



Administered by
UNIVERSITY OF MAINE SYSTEM
Office of Strategic Procurement

REQUEST FOR QUALIFICATIONS

ALTERNATIVE PRIVATE EDUCATIONAL LOANS

RFQ # 21-11

ISSUE DATE:
July 11, 2011

LETTERS OF INTEREST MUST BE RECEIVED BY:
July 29, 2011

DELIVER TO:

University of Maine System
Office of Strategic Procurement
Attn: Kevin Carr
16 Central Street
Bangor, ME 04401

ALTERNATIVE PRIVATE EDUCATIONAL LOANS

The University of Maine System (UMS) is requesting letters of interest and qualifications from firms having expertise in providing alternative private educational loans. The purpose of this Request for Qualifications (RFQ) is to create a list of qualified lenders from which UMS can identify and provide to its students and parents information regarding lenders of private loan products that have competitive rates, excellent customer service and borrower benefits. UMS seeks information from lenders interested in serving our traditional undergraduate, non-traditional undergraduate and graduate students, and parent populations for Alternative Educational Loan Programs. Students and their families will be notified of the loan products for the 2011-2012 academic year, but will also receive information stating that UMS will process loans from any lender. Students and their families will be able to apply for loans through the lender of their choice without penalty.

From this RFQ, UMS will develop a master list of lenders and their loan products. Each campus of the UMS, at their sole discretion, will in turn publish a list of loan products and lenders offering private educational loans. These lists are subject to change without notice. The submission of information in response to this RFQ does not create any binding obligation of any nature on the UMS or the lender.

INTRODUCTION TO THE UNIVERSITY OF MAINE SYSTEM

The University of Maine System (UMS) consists of seven universities, 9 regional outreach centers, and 75 local Interactive Television (ITV) sites which deliver distance-education programs. Many of the administrative and policy functions of the UMS are overseen by centralized operations called System-wide Services (SWS). These support functions include human resources, labor relations, information technology, budget, finance, accounting, legal services, governmental relations, and support to the Board of Trustee. SWS includes the Chancellor's office and senior System officials involved with statewide coordinating functions and services.

Though each university has a distinct mission, they all share two overarching goals:

- To provide high-quality, accessible and affordable learning opportunities and
- To undertake and share creativity, innovation and outreach to improve Maine's economy and quality of life.

The UMS employs approximately 5,200 regular and part-time faculty and staff, serving more than 42,000 students. To learn more about the UMS, visit <http://www.maine.edu/>. Various reports may also be reviewed at <http://www.maine.edu/system/ppa/statsreports.php>.

Campuses of the UMS include:

University of Maine - Maine's land-grant and sea-grant institution

University of Maine at Augusta - Central Maine's baccalaureate and associate degree institution

University of Maine at Farmington - Maine's selective liberal arts college

University of Maine at Fort Kent - Baccalaureate university in the St. John Valley

University of Maine at Machias – New England’s only Environmental Liberal Arts College

University of Maine at Presque Isle - Baccalaureate education for the Northeastern region

University of Southern Maine - A comprehensive public university

MINIMUM REQUIREMENTS

All lenders will be expected to adhere to the following minimum standards in order to be considered for inclusion in the list of loan products and lenders:

1. Resolution of loan certification, disbursement, and servicing issues within 24 business hours
2. Superior customer service to our students and families
3. Dedicated customer service representative(s) as well as a toll free priority service telephone number to serve borrowers and Financial Aid staff at UMS
4. Commitment to honor benefits and loan terms that are described in lender responses to the RFQ for the entirety of the 2011-2012 processing year (July1, 2011 to June 30, 2012)
5. Reporting of key operational and financial metrics, including but not limited to, loan volumes and approval rates on a quarterly basis
6. Online certification and ability to disburse loan funds via EFT

RESPONSES TO RFQ

Lenders desiring to be considered should submit a letter indicating interest. Where possible, all materials submitted should be fully recyclable. Submissions shall be on standard 8.5 x 11, letter-sized paper. Letters of interest should be as brief and succinct as possible to demonstrate Lender's ability to meet the minimum requirements. In addition, Lender will complete the attached lender response sheet. Incomplete submissions will be deemed unresponsive and will not be considered for evaluation – care should be taken to submit complete information.

