

Disclosure Concerning Lender Selection 2019-2020

The suggested lenders for the 2019-2020 academic year were selected as a result of a Request for Proposal (“RFP”) process conducted in 2018. 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 and are still in the student lending business.
4. 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 were only excluded if they fit into category 4 above.

All lenders that offer the relevant loan products received an RFP and 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 2018-2019 suggested lender lists, the Private Loan RFP committee decided to list 11 out of the 13 lenders that submitted a response. The two lenders with the lowest aggregate

totals were excluded. The International RFP committee decided to list all of the 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 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 the current suggested lenders for the 2019-2020 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 2019-2020 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.

*During the annual review process, it was determined that credit unions would no longer be excluded as potential recipients of the RFP.