

Request for Proposals

For

**Review of Compliance with Certain Private
Student Lending Laws and Regulations and Readiness
Assessment for CFPB Examination of Education Loans**

Rhode Island Student Loan Authority

560 Jefferson Blvd., Suite 200

Warwick, RI 02886

December 18, 2014

Purpose

The Rhode Island Student Loan Authority (RISLA) is soliciting proposals from qualified firms to provide compliance review services in order to obtain a legal assessment of RISLA's compliance with certain Federal and State laws and regulations regarding private student lending. This component would then be part of an overall readiness assessment with regards to the Consumer Financial Protection Bureau's (CFPB) Examination Manual for Education Loans.

Background Information

RISLA was established in 1981 as a public agency of the State of Rhode Island and is a leading originator of non-federal education loans and the sponsor of the College Planning Center of Rhode Island. RISLA is governed by a six member board of directors, five of whom are appointed by the Governor of the State and the sixth of whom is the General Treasurer of the State.

RISLA has originated non-federal student loans since 1992 and has an outstanding principal balance of approximately \$395,000,000 as of October 31, 2014. RISLA performs all functions relating to the origination of non-federal loans from acceptance of loan application through the disbursement of funds to the designated school or university. This includes application and credit review, maintenance of all required documentation, and preparation of fund disbursements via check, wire or ACH. RISLA also performs all functions associated with servicing their non-federal student loans. The servicing platform used by RISLA personnel to service the loans is contracted through a third party vendor. The software is a web based product that is maintained by the vendor and allows RISLA personnel to access borrower information, apply payments, and make changes to borrower accounts.

Engagement Scope

RISLA is issuing this RFP to hire an outside entity to perform a readiness assessment of RISLA's student loan origination and servicing operations in preparation of an examination by the CFPB. The CFPB has published an Educational loan examination procedures manual that contains seven modules. According to this manual, the main objectives of the audit are "to assess the quality of the regulated entity's compliance risk management systems, including internal controls and policies and procedures, for preventing violations of federal consumer financial law in its private education lending business or student loan servicing business".

The engagement scope includes:

1. Consumer financial law compliance review for non-federal student loans owned by RISLA. This would be a comprehensive review of RISLA's adherence to state and federal consumer financial laws in the origination and servicing of non-federal student education loans. At a minimum, this would include compliance with: (a) Truth in Lending Act; (b) Equal Credit Opportunity Act; (c) Fair Credit Reporting Act; (d) Electronic Funds Transfer Act; (e) Gramm-Leach-Bliley Act (**safeguarding of customer information and privacy of information**); (f) Fair Debt Collection Practices Act; (g) Servicemembers Civil Relief Act; (h) Rhode Island consumer financial laws; (i) any other unique state consumer financial laws in states that RISLA services or originates loans.
2. An examination of RISLA's current internal controls and policies and procedures for the origination and servicing of non-federal student loans for compliance with the CFPB's Educational loan examination manual as well as periodic guidance documents released by the CFPB that relate to educational loans.
3. Though not specifically examined by the CFPB, a legal compliance review as described in item 1 above for: (a) FACTA Red Flag Rules; (b) Patriot Act; (c) Telephone Consumer Protection Act; (d) Electronic Signatures in Global & National Commerce Act.

Information Required from Bidders

I. Cover Letter - must be on company letterhead and include:

- a. The period of time that the offer is valid for.
- b. The name, title, address, telephone number, and e-mail address of the individual(s) to whom correspondence should be directed during the selection process.
- c. Signature by authorized individual.

II. Executive Summary

Provide an Executive Summary of your organization that will highlight the firm's experience, personnel, and references in order to accomplish the engagement according to the scope and in an efficient and thorough manner. At a minimum, please include the following:

- a. RISLA has not had a readiness assessment in the past. Briefly describe the approach your firm will use to complete the required objectives.
- b. Include expected amount of time to complete the engagement and how much of this time will be performing field work at client's premises.
- c. List past experience with representing clients in a CFPB examination, designing and overseeing CFPB self assessments, conducting similar compliance audits, and drafting, reviewing, and revising policies and procedures. Please highlight experience with clients that own/service student loan portfolios. Provide information to demonstrate knowledge of and adherence to applicable professional standards.
- d. List specific key personnel that will be part of engagement team and relevant experience they have with CFPB compliance projects. Include a resume for each individual.
- e. Confirm availability to begin performing this engagement after February 15, 2015.
- f. Include a list of three references (within last three years) that your firm has provided similar work for. Provide the name, title, and telephone number of contact person with first-hand experience of the work performed by your firm.

Proposal Timetable and Selection Process

- December 18, 2014 – RFP issued
- January 5, 2015 – Deadline for any questions from prospective vendors. All vendor questions must be submitted via email to kmcaleer@risla.com.
- January 12, 2015 - A bidder's conference call will be held at 2:00pm EST. The dial in number is 1-800-704-9804 and participant code is 355339#.
- January 23, 2015 – Deadline for receipt of sealed proposals. Proposals must be received by RISLA no later than 4PM EST. Please include three copies of the proposal. They can be mailed or hand delivered to :
Rhode Island Student Loan Authority
CFPB RFP
Attn: Kevan McAleer
560 Jefferson Blvd., Suite 200
Warwick, RI 02886

Proposals will not be accepted after this time.

Proposals will be evaluated by the Executive Director, Deputy Director and other RISLA staff. The award will be subject to the execution of a contract with terms and conditions acceptable to RISLA.

RISLA reserves the right to cancel this RFP and to reject any and all proposals.

Pricing

The bid price should indicate the overall fixed price for the engagement as well as hourly rates and an estimated total number of hours for each category of assigned personnel (e.g. partner, manager, senior staff, etc.). If including travel and other non personnel costs, please list separately.

Deliverables

A memorandum that lists recommendations to current policies and internal controls in order to prepare for a CFPB examination. This memorandum would directly relate to the scope outlined above.