

From: The University of Texas at Brownsville and Texas Southmost College, Chet Lewis
Subject: Reg Z - Truth In Lending

Comments:

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Proposal: Regulation Z - Truth in Lending
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Comments:

The University of Texas at Brownsville and Texas Southmost College allows students to apply and receive emergency loans and installment loans. Many of the emergency loans are made available to students who are in-process to receive financial aid, but have not received their notice of award. The installment loans are primarily given to students who are having difficulty paying their tuition and need some additional time to pay the balance of their tuition and fees. The Regulation Z; Docket No. R-1353; Truth in Lending; Proposed Rule will place a burden upon our institution and will impede the registration process for our students. The requirement of a three (3) business day right to cancel will force us to regress our registration calendar back three additional days to ensure the student acceptance of the emergency loans and installment loans. Our university undergoes a large amount of enrollment activity that occurs the week before school starts through the first week of school. The proposed rule will potentially cause a decrease in our student enrollment and may keep students from enrolling in their university classes. We generally allow a student to enter into a payment plan which will usually have a term of 4-5 months. It has been our experience that having payment terms of three or more months generally presents a hardship to the students and would be a disadvantage to our students to structure the loans for any period less. The disclosures requirements appear to be burdensome and time consuming for our university given the three notifications that must be given with the application, the approval and the consummation. A student who needs a loan to pay tuition and fees while a notification of a Pell award is pending does not appear to be the type of consumer these disclosure requirements would benefit. I would implore that the Board of Governors of the Federal Reserve System work to change the proposed rules or allow exemption of certain loans. The emergency loan program and installment loan program that we currently provide our students is an essential facet in our enrollment process and the proposed rules will significantly hamper our existing process. If you would like us to participate in your process or would like specific examples of our loan programs, we would gladly assist to find a workable solution that will not harm our students and will not hamper our enrollment process. Thank you for your

consideration. Respectively, Chet Lewis Associate Vice President for Business Affairs for Financial Services The University of Texas at Brownsville and Texas Southmost College