

**Request for Proposals**  
**For**  
**A Line of Credit Student Loan Servicing System**

**Rhode Island Student Loan Authority**  
560 Jefferson Boulevard  
Warwick, RI 02886

**May 06, 2014**

**Please note the following critical dates:**

<b>RFP Issued, Posted to RI Division of Purchases website</b>	<b>May 06, 2014</b>
<b>Conference Call for Questions</b>	<b>May 22, 2014</b>
<b>Due Date for Receipt of Proposals</b>	<b>May 30, 2014</b>
<b>Anticipated Decision Date</b>	<b>June 06, 2014</b>

# Background

The Rhode Island Student Loan Authority (RISLA) was established in 1981 as a public agency of the State of Rhode Island and is a leading originator of state-based education loans. RISLA also offers free college planning services through the College Planning Center of Rhode Island (CPCRI), hosts RIScholarships.org, a statewide database of hard-to-find local scholarships, and Bridge.jobs, a web-based tool that helps students find internships.

RISLA has been making non-federal education loans for twenty two years and has an excellent track record with low defaults and delinquencies. Public offering statements are available at RISLA.com and rating reports may be obtained from S&P and Fitch.

## Objectives

The RISLA Line of Credit Education Loan Program is a flexible, low-interest rate, line of credit education loan program for students enrolled in a continuing education or graduate program. Students enrolled in these programs are typically adult students and enrolled part time. They often are not eligible for traditional financial aid programs, and are left paying for classes out-of-pocket – using credit cards or other high-interest rate personal loans.

The RISLA Line of Credit Education Loan Program is an affordable and flexible alternative for these students. It's a private education loan program, but unlike traditional private loans, this program is a line of credit that can be drawn upon to pay qualified education related expenses during the loan's draw period.

The RISLA Line of Credit Education Loan Program will make obtaining an education for adult learners from Rhode Island or going to school in Rhode Island more affordable and accessible.

The Authority's objectives are to license a loan servicing system that meets the following requirements:

- 1) A system that can reliably service line of credit education loans during the borrowers' draw period and repayment period.
- 2) Meet the following requirements of an education loan system:
  - a. Process Clearinghouse files
  - b. Process refunds for dates in the past.
  - c. Re-amortize account after past refunds were applied and then wipe away any interest
  - d. Re-amortize accounts for large payments
  - e. Process deferments/forbearances

- f. Add repayment fees based on when loans go into repayment
- g. Process multiple disbursements at different times for a loan
- h. Manage multiple loans for the same borrower
- i. Manage different co-borrowers for the same borrower
- j. Combine billings for borrower or co-borrower
- k. Reissue disbursed loan funds.
- l. Track unique Loan and Account IDs
- m. Process Payment Due Date/Days in Billing Period
- n. Calculate and track Total Payments
- o. Track Transactions as Credits or Debits
- p. Track Past Due Amount and assess all applicable late fees
- q. Provide multiple user access levels with varying read/write and administration levels
- r. Offer an API or the ability to easily transmit data between our origination system and other third party systems

3) Meet the following requirements for the line of credit program:

- a. Track variable interest rates pegged to a set margin plus a periodically adjustable index rate.
  - i. Apply discounts to that interest rate
  - ii. Use a simple interest accrual based on 365 day year
  - iii. Round interest rates.
- b. Calculate a New Balance based on a number of inputs.
- c. Track the Credit Limit
- d. Track Available Credit
- e. Track Min Payment based on 1 % of principle plus the accrued interest.
- f. Is able to print billing statements that conform to credit card regulations
  - i. Calculate and display on the billing statement the Amount Paid if you pay minimum payment vs. 36 month payoff.

- g. Use the outstanding balance after the draw period ends to determine the repayment period duration and minimum payment schedule.

### **Deliverables**

Proposer is expected to:

1. Present their system and identify/demonstrate how it will meet the authority's requirements for this program.
2. Present licensing, maintenance, development, and any additional costs the Authority will incur for owning and operating the system.

