

Texas Higher Education Coordinating Board

Request for Offer (RFO)

Student Loan Management and Origination System

781-1-24494

Questions and Answers #4

August 2, 2021

Question 20:

Does THECB have an expected go-live date for the new system?

April 1, 2023.

Question 21:

Per Attachment E, it appears THECB has assigned vendors for payment processing, credit reporting, print/mail and IVR and the expectation is that the system should initiate email communications. Does THECB have an assigned vendor for SMS?

THECB does not have an SMS vendor.

Question 22:

Regarding 1.01 in Attachment E, is the migration of THECB's existing loans assuming an inclusion of applications in the pipeline, or will there be a cutoff of applications on the prior system and the Originations platform will only accept new applications?

Yes, applications in the pipeline will need to be migrated to the new solution.

Question 23:

Regarding 2.09 in Attachment E, does the loan program require two references for each borrower and must all four potential references have different addresses?

The borrower's two references should be unique, and the cosigner's two references should be unique, but borrower and cosigner references do not have to be unique to each other.

Question 24:

Regarding 2.11 in Attachment E, is there an expectation at point of application submission versus at point of credit check to access servicing platforms to detect delinquent loans?

Identification of loan delinquency prior to credit check is desired to allow THECB to work with the applicant to resolve the delinquency status before moving forward with the credit check.

Question 25:

Regarding 2.13 in Attachment E, what are the institution-initiated applications?

Institution-initiated applications are those applications that are initiated by the institution rather than the borrower. Presently, the only institution-initiated application is the Texas Armed Services Scholarship Program (TASSP).

Question 26:

Regarding 2.21 in attachment E, what data is referred here, customer, loan product, organizational, etc.?

THECB staff should be able to update various data points, such as name, demographic information, date of birth, social security number, etc.

Question 27:

Regarding 2.22 in Attachment E, is the expectation that the loan information is loaded into the servicing system with a 0% interest rate in case the scholarship requirements are not met, at which time it turns into a loan?

Yes.

Question 28:

Regarding 3.02 in Attachment E, can THECB provide portfolio details for all existing federal and state (alternative) loan programs currently being serviced?

The following table includes active (non-litigation or uncollectible) loans as of June 30, 2021:

	# Borrowers	# Loans	Principal + Interest
State (Alternative)	62,338	154,364	\$1,504,376,746
Federal*	355	1,455	\$4,420,467

* Federal includes FFELP and older Department of Education loans.

Question 29:

Regarding 3.11 in Attachment E, if a partial payment is made on an account, is the expectation that an updated statement is sent as soon as the partial payment is applied? Is the updated statement just for the amount to satisfy the current outstanding balance?

Updated statements are not required to be sent as soon as a partial payment is applied. The next scheduled billing statement must include information regarding remaining partial payment amount due as well as current amount due.

Question 30:

Regarding 4.05 in Attachment E, the requirement states the solution must provide payment processing thru the “THECB cash receipts system”, what is this? What other “various forms of electronic transactions” is THECB receiving today or looking to receive?

Cash Receipts System is a THECB-developed application that receives input from the USAS (Unified State Accounting System), and Micro Information Products (MIP). THECB receives cash receipts for payments through the Comptroller of Public Accounts (CPA) via USAS. We currently receive ACH, Check (via CPA lockbox), and credit card payments through this process. THECB wants to be able to receive future payments through the latest technology/interface that becomes available for US banking transactions.

Question 31:

Regarding 4.07 in Attachment E, how does your current IVR system work? Does the IVR system ping the servicing system to pull information in real-time or is a daily data file provided to the IVR vendor with pertinent information that is presented to the borrower dependent upon the borrower’s request?

Currently, there is a daily file from our loan management system to the Interactive Voice Response (IVR) system. As set forth in Attachment E, Section 16.02 of the RFO, the system/solution should provide real time transaction.

Question 32:

Regarding 6.01 in Attachment E, which part of the loan solution (origination or servicing) is supposed to serve as THECB’s subsidiary ