

## **Columbia University's Disclosure Concerning Lenders 2008-2009**

The suggested lenders for 2008-2009 were chosen as a result of a Request for Proposal ("RFP") process conducted in 2007-2008. Three separate RFPs were issued, one for Federal Family Education Loan Program Loans ("FFELP") loan products ("FFELP RFP"), one for private loan products ("Private Loan RFP"), and one for private loan products for international students ("International Loan RFP"). Led by the AVP for Student Administrative Services, a committee of seven of the University's financial aid directors contributed to the drafting of the three separate RFP's, selected lenders to receive each of the RFPs, and selected candidates for the University's suggested lender list. The committee in conjunction with University senior management chose the final list of suggested lenders for each type of loan: FFELP loans, private loans and loans for international students.

The University issued each of the RFP's to between nine and fifteen lenders. 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 and 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 the FFELP RFP, cost and eligibility factors were given the same weight as customer service factors including process flexibility and data reporting. For 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. One of the lenders selected through the International Loan RFP process provides additional benefits by making available a limited amount of loans to international students who do not have established credit or a creditworthy U.S. citizen co-borrower.

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). Students and parents are not required to use the lenders on the suggested lender list and may use any lender of their choice, including lenders not on the suggested lender list. Students are encouraged to shop around to find the lender offering the rates, terms, and service that are right for them.