



Administered by **UNIVERSITY OF
MAINE SYSTEM** Office of Strategic
Procurement

REQUEST FOR QUALIFICATIONS (RFQ)

ALTERNATIVE PRIVATE EDUCATIONAL LOANS

RFQ #43-15

ISSUE DATE:
February 11, 2015

LETTERS OF INTEREST MUST BE RECEIVED BY:
February 26, 2015

DELIVER TO:

University of Maine System
Office of Strategic Procurement
Attn: Gregg Allen
104 Anderson Hall
37 College Avenue
Gorham, ME 04038

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 2015-2016 and 2016-2017 academic years, 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 2015-2016 and 2016-2017 processing years (July 1, 2015 to June 30, 2016 and July 1, 2016 to June 30, 2017)
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. **A singed original and one virus- free electronic copy (e.g., thumb drive) must also be submitted.** 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:

Gregg N. Allen
Strategic Sourcing
University of Maine System
104 Anderson Hall
37 College Avenue
Gorham, Maine 04038
(207) 780-5097
Email Gregg@maine.edu

Signed letters of interest and qualifications (including completed lender response sheet) should be received prior to close of business on **Thursday, February 26, 2015.**

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.		
12a	Will your organization honor the terms and benefits presented for the 2015-2016 and 2016-2017 academic years?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
12b	How will you notify students, parents and schools if loan terms change during the academic year?		

BORROWER SERVICES

13	What are your customer service call center hours for origination issues?		
14	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:
15a	Do you provide borrowers with online immediate help via email or chat?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
15b	Can borrowers fully access their account online?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
15c	Do you accept payments online?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

	If so, please list URL.	URL:	
15d	Do you provide Loan Calculators? If so, please list URL.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
15e	Do you provide Dept. Management / Financial Literacy Tools? If so, please list URL.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
15f	Is there an option to e-sign a promissory note?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
16a	Do you solicit other banking related products / services to borrowers?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
16b	If yes, please attach a description of the available products / services.		

SCHOOL SERVICES

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

LOAN SERVICING

23	Do you service your own loans?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
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OTHER QUESTIONS

24	Please provide the current default rate of your lender's private loan portfolio:	National %: If available, Maine: UMaine:
25	Please provide your current approval / denial percentages for UMaine families?	Approval: Denial:
26	Will you have sufficient capital to maintain lending for the 2015-2016 and 2016-2017 academic years?	<input type="checkbox"/> Yes <input type="checkbox"/> No

ELIGIBLE BORROWERS

27a	Student	<input type="checkbox"/> Yes <input type="checkbox"/> No
27b	Parent	<input type="checkbox"/> Yes <input type="checkbox"/> No
27c	Other	<input type="checkbox"/> Yes <input type="checkbox"/> No
27d	International students	<input type="checkbox"/> Yes <input type="checkbox"/> No
27e	Student must make satisfactory academic progress	<input type="checkbox"/> Yes <input type="checkbox"/> No
27f	Students enrolled less than half-time	<input type="checkbox"/> Yes <input type="checkbox"/> No
27g	Students <i>not</i> enrolled in a degree program	<input type="checkbox"/> Yes <input type="checkbox"/> No
27h	Students enrolled in a <i>Certificate Program</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No
27i	Loan can be taken for past due balance	<input type="checkbox"/> Yes <input type="checkbox"/> No If yes, how old can balance be?
27j	Is a co-signer required? If not, under what conditions?	<input type="checkbox"/> Yes <input type="checkbox"/> No Conditions:

LOAN AMOUNTS & LOAN CHANGES

28	Minimum per year	
29a	Maximum per year	

29b	Aggregate	
FRONT END FEES		
30a	Origination fee:	
30b	Guarantee fee:	
30c	Other (explain):	
30d	Is there a loan application fee? If so, how much? What has it been for each of the past 3 years?	

INTEREST RATE(S)		
31a	Do you have a tiered rate structure?	<input type="checkbox"/> Yes <input type="checkbox"/> No
31b	If yes, how are your tiered rate structures utilized?	
31c	Interest rate with co-borrower:	
31d	Interest rate without co-borrower:	

REPAYMENT TERMS		
32a	Deferment option available?	<input type="checkbox"/> Yes <input type="checkbox"/> No
32b	If yes, what conditions?	
32c	Interest only option?	<input type="checkbox"/> Yes <input type="checkbox"/> No
32d	Minimum monthly payment?	<input type="checkbox"/> Yes <input type="checkbox"/> No
32e	Co-signer release option?	<input type="checkbox"/> Yes <input type="checkbox"/> No
32f	Number of payments before release of co-signer?	

BACK END BORROWER BENEFITS

33a	Please describe the benefit and the conditions that trigger the benefit.
33b	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 5/15/20.

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

34a	With no borrower benefits:	
34b	With all borrower benefits:	