## Required Response Information

1. **Cover letter.** The proposer shall furnish a cover letter to introduce the firm or individual, qualifications, they proposed system, and a general overview of the proposal.
2. **Background.** The firm or individual's name and address, including contact information for the primary point of contact for the project. Please include a brief history of the firm, resources, number of employees and focus of services.
3. **Experience.** A description of the firm's relevant experience in all aspects of qualitative research, including providing a summary report which will include interpretation of data and suggested course of action, particularly for public or non-profit entities.
4. **Team Members.** Individual team members who will be assigned and directly involved on this project, their anticipated role, qualifications, and their past experience on similar projects.
5. **System overview.** An overview of the system and how it will meet each requirement.
6. **Methodology.** Provide a description of the overall implementation methodology. Include a high level description of how the setup, implementation and configuration work will be executed.
7. **Timeline.** Please provide an outline of the process for the project, including project deadlines. This outline should also include an estimated completion date for the project.
8. **Fee Proposal.** Include a schedule of fees for licensing, maintenance, and any additional fees. Also include fees associated with consulting and training services.
9. **References.** Provide three (3) client references from previous work including organization name, name of contact, phone number, email address, description of services provided, term of service, result, and any other relevant information. References should be able to speak to your ability to effectively implement your system for a line of credit program for education loans that can print billing statements meeting credit card regulatory guidelines.
10. **Additional Information.** The proposer may list any additional information or data not requested as part of this document quote for services, which the proposer believes should be considered in the evaluation of the response.
11. **Contractual Terms and Conditions.** RISLA intends to execute a contract ("Contract") with the successful Proposer. RISLA may require that the RFP and the terms and conditions attached to it, the Proposer's response, the best and final offer (if required), and any formal addenda to the RFP be included as part of any contract documents. Proposers must include a sample of a standard contract for similar services as part of their response to this RFP.
12. **Insurance.** The Proposer, if selected, must acquire and maintain adequate liability insurance in the form(s) and amount(s) sufficient to protect RISLA, its employees, its clients, and the general public against any loss, damage and/or expense related to its performance under the Contract.

The Proposer shall specify in its response to this RFP the nature and limits of all insurance coverage it intends to have.

13. **Equal Employment Opportunity.** The Proposer must include an explanation of its commitment to equal opportunity and affirmative action and include a copy of its equal opportunity and affirmative action policies.
14. **Ethics.** RISLA and its Board of Directors and staff are committed to maintaining the highest standard of ethics in the awarding of contracts. In accordance therewith RISLA requires that the chief operating officer of each Proposer certify the following:

“Neither the Proposer nor any officer, employee, agent, representative or affiliate of the Proposer has given or offered or shall give or offer to any Board Member, employee, or representative of RISLA or to any family member of the foregoing, or to any business by which any of the foregoing persons are employed, or to any official of the State of Rhode Island who is subject to the State Code of Ethics, any gift, loan, political contribution, reward, or promise of future employment based on any understanding or expectation that the vote, official action, or judgment of the person would be influenced thereby, and, that no officer, employee, agent, representative, or affiliate of the Proposer shall have any direct or indirect nonincidental contact with any member of the board of directors of RISLA during any period of time prior to RISLA’s award of the Contract, except at a public meeting of the Board of Directors of RISLA or at a meeting of a subcommittee of the Board of Directors.”

Any violation of the foregoing shall result in immediate disqualification of the Proposer.

15. **Period of Validity.** Each Proposer’s Proposal must include a statement as to the period during which the provisions of its proposal will remain valid. A minimum of 90 days from the Closing

## Selection Process

Review of the proposals will be undertaken by a committee comprised of staff from RISLA. This committee will review all proposals and make a recommendation to the RISLA Board of Directors as soon as appropriate with the expectation being late May. Final selection will be made based on the lowest cost of funds and terms that best meet the Authority’s needs.

**A conference call will be held on Thursday, May 22, 2014 @ 11:00 a.m. EDT to publicly address any questions that interested parties responding to this RFP may have. The conference call in number is 800-704-9804. The participant code is 355339#.**

With the exception of a question and answer process and other communications which might be initiated by the RFP review committee in the course of its review, please note that no member or representative of your organization may discuss the RFP or your proposal with any employee or board member of RISLA, or any other Rhode Island state official, office holder, or employee (including general officers, state legislators and their staffs, etc.) or any other party who might reasonably be considered to have any influence on vendor selection until RISLA has announced a decision with respect to this RFP.

**Proposals must be received no later than 4:00 p.m. on Friday, May 30, 2014.** Please submit five hard copies of your response to 560 Jefferson Boulevard, Warwick, RI 02886-1371. Attention: Brian Bigda and email a PDF of your response to [bbigda@risla.com](mailto:bbigda@risla.com).

RISLA reserves the right to cancel this request for proposals, to reject any and all proposals submitted, to request any additional clarifying information from any proposers, and to negotiate separately with any and all proposers. Issuance of this RFP does not commit RISLA to pay costs incurred in the preparation of proposals and RISLA reserves the right to accept or reject any and/or all proposals, in part or in their entirety.

Rhode Island Student Loan Authority

Date: May 06, 2014