

## **Disclosure Concerning Lender Selection 2016-2017**

The suggested lenders for the 2016-2017 academic year were selected as a result of a Request for Proposal (“RFP”) process conducted in 2014. Two separate RFPs were issued, one for private loan products for domestic students (“Private RFP”) and one for private loan products for international students with a creditworthy US cosigner or permanent resident co-borrower (“International RFP”). Led by the University Financial Aid Office, two separate committees were created for each RFP to review the corresponding lender responses and select which lenders would be included on the University’s suggested lender list for each loan type. University senior management reviewed the committee’s selection.

The University issued each of the RFPs to nine lenders. To develop the list of lenders that would be sent the RFPs, the University conformed to the following steps:

1. Included lenders that received the previous RFP and are still in the student lending business.
2. Included lenders that reached out to the University about a possible submission.
3. Included lenders listed in [finaid.org](http://finaid.org) and are still in the student lending business.
4. Excluded credit unions given the University’s high loan volume.
5. Excluded state-specific lenders given the diversity of the University’s students in terms of residency.

Most of the lenders that were sent an RFP fit into more than one of the first three categories listed above. Lenders that were listed in [finaid.org](http://finaid.org) were only excluded if they fit categories 4 or 5 above.

Not all lenders that offer the relevant loan products received an RFP and not all lenders that received an RFP responded. The University considered the responding lenders’ proposals with respect to a variety of factors including: rates; terms; fees; capitalization policies; aggregate borrowing limits; eligibility and approval rates; customer service (for example, call response time, experience of call center representatives, availability of toll free customer service numbers); reputation; experience; management practices; application, certification, and fund disbursement processes; loan proceed return and cancellation policies; repayment policies (for example, option to prepay without penalty, maximum term offered, and grace period); repayment incentives and options; deferment and forbearance policies; cosigner release policies; availability of identified service representatives to assist with issue resolution; default aversion policies; and reporting capabilities.

For both the Private Loan RFP and International Loan RFP, cost and eligibility were given the same weight as customer service factors including process flexibility, data reporting, and comprehensiveness.

After reviewing all lender submissions received prior to the RFP deadline and the final tallies for those submissions, and with the goal of providing students multiple lenders for consideration on the University’s 2014-2015 suggested lender lists, the Private Loan RFP committee decided to list all of the lenders that submitted a response and the International RFP committee decided to list 5 out of the 6 lenders that submitted a response.

The lists do not contain affiliates as only one affiliate for each parent company was considered by each committee.

As the University considered qualitative as well as quantitative factors, the interest rate, fees, or loan cost offered by any of the suggested lenders may not be the lowest available. In addition, a lender may change the rates, terms, fees and other information from that which was offered in their original RFP proposal(s).

The lists of suggested lenders underwent the required annual review process by the current year’s established committees. The review required updated information from all current suggested lenders for the 2016-2017 academic year, which the committees then evaluated and determined whether the lenders should remain on the lists. The committees decided that all of the suggested lenders should remain on the respective lists for the current 2016-2017 academic year.

The committees also reviewed updated information from one lender, Discover, which had been selected through the 2014 RFP but had been removed as a suggested lender for the prior academic year. The committee for private loan products for domestic students voted to reinstate Discover as a suggested lender for the 2016-2017 academic year.

Students and parents have the right and ability to select the lender of their choice, are not required to use any of the lenders on the suggested lender list, and will suffer no penalty for choosing a lender that is not a suggested lender. Students are encouraged to shop around to find the lender offering the rates, terms, and service that are right for them.