

## **Texas A&M University-San Antonio**

**07.02.99.00.01**     *Fair Lending Practices*  
Approved: May 18, 2012  
Revised: June, 2014  
Next Scheduled Review: June, 2019

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### **Procedure Statement**

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The purpose of this Procedure is to establish that Texas A&M University-San Antonio (A&M-San Antonio) will ensure that all financial aid staff adhere to fair lending practices and do not compromise the ethical responsibilities and integrity of the financial aid office in dealing with private lenders, any alternative and private loans, or in the general administration of student loan funds.

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### **Reason for Procedure**

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This Procedure is required by System Policy 07.02.99 *Texas Higher Education Fair Lending Practices*.

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### **Official Procedure**

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#### 1. GENERAL

- 1.1 Any student meeting the eligibility requirements established by the federal government and/or the State of Texas, The Texas A&M University System, or Texas A&M University-San Antonio may receive financial aid through the University. These requirements include, but are not limited to, financial need and/or acceptable scholastic and conduct records.
- 1.2 Students and/or parents will identify and select their own lender. The financial aid staff can provide information on the availability, benefits, and requirements for loans that are offered, but the student is free to make their own choice. The University will not endorse or favor one lender over another. The University will not be held responsible for rates, terms, fees, or services provided by any lender.
- 1.3 In accordance with *FDIC, laws, regulations, and related acts*, borrowers are required to submit a *Private Education Loan Applicant Self- Certification* to their lender before loans can be disbursed.

- 1.4 As part of our commitment, all employees in the financial aid office will receive training on an annual basis on the code of conduct to be used in financial aid processes.

## 2. ALTERNATIVE AND PRIVATE LOANS

- 2.1 Staff will process private and alternative loans in the same manner that all loans are processed: dealing directly with the lender and ensuring the student is enrolled at the time of disbursement.
- 2.2 An alternative loan is an agreement between the borrower, cosigner, and the lender. A&M-San Antonio will not endorse or favor one lender over another. The University will not be held responsible for rates, terms, fees, or services provided by any lender. As with all loans offered, the student and/or parent will select the lender of their own choice.

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### **Related Statutes, Policies, or Requirements**

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[07.01 Ethics](#)

[07.02 Texas Higher Education Fair Lending Practices](#)

[Statement of Ethical Principles and Code of Conduct for Institutional Financial Aid Administrators](#)

[Student Financial Aid Handbook 2011-2012](#)

[Vol.2 School Eligibility and Operation 2-122](#)

[34 CFR668.14 \(b\) \(28\) and \(29\) Private Lenders, requirements for arrangements with requirements for preferred lenders list](#)

[34 CFR 682.212. \(h\)](#)

[34 CFR 601.10](#)

[FDIC, Law, Regulations, Related Acts](#)

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### **Definition**

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**Alternative and private loans** – a form of self-help that enables students to borrow funds for education related costs. These are NOT federal or state loans; they are administered by private

lenders and banks that usually have stricter eligibility requirements, higher interest rates and fees, cosigner requirements, and usually require a good to excellent credit rating to qualify. These loans do not have the safeguards and deferment features that federal or state loans have.

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### **Contact Office**

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Student Affairs, Office of Scholarship and Financial Aid (210) 784-1320

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