EVALUATION OF SUBMITTED RESPONSES

All responses to this RFQ will be evaluated using, but not limited to, the following criteria:

1. Front-end fees and benefits to borrowers
2. Repayment benefits and utilization rates
3. Quality of customer service to the borrower and campus Financial Aid Office staff, including availability of consumer information and web-based service features
4. References, including reputation of the lender and accompanying processor(s) in the lending industry
5. Online loan certification and Electronic Funds Transfer (EFT)

Once responses have been evaluated, UMS will notify lenders that they have been accepted. The selected lenders will be placed on the UMS master list of lenders and services. Each campus of the UMS, at their sole discretion, will in turn publish a list of loan products and lenders offering private educational loans. These lists are subject to change without notice.

UMS does not guarantee the volume of alternative loans. As federal guidelines permit, UMS campuses will advise students of their options in selecting a private loan product. UMS will offer specific recommendations to students and their families regarding its published alternative loan programs.

UMS reserves the right to remove any lenders' information from the master list, and the campus web sites, at any time if it is determined, in the sole judgment of UMS, that the lender has not fulfilled any of its obligations under this RFQ.

The RFQ does not create any contractual relationship between UMS and any party. UMS reserves the right to accept or reject any and all responses to this RFQ.

SUBMISSIONS MAILING INFORMATION AND DUE DATE

All responses should be addressed to:

Kevin Carr
Office of Strategic Procurement
University of Maine System
16 Central Street
Bangor, Maine 04401.
(207) 973-3307, Fax (207) 973-3322
Email kevin.carr@maine.edu

Signed letters of interest and qualifications (including completed lender response sheet) should be received prior to close of business on **Friday July 29, 2011**. **Please enclose three (3) copies of all submitted materials.**

GENERAL QUESTIONS

1	Lender Name		
2	Program / Product Name		
3	Corporate Identity	<input type="checkbox"/> For Profit	<input type="checkbox"/> Non-Profit
4	Lender Address		
5	Telephone		
6	Fax		
7	Email		
8	URL		
9	Primary Marketing Contact		
10	Primary Operational Contact		
11	Please attach your organization's mission statement and history in the student loan field.		
12	Please attach three references and / or testimonials from institutions of higher education similar to UMaine that have worked with your institution in the past.		
13a	Will your organization honor the terms and benefits presented for the 2011-2012 academic year?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
13b	How will you notify students, parents and schools if loan terms change during the academic year?		

BORROWER SERVICES

14	What are your customer service call center hours for origination issues?		
15a	What are your peak times for origination issues?		
15b	What are the average wait times for calls to your customer service center for origination issues during peak and non-peak times?	Peak:	Non-Peak:

16a	Do you provide borrowers with online immediate help via email or chat?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
16b	Can borrowers fully access their account online?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
16c	Do you accept payments online? If so, please list URL.	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
16d	Do you provide Loan Calculators? If so, please list URL.	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
16e	Do you provide Dept. Management / Financial Literacy Tools? If so, please list URL.	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
16f	Is there an option to e-sign a promissory note?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
17a	Do you solicit other banking related products / services to borrowers?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
17b	If yes, please attach a description of the available products / services.				

SCHOOL SERVICES

18a	Do you have designated account managers assigned to specific schools?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No		
18b	If yes, please list names and contact information.						
19	What third party processing systems do you use (e.g., ELM, OpenNet, CommonLine)?						
20	With which guarantor(s) does your organization have a relationship?						
21	Do you participate in Electronic Fund Transfer (EFT)?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No		
22a	Do you participate in electronic loan processing, disbursements, refunds?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No		
22b	If yes, Disbursements, Refunds or Both?	<input type="checkbox"/>	Disbursements	<input type="checkbox"/>	Refunds	<input type="checkbox"/>	Both
22c	If yes, which formats do you support?	<input type="checkbox"/>	CommonLine 4	<input type="checkbox"/>	CommonLine 5	<input type="checkbox"/>	CommonRecord:Commonline (CR:C)
23	Which files do you support? (Check all that apply)	<input type="checkbox"/>	Application Send Files	<input type="checkbox"/>	Response Files	<input type="checkbox"/>	Change Files
24	Do you support netting disbursement rosters?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No		

LOAN SERVICING

25a	Do you service your own loans?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
25b	If no, please attach a list of all services you have contracted.			
26	What are your customer service call center hours for servicing issues?			
27a	What are your peak times for servicing issues?			
27b	What are the average wait times for calls to your customer service center for servicing issues during peak and non-peak times?		Peak:	Non-Peak:

