



Administered by University of Maine System
Office of Strategic Procurement
Request for Information (RFI)

Alternative Private Educational Loans

RFI # 87-17

Issued Date: March 20, 2017

Response Deadline Date/Time: March 31, 2017

Response Submission Information:

Submitted electronically to Gregg@maine.edu
Email Subject Line – Alternative Private Educational Loans.
RFI # 87-17

Response Contact Information:

Sourcing Manager: Gregg Allen
Email: Gregg@maine.edu Phone: (207) 780-5097

Purpose

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 Information (RFI) 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 2017-2018 and 2018-2019 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 RFI, 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 RFI does not create any binding obligation of any nature on the UMS or the lender.

Background

Overview

Established in 1968, the University of Maine System (UMS) unites seven distinctive public universities, comprising 10 campuses and numerous centers, in the common purposes of providing quality higher education while delivering on its traditional tripartite mission of teaching, research, and public service.

Maine's largest educational enterprise, the University extends its mission as a major resource for the state, linking economic growth, the education of its people, and the application of research and scholarship.

A comprehensive public institution of higher education, UMS serves nearly 40,000 students annually and is supported by the efforts of more than 2,000 full-time and part-time faculty, more than 3,000 regular full-time and part-time staff, and a complement of part-time temporary (adjunct) faculty.

Reaching more than 500,000 people annually through educational and cultural offerings, the University of Maine System also benefits from more than two-thirds of its alumni population residing within the state; more than 123,000 individuals.

The System consists of the following seven universities: University of Maine (UM); University of Maine at Machias (UMM); University of Maine at Augusta (UMA); University of Maine at Presque Isle (UMPI); University of Maine at Farmington (UMF); University of Southern Maine (USM); and, University of Maine at Fort Kent (UMFK).

Operating within a shared services model, the offices of Information Technology, Strategic Procurement, Human Resources, Facilities, Risk and General Services, Finance and

Budget, Shared Processing Center, General Counsel and Organizational Effectiveness partner to form the University Services organization.

Charged with delivering key administrative functions across the System, University Services is dedicated to leveraging its significant unit and collective resources to not only serve the immediate needs of its constituents, but deliver sustainable economies and efficiencies for the future benefit of the System as well.

Minimum Qualifications

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 RFI for the entirety of the 2017-2018 and 2018-2019 processing years (July 1, 2017 to June 30, 2018 and July 1, 2018 to June 30, 2019)
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 RFI

A **SIGNED** virus-free electronic copy must be submitted as follows:

- The response (including Attachment A and completed lender sheet) must be received electronically to the E-Mail shown in the **Response Submission Information** section of the cover page of this document.
- Electronic submission must be received by the required **Response Deadline Date/Time** reflected on the cover page of this document.

Evaluation of Submitted Responses

All responses to this RFI 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 RFI.

The RFI 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 RFI.

Attachment A
University of Maine System Response Cover Page
 RFI # 87-17
 Alternative Private Educational Loans
 University of Maine System

Organization Name:	
Chief Executive – Name/Title:	
Telephone:	
Fax:	
Email:	
Headquarters Street Address:	
Headquarters City/State/Zip:	
Lead Point of Contact – Name/Title:	
Telephone:	
Fax:	
Email:	
Street Address:	
City/State/Zip:	

1. No personnel currently employed by the University or any other University agency participated, either directly or indirectly, in any activities relating to the preparation of the Respondent's response.
2. No attempt has been made or will be made by the Respondent to induce any other person or firm to submit or not to submit a response.
3. The undersigned is authorized to enter into contractual obligations on behalf of the above-named organization.
4. By submitting a response to a Request for Information with the University your entity understands and agrees that:
 - a. Any resulting agreement, or master lease, will be the entire agreement between the University (including University's employees and other End Users) and Respondent and in the event that the Respondent requires terms of use agreements or other agreements, policies or understanding, whether on an order form, invoice, website, electronic, click-through, verbal or in writing, with University's employees or other End Users, such agreements shall be null, void and without effect, and the terms of the Agreement shall apply.
 - b. The information contained in responses submitted for the University's consideration will be held in confidence until the University either fully executes a master lease pursuant to this RFI or chooses to not move forward with any of the submitted responses. The University will honor requests for confidentiality for information of a proprietary nature to the extent allowed by law. Clearly mark any portion of your submitted materials which are entitled to "trade secret" exemption from disclosure under Maine's Freedom of Access Act. Failure to so identify as trade secret will authorize the University to conclude that no portions are so exempt; and that your entity will defend, indemnify and hold harmless the University in any and all legal actions that seek to compel the University to disclose under Maine's Freedom of Access Act some or all of your submitted materials and/or contract, if any, executed between the University and your entity.

The University must adhere to the provisions of the Maine Freedom of Access Act (FOAA), 1 MRSA §401 et seq. As a condition of submitting a response under this section, a respondent must accept that, to the extent required by the Maine FOAA, responses to this solicitation, and any ensuing contractual documents, including but not limited to a master lease, are considered public records and therefore are subject to freedom of access requests.

Continued - Appendix A – University of Maine System Response Cover Page

To the best of my knowledge all information provided in the enclosed response, both programmatic and financial, is complete and accurate at the time of submission.

Date: _____

Name and Title (Printed)

Authorized Signature

University of Maine System

Lender Response Sheet **Alternative Private Educational Loans 2017-2018 and 2018-2019**

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 2017-2018 and 2018-2019 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?	
14b	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:
15	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? If so, please list URL.	<input type="checkbox"/> Yes <input type="checkbox"/> No URL:

15d	Do you provide Loan Calculators? If so, please list URL.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
15e	Do you provide Debt 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
21c	If yes, which formats do you support?	<input type="checkbox"/> CommonLine 4	<input type="checkbox"/> CommonLine 5
22	Which files do you support? (Check all that apply)	<input type="checkbox"/> Application Send Files	<input type="checkbox"/> Response Files
		<input type="checkbox"/> Disbursement Rosters	<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 2017-2018 and 2018-2019 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
27j	Is a co-signer required? If not, under what conditions?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

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 6 month grace period

assume 10 year repayment

Assume disbursements on 9/1 and 1/1 and repayment beginning after graduation on 5/15/2021.

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:	