

RFI/RFP Survey

This survey was distributed as research in support of a session for the 2007 New York State Financial Aid Administrators Association conference. The goal was to collect feedback about past RFI/RFP experiences in order to provide suggestions that our colleagues can utilize to make the most of their own RFI/RFP experience. Overall, 44 New York representatives schools were invited to provide information and the result was a 51% participation rate. Many thanks to all those who shared their knowledge!

1. How many RFIs/RFPs have you conducted?

1	17	77.27%
2	0	0.00%
3	2	9.09%
4	0	0.00%
5+	3	13.64%
Total	22	
Mean	1.73	

2. What type of institution did you work for when you conducted your RFI/RFP?

Graduate/Professional - Public	0	0.00%
Graduate/Professional - Private	1	4.55%
4-year Public	3	13.64%
4-year Private	13	59.09%
2-year Public	4	18.18%
2-year Private	0	0.00%
Proprietary/Vocational	1	4.55%
Total	22	

3. What was the goal for any of the RFI/RFP processes you have conducted?

Stafford Loan Preferred Lender List	17	29.82%
PLUS Loan Preferred Lender List	14	24.56%
Alternative Loan Preferred Lender List	12	21.05%
Preferred Guarantor Selection	1	1.75%
Financial Aid Office Database	5	8.77%
Loan Data Delivery Tool	1	1.75%
Loan Funds Delivery Tool	1	1.75%
Other	6	10.53%
Total	57	

Other Option [Other]

Consideration of moving to FFELP from Direct alternative loan program
 Alternative loan program
 Default Prevention
 List is not considered preferred, but comparison

Lender Comparison List for Stafford and Plus

4. Did you have a committee assist in the process?

Yes	13	65.00%
No	7	35.00%
Total	20	

5. If no, please skip to question #8.

If yes, which of the following offices on campus were represented on the committee?

Financial Aid Office	14	63.64%
Bursar/Business Office	5	22.73%
Admissions Office	0	0.00%
Student Life Office	0	0.00%
Alumni Affairs Office	0	0.00%
Current Student(s)	3	13.64%
Other	0	0.00%
Total	22	

6. Would you, if applicable, make changes to the committee composition/membership for future RFIs/RFPs?

Yes	3	23.08%
No	10	76.92%
Total	13	

7. If yes, please explain:

We would add a student representative or perform a survey to students to get their input on their perspective on loans and what they would like to see.

add others

I may include other offices such as the Bursar or Business Office.

8. Did you confer with any colleagues from other schools as you were creating your request?

Yes	13	65.00%
No	7	35.00%
Total	20	

9. If no, do you wish that you had?

Yes	0	0.00%
No	7	100.00%
Total	7	

10. How long did the entire process take from when you began to create your RFI/RFP until you reached a decision?

1 month	0	0.00%
2 months	3	15.79%
3 months	5	26.32%
4 months	4	21.05%
5 months	4	21.05%
6+ months	3	15.79%
Total	19	
Mean	3.95	

11. Was the overall length of the process what you anticipated?

Yes	11	55.00%
No	9	45.00%
Total	20	

12. If yes, please continue to the next page.

If no, please explain:

Being this the first RFP we did we had a timeline and expected it to be 3-4 months. It ended up being about 7 months due to the scheduling conflicts with the committee members and responsibilities during the school year, etc.

It took longer than anticipated - some lenders would submit forms in incorrect formats (for example, would submit as .PDF to have it look 'pretty' rather than in the format we requested). So we'd have to send back for re-submission.

It was a much bigger task than we anticipated. Different lenders answered questions in different ways and sometimes didn't directly answer the question. We had to go out for clarification many times. We even came up with our own amortization charts so we could question some figures we thought were inaccurate. Getting to the point where we could compare apples to apples was very difficult.

The length of decision making was delayed on the part of the school. We were in the middle of a computer database conversion.

Computer conversion delayed the entire process

We had to extend submission deadlines for lenders, which led to delays.

13. Approximately how many questions did you ask within your request?

1-10	2	11.11%
11-20	6	33.33%
21-30	2	11.11%
31-40	1	5.56%
41-50	3	16.67%
51+	4	22.22%
Total	18	
Mean	21-30	

14. What were the top 3 questions that you asked which best contributed towards making your decisions?

1. Questions regarding the loan benefits
2. Questions regarding online capabilities (reporting, processing, certifying)
3. Customer service towards students and FAA staff.

