

**PRAIRIE VIEW A&M UNIVERSITY  
UNIVERSITY ADMINISTRATIVE PROCEDURE**



**07.02.99.P0.01 Texas Higher Education Fair Lending Practices**

Approved August 16, 2013

Reviewed November 20, 2015

Reviewed June 30, 2020

Next Scheduled Review: June 2025

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**UAP Purpose**

The purpose of this University Administrative Procedure (UAP) is to ensure that all Prairie View A&M University (PVAMU) staff adhere to fair lending practices and do not compromise the ethical responsibilities and integrity of the Office of Student Financial Aid and Scholarships (OSFAS) in dealing with private lenders, any alternative and private loans, or in the general administration of student loan funds. PVAMU will adhere to the procedures and responsibilities set forth in System Policy [07.02 Texas Higher Education Fair lending Practices](#).

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**Definitions**

**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 of federal or state loans.

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**Official Procedures and Responsibilities**

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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 PVAMU 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 Law, Regulations, Related Acts](#), borrowers are required to submit a [Private Education Loan Applicant Self-Certification](#) to their lender before loans can be disbursed.

## **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. PVAMU will review each lender's policies and procedures, including yearly rates; however 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. As with all loans offered, the student and/or parent will select the lender of their own choice.
- 2.3 The OSFAS will oversee the selection of lenders and private loans through the development of an Alternative Loan Lender list. This will include an annual selection process that will review the best options for our students. This assessment will be based on low interest rates, minimum fees, and customer service provided, etc.

## **3. PROHIBITIONS**

- 3.1 PVAMU or any of its employees shall not, directly or indirectly, solicit or accept any gift from or on behalf of a student loan lender.
- 3.2 Employees will immediately report to the President, or his or her designee, if a student loan lender attempts to offer or provide a gift to an employee.
- 3.3 The Director of OSFAS will have a strong working knowledge of the definitions and prohibitions relative to student loan lenders and will be responsible for ensuring there are no conflicts of interest in the conduct of student financial aid programs. It will also be the responsibility of the Director of OSFAS, or his or her designee, to ensure compliance with the procedures and responsibilities set forth in System Policy [07.02 Texas Higher Education Fair Lending Practices](#). Employee discrepancies will be reported immediately to the Provost and Senior Vice President for Academic Affairs and the President.

## **4. TRAINING**

- 4.1 As part of our commitment, all employees in the OSFAS will receive training on an annual basis on the code of conduct to be used in financial aid processes, to include, but not be limited to Texas Higher Education Lending Practices and Texas ethics laws related to state employment.
- 4.2 Employees whose functions are closely related to those of the financial aid office may be required to receive training as deemed appropriate by the Provost and Senior Vice President for Academic Affairs.

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### **Related Statutes, Policies, Regulations and Rules**

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[System Policy 07.01 Ethics](#)

[System Policy 07.02 Texas Higher Education Fair lending Practices](#)

[Texas Education Code, Section 61.003](#)

[Title IV, Higher Education Act of 1965 \(Pub. L. No. 89-329\)](#)

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

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

[Federal Student Aid Handbook](#)

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**Contact Office**

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Office of Student Financial Aid and Scholarships      936-261-1000

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