).