Interest Rate, Fees, Borrower Benefits

1. Borrower Benefits? Front and Back End (as well as attainability of the advertised benefits).
2. Customer Service? Both for the borrower and for the institution.
3. Life of Loan Servicing? We only put lenders on our list that offered life of loan servicing (i.e. - did not sell a loan to an unaffiliated 3rd party).

customer service

dtc

borrower benefits

My RFI was quite simple. I needed to ask about policy regarding selling loans, borrower benefits and if borrower benefits would continue if loan was sold.

1. Do you sell your loans?
2. Do you service your own loans?
3. Do you charge origination fees?

It varied by loan product. For FFEL we tried to look at automatic benefits and service as most students didn't get any benefit besides that. For Alt Loans we looked at rates and what % of students received those rates.

Debt management and default prevention services.

Borrower benefits services.

Operational Standards.

Borrower benefits

Role the lender plays in the processing

Is there any outsourcing in the loan process

Borrower benefits, customer service and that the loan be held with lender for years of student's enrollment

0 fees

servicing of the loan-did lender keep

borrower benefits

Questions regarding customer service, borrower benefits and holding loan for student's entire enrollment

total payoff amount of loans

default information (alternative)

average credit tier (alternative)

How long in the business?

What are the benefits?

Do you sell your loans?

15. Could any of your questions have been simplified/streamlined/condensed for ease of completion?

Yes	5	27.78%
No	13	72.22%
Total	18	

16. If no, please skip to the next question.

If yes, please provide an example(s):

There were many questions that in reality didn't need to be asked... Either they had no relevance on the final decision, or the answer was know before even asking (i.e. - Do you have a dedicated customer service 800# for families to call?)

I think we could have been less 'wordy' in many questions. It would have been better to have more questions that could have been answered with a yes or no.

Some questions we asked just lead to more questions. For example: Do you have real time updates with ELM. Many lenders answered yes but they all get updates differently. Some get them every 3 minutes and some get ELM updates 3 times a day.

17. In hindsight, were there questions asked that had no bearing on your decision?

Yes	3	17.65%
No	14	82.35%
Total	17	

18. If no, please continue to the next page.

If yes, please share what those questions were:

There were questions with obvious answers like the one I stated in #16.

Additionally, there were questions asked that are no longer valid under SLATE, and NY's AG's office. (i.e. - Can you offer the institution custom collateral pieces?).

Probably questions such as 'What is your level of customer service satisfaction?' and 'How often do you contact the school?'.

19. How many lenders were invited to respond to your RFI/RFP?

1	0	0.00%
2	0	0.00%
3	0	0.00%
4	0	0.00%
5	1	6.25%
6	1	6.25%
7	0	0.00%
8	1	6.25%
9	1	6.25%
10+	12	75.00%
Total	16	
Mean	9.25	

20. How did you choose which lenders were invited to respond to your request?

Those we already had on our current preferred list and then based on other recommendations and experiences of fin aid staff with other banks/lenders.

We opened it up to any lender who contacted us with interest in being on the list.

All lenders with at least one representative registered to region 8.

The top lenders which students borrowed in the past, based on our records.

I wanted to be as broad (and fair) as possible. I invited every lender I have ever had contact with in my office, as well as other lenders that are active in NY state.

any type of loan volume

past experience

Lenders were sent an RFI if they had contacted our school more than once or twice; those who had shown an interest in us.

Loan Volume. Greentree Gazzette ratings. FA Counselor Surveys

Based on the school's loan portfolio, lender rep visit, or attending conferences in vending area.

Based on their answers, borrower benefits, service to students, etc

Based on product experience.

Volume of dollars processed for our students

Knowledge gained from school visits from lender reps

We e-mail any lender we had representative contact info on.

We ran a report of HESC. The top 10 that our students use.

21. Did any of the invited lenders contact you for clarification regarding your RFI/RFP?

Yes	11	64.71%
No	6	35.29%
Total	17	

22. If no, please skip to the question #24.

If yes, what subject areas were they seeking additional information about?

We asked for total payoff amounts and weren't specific enough about in-school periods, etc. Mostly basic questions. How to submit the response (paper or electronic), how many copies to submit (if the lender submitted via paper).

There was one question on one of the RFI questions regarding a repayment calculation example that I had asked. To be fair, I reiterated the question to all the invited lenders, as well as the answer.

How much detail we wanted. If we would accept examples of publications. What format we wanted the RFI returned.

Almost everything that had a dollar amount attached to it and how it should be calculated.

Default initiatives.

Clarification of their product

timeframe for completion

Just clarification on questions asked

payoff loan term details

23. Did you answer their questions?

Yes	11	100.00%
No	0	0.00%

Total	11	
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24. Did you offer an open/neutral Q&A session for the respondents prior to the RFI/RFP due date?

