

From: University of Texas at San Antonio, Lisa Blazer
Subject: Reg Z - Truth In Lending

Comments:

I would like to provide a brief comment regarding the Negotiated Rulemaking that amends regulation Z of the Truth and Lending Act. It appears that private loans will include any institutional loans that we have on our campuses.

Within the state of Texas, we have emergency tuition and fee loans that provide students an option to take a low interest loan for 90 days to pay for their classes. In many cases, students applied late for financial aid and simply need something to "hold" their classes to avoid being dropped for non-payment. In other cases, students take out the 90 day loan to help avoid classes getting dropped for non-payment. It gives them a brief reprieve from coming up with all of their tuition and fees prior to the start of the semester.

My concern is in reference to the additional disclosures that we will be required to adhere to, especially if we are required to have a 3 day waiting period for these loans and a self-certification form requirement. We are processing this type of loan up until the last hour before classes will be dropped for non-payment. Students rely on these funds to help them each semester. If we are required to have a 3 day waiting period for these emergency tuition and fee loans, it will cause a serious hardship for many of our students at UTSA. We are able to process these loans within a few moments of receiving the signed promissory note, thus, classes are not dropped.

Institutional loans should not be considered private loans. These loans are primarily set up to keep students classes from being dropped for non-payment. We also have book loans that are provided by endowed scholarships. These loans are distributed directly before the semester starts and are provided to help students pay for books that their financial aid doesn't cover or simply because they need additional cash for books. Again, these loans are 90 day loans and have to be paid back before the end of the semester. Students receive the cash from these loans on the same day that they apply and can go to any bookstore and purchase books. A 3 day waiting period would severely impact our students' ability to purchase books prior to the semester.

We will also see an impact if installment plans with 4 or more payments are considered private loans. Typically students can apply for installment plans up until the payment deadline date to keep classes from getting dropped. Students pay half their bill by the payment deadline and then have 3 additional payments due during the semester, thus 4 payments. Again, students would encounter several issues if there is a 3 day waiting period for installment plans.

I request that you re-evaluate the prospect of institutional loans such as emergency tuition and fee loans, book loans and installment plans as under the definition of a private loan to avoid problems and issues for our students.

Thank you for your consideration.

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