



SAP 99.99.99.N0.04 – Third-Party Loans

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Next Scheduled Review: February 14, 2027

Summary

This document provides the procedures for TEEX to enter into partnerships with third party lenders. It also describes the procedures for enrolling a participant paying for a vocational course with a third-party education loan.

Definitions

Third-party Loan - a loan administered and processed by a private lending institution to be used for training costs. The maximum amount approvable by TEEX for each vocational program includes tuition, books, and fees that are payable to TEEX.

Vocational Program- A course/program designed to prepare participants for gainful employment in a recognized occupation.

Requirements

1. GENERAL

- 1.1. A partnership may not be set up with a prospective lender without approval by the TEEX Chief Financial Officer (CFO) or designee.
- 1.2. A prospective participant may not be enrolled into a course/program until funds from the third-party lender have been received by TEEX.
- 1.3. A prospective participant must finalize their approved loan **no later than 14 calendar days** before the start of the class to ensure their funds are credited in time to register them for their class.

2. PROCEDURES

2.1. Lender Partnership Approval

- 2.1.1. The initiative for establishing a partnership with a potential lender may be assumed by the Assistant Agency Director of Strategic and Education Services, or designee.

- 2.1.2. Loan cost (interest rates, borrower benefits and discounts) and quality customer service must be considered when assessing if the proposed loan is most beneficial to participants.
- 2.1.3. Terms and conditions between the lender and TEEEX must be screened carefully and approved by the CFO or designee before a TEEEX partner account is set up with the lender.
- 2.1.4. Any changes to the terms and conditions with an established lender must also be reviewed and approved by the CFO or designee.

2.2. Participant Application and Registration

- 2.2.1. Prospective participants contact (or are directed to) the vocational program they wish to attend.
- 2.2.2. If prospective students inquire about financial aid options, the vocational program informs them about potential third-party lenders for TEEEX training. If needed, the prospective students may be directed to TEEEX Student Services.
- 2.2.3. Prospective participants must contact the third-party lender directly to apply for a loan. TEEEX does not assist in any way with this process.
- 2.2.4. The vocational program sends the prospective participant a program registration packet.
- 2.2.5. The vocational program notifies TEEEX Student Services that the prospective participant's registration packet has been received and the student is pursuing third-party funding.
- 2.2.6. TEEEX Student Services logs into the third-party lender interface daily to determine if a prospective participant has been approved for a third-party loan.
- 2.2.7. For approved loans, TEEEX Student Services completes the Enrollment Verification and inputs the disbursement date(s) for education funds to be released to TEEEX in the third-party lender system. **No Enrollment Verifications or disbursement dates will be set until TEEEX Student Services is notified by the vocational program that the participant's registration packet has been received.**
 - 2.2.7.1. If the loan amount does not match the allowable amount for the participant's specific program, TEEEX Student Services contacts the student to ensure the amount is accurate (if the amount requested is less than the specific program amount) or to inform them that we cannot approve a loan which exceeds the vocational program's allowable amount.
 - 2.2.7.2. If TEEEX Student Services does not recognize the participant's name, TEEEX Student Services first contacts the program to determine if the participant has submitted a registration packet. If the vocational program has no record of the prospective participant, TEEEX Student Services contacts the participant via e-

mail (copying the program) to inform the prospective participant that an Enrollment Verification has been sent to TEEX but we do not have record of them contacting the vocational program nor that a registration packet has been complete.

- 2.2.8. The prospective participant is notified by the third-party lender to complete the loan agreement.
- 2.2.9. Funds are released by the third-party lender based on the requested TEEX disbursement date(s) as long as the prospective participant has completed their loan agreement.
- 2.2.10. TEEX Student Services adds approved loans to a report on a secure drive after every approval has been processed. The report consists of participant name, course, approved disbursement amount(s), and date(s). The report is fully redacted of any sensitive information.
- 2.2.11. Using the report, Financial Services codes and routes the funds to the proper division account. Financial Services will attach the division specific report to the payment receipt and route to the appropriate division via locking bag.
- 2.2.12. Division registers participant and assigns payment. Payment is coded as “cashiering”.
- 2.2.13. Participant is notified by the vocational program that funds are received and that the participant is enrolled in their respective program.

3. Veterans

- 3.1. Veterans wishing to utilize a third-party educational loan in conjunction with their Veterans Affairs (VA) benefits are required to contact the TEEX Veterans Services Office first for guidance.

4. Refunds

- 4.1. In the event a participant is eligible for a refund, all refunds will be made to the third-party lender in accordance with the TEEX SAP 26.01.99.N0.01 *Participant Refunds*. The refund must be initiated by the Division via a correction notice.

Quality Assurance Measures

A pending purchase order report is monitored weekly by the student management system administrator for discrepancies in payment and enrollment.

Related Statutes, Policies, or Requirements

[TEEX SAP 26.01.99.N0.01 Participant Refunds](#)

Office of Responsibility

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