OTHER QUESTIONS

28	Please indicate the total volume processed for the loan program for the following years:		2008-2009:	
			2009-2010:	
			2010-2011:	
29	Please provide the current default rate of your lender's private loan portfolio:		National %:	
			If available, Maine:	
			UMaine:	
30	Please provide your current approval / denial percentages for UMaine families?		Approval:	Denial:
31a	Will you have sufficient capital to maintain lending for the 2011-2012 academic year?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
31b	Please explain.			
32a	What is your current credit criteria?			
32b	What are your projected changes in credit criteria under specified conditions?			
33	Note other features/benefits:			

ELIGIBLE BORROWERS

33a	Student	<input type="checkbox"/> Yes	<input type="checkbox"/> No
33b	Parent	<input type="checkbox"/> Yes	<input type="checkbox"/> No
33c	Other	<input type="checkbox"/> Yes	<input type="checkbox"/> No
33d	International students	<input type="checkbox"/> Yes	<input type="checkbox"/> No
33e	Student must make satisfactory academic progress	<input type="checkbox"/> Yes	<input type="checkbox"/> No
33f	Student not making satisfactory academic progress	<input type="checkbox"/> Yes	<input type="checkbox"/> No
33g	Full-time students	<input type="checkbox"/> Yes	<input type="checkbox"/> No
33h	Students enrolled less than half-time	<input type="checkbox"/> Yes	<input type="checkbox"/> No
33i	Students in a degree program	<input type="checkbox"/> Yes	<input type="checkbox"/> No
33j	Students <i>not</i> enrolled in a degree program	<input type="checkbox"/> Yes	<input type="checkbox"/> No
33k	Students enrolled in a <i>Certificate Program</i>	<input type="checkbox"/> Yes	<input type="checkbox"/> No
33l	Loan can be taken for past due balance	<input type="checkbox"/> Yes	<input type="checkbox"/> No
			If yes, how old can balance be?
33m	Is a co-signer required? If not, under what conditions?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
			Conditions:

LOAN AMOUNTS & LOAN CHANGES

34a	Minimum per year	
34b	Maximum per year	
34c	Aggregate	
34d	When during the loan process can loan amount changes (increases / decreases) be made?	
34e	How are loan changes made?	

FRONT END FEES

35a	Origination fee:	
35b	Guarantee fee:	
35c	Other (explain):	
35d	Is there a loan application fee? If so, how much? What has it been for each of the past 3 years?	

INTEREST RATE(S)

36a	Do you have a tiered rate structure?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
36b	If yes, how are your tiered rate structures utilized?		
36c	Interest rate with co-borrower:		
36d	Interest rate without co-borrower:		

REPAYMENT TERMS

37a	Deferment option available?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
37b	If yes, what conditions?		
37c	Interest only option?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
37d	Minimum monthly payment?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
37e	Co-signer release option?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
37f	Number of payments before release of co-signer?		

BACK END BORROWER BENEFITS

38a	Please describe the benefit and the conditions that trigger the benefit.
38b	Please provide utilization rates for benefits. If a reasonable utilization rate is not provided, the rate will be assumed to be zero.

REPAYMENT EXAMPLE

Please complete using \$40,000 as loan amount (\$10,000 per year for four years).

Assume disbursements on 9/1 and 1/1 and repayment beginning after graduation on 5/15/16.

Assume the interest is not paid (if an option on your product) while the students is in school or during the grace period.

39a	With no borrower benefits:	
39b	With all borrower benefits:	

LOSS OF BENEFITS

40a	Can the borrower lose a benefit due to late payment?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
40b	If yes, is the borrower forced to compensate the lender / holder for the lost benefit?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
40c	Is there an opportunity to regain benefits that have been lost?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
40d	If yes, how is this done?				
41	Note other features/benefits:				

SERVICING & SELLING OF LOANS

42a	Who services your loans?	
42b	Do you sell your private loans?	<input type="checkbox"/> Yes <input type="checkbox"/> No
42c	If yes, please provide an attachment with the following information (please include examples of your correspondence): Names of organizations; time(s) in a student's academic career the loan is sold; if you always sell a borrower's portfolio to the same organization; how you inform a student that a loan has been sold.	
43	What, if any, other information would you like to provide?	