Yes	4	23.53%
No	13	76.47%

Total	17	
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25. If no, please skip to the next question.

If yes, how was it offered?

Conference Call	3	30.00%
An In-Person/Group Meeting (with all respondents invited)	1	10.00%
Individual In-Person Meeting	3	30.00%
Webcast	0	0.00%
E-mail Exchange	3	30.00%
Other	0	0.00%

Total	10	
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26. Did all of the invited lenders respond?

Yes	13	72.22%
No	5	27.78%

Total	18	
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27. How many responses did you receive?

1	0	0.00%
2	0	0.00%
3	1	5.56%
4	0	0.00%
5	1	5.56%
6	1	5.56%
7	0	0.00%
8	2	11.11%
9	1	5.56%
10+	12	66.67%
Total	18	
Mean	8.83	

28. How much time did you give lenders to respond to your request?

1 week	0	0.00%
2 weeks	5	27.78%
3 weeks	2	11.11%
4 weeks	3	16.67%
5 weeks	1	5.56%
6 weeks	4	22.22%
Other	3	16.67%
Total	18	
Mean	4.33	

Other Option [Other]

two months
2 months--
two months

29. Did any of the respondents ask for an extension?

Yes	9	50.00%
No	9	50.00%
Total	18	

30. If no, please proceed to then next page.

If yes, did you grant it?

Yes	9	100.00%
No	0	0.00%
Total	9	

31. If yes, how long was the extension?

1 week	5	55.56%
2 weeks	3	33.33%
3 weeks	0	0.00%
4 weeks	0	0.00%
5 weeks	1	11.11%
6 weeks	0	0.00%
Other	0	0.00%
Total	9	
Mean	1.78	

32. What was the average number of pages per response that you received in your request?

1-10	7	43.75%
11-20	4	25.00%
21-30	1	6.25%
31-40	1	6.25%
41-50	0	0.00%
51+	3	18.75%
Total	16	
Mean	11-20	

33. How long did it take for you to evaluate the responses?

Less than 1 week	0	0.00%
1 week	2	13.33%
2 weeks	3	20.00%
3 weeks	1	6.67%
4 weeks	2	13.33%
5 weeks	0	0.00%
6 weeks	5	33.33%
Other	2	13.33%
Total	15	
Mean	5.20	

Other Option [Other]

about 4 months

Computer conversion/SLATE legislation delayed process

34. What factors did you base your decision upon?

Borrower Benefits	15	21.43%
Overall Cost Of The Loan	11	15.71%
Processing Efficiency	12	17.14%
Length of Time the Lender Has Been In the Industry	8	11.43%
Customer Service	14	20.00%
Relationship(s)	5	7.14%
Other	5	7.14%
Total	70	

Other Option [Other]

types of eligible students who could apply for the loan program, ease of the application process, e-signature option, repayment options

Life of Loan Servicing

Our counselors' experiences with the lenders. Reputation as a lender with integrity,

Default rate and services

0 fees

35. How many preferred/recommended lenders did you choose for each of the following applicable loan types:

Stafford

1	0	0.00%
2	0	0.00%
3	2	14.29%
4	1	7.14%
5	4	28.57%
6+	7	50.00%
Total	14	
Mean	5.14	

PLUS

1	0	0.00%
2	0	0.00%
3	2	18.18%
4	1	9.09%
5	3	27.27%
6+	5	45.45%
Total	11	
Mean	5.00	

Grad PLUS

1	0	0.00%
2	0	0.00%
3	0	0.00%
4	2	33.33%
5	1	16.67%
6+	3	50.00%
Total	6	
Mean	5.17	

Alternative

1	0	0.00%
2	0	0.00%
3	3	30.00%
4	3	30.00%
5	1	10.00%
6+	3	30.00%
Total	10	
Mean	4.40	

36. Are you satisfied with your selections?

Yes	14	93.33%
No	1	6.67%

Total	15	
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37. Please elaborate:

We chose 2 lenders we hadn't worked with before and for the most part things went well. However there were some issues with support to our FAA staff which is being addressed. We didn't expect things to be perfect with new lenders and so we will work through some issues this next year but overall we are satisfied.

one lender made several significant changes this year. Highly disappointed.

We did the request more for office information then to select a preferred lender.

Process was fair. Lenders selected continue to provide good service to students and the college

We felt that we did a thorough job with our RFI process and found lenders that were the right fit.

I think we came out with the best products for our students even though many of the things we based our decisions on are now changing.

It was our intent to have a good number of lenders to offer a variety of borrower benefits, products & services, technology platform and default services to our students and school.

They are all doing an excellent job

we still looking to finalize

Since the chosen lenders understand the importance of customer service, saving borrowers money over the course of repayment and hold the loans for the duration of the student's enrollment, the choice made for the comparison listing are well suited for our community

Our students are happy.

38. Please describe any best practices that you have used in your RFI/RFP process that you would like to share with your NYSFAAA colleagues:

Plan ahead and make sure you have some sort of template for the questions. There is no reason for anyone to not do one since there is lots of resources available. However without the planning and a few people made responsible for the coordinating it won't happen.

Because of the large volume of responses, choose a format that is easily comparable (for example, the ability to download the submitted answers into a spreadsheet for easy comparison).

I used a form, and required responses to be made on the form directly. This way I did not receive elaborate proposals with information unnecessary for the decision-making process. I also was able to copy all the responses right into an excel spreadsheet for easy comparison.

1. Be very specific with the logistics of your process (timing, Q&A period, how Q&A should take place, how responses are submitted, etc...).

2. Be sure to look at Monograph 15 put out by NASFAA.

3. Utilize your colleagues. I've been asked a number of times for my 2 cents by my colleagues since completing my RFI.

Having a committee that consisted of people other than the Fin. Aid office, esp. beneficial was having a student. We also found that having a scoring system for the RFI was invaluable. We narrowed our choice down to six lenders, and then invited them to campus for interviews. Based on the interviews we selected the three we felt were the right choice for HC.

We asked for repayment schedules for students who receive each or all borrower benefits to make sure you and the lender are on the same page. Ask for statistics that apply to your students. If that's not available then get data to similar schools.

It is important that you allow ask the tough questions as if you were the student and how important those needs are for the student and their families. Do a lot of research of a lender and find out when their products will become available or what time frame will they anticipate for the product or benefit go into affect.

The process takes some work BUT better to have a list and be able to justify it then turn your students over to the market place which will only lead to more work for the FAO
Grading system makes review much easier (grades in subject areas ranging from 1-5)

39. What would you do, if anything, to improve the RFI/RFP process in the future?

We would make a better attempt to monitor a few loans processing through those lenders we are looking at before choosing them or through the RFP process without telling the lenders (secret shopper like).

We would also involve a student representative or student survey to see their perspective on what they are looking for.

Our biggest quandary is how to invite lenders to submit? If we send an e-mail through state list-serv, then it's limited to state members. We can't contact every lender in the country individually. Also, how to manage the larger volume of incoming submissions (we had a hard enough time with the 10-15 submissions we received last year).

Because we use the information for office use I would lessen the questions

Minimize my number of questions. I had close to 70 questions with some questions having sub-questions... Next time I'll ask less, but still be as thorough.

Streamline our questions.

We will tell lenders that if they will not provide information we are asking for that they will be excluded from our process. We will also not accept projections as an answer to any number based question. There must be historical results.

Inquiry how they will handle 'Direct-to-Consumer' offerings and how that will affect my students.

Condense a few lenders; especially in lieu of the changes/reduction in benefits

Next year, I would like a committee to review the RFI questions and responses as well as the materials our school provides to students/families with this information

I am having a student and other people involved next time

40. Please provide any additional comments or wisdom that you would like your NYSFAAA colleagues to know if they are preparing to conduct an RFI/RFP process of their own:

Don't be intimidated by it, get some people together, put someone in charge of coordinating everybody. Get a template of questions from one of the lenders or organizations and customize it to your needs. I would also make a list of the top 3-5 things you consider the most important with a lender before you look at their responses. this will give you something to continually go back to because lenders will give you all sorts of information and offers, that while nice, don't mean and anything to you.

Be prepared to give responses to the lenders that didn't make your lists as to 'why'. It's a difficult time period after you notify those who didn't make your list... Many of your lenders colleagues are friends... Don't take it personally! Offer specific reasons on why/how the lenders that did make your list made it.

Set aside plenty of time! Look at other schools' RFI's. Create a scorecard. Regarding the RFI - less is more.

Good Luck! And keep your students' best interest in mind.

It is important that they should get advice from other schools that constantly do this and not do it just because it is being force by someone else. Do it because it will help educate the community. Don't be bullied into not having a preferred list. Be a professional and do what is best for your students.

Please contact Abbey Linsner, of Nelnet Campus Solutions (abbey.linsner@nelnet.net) if you have any comments, questions and/or suggestions pertaining to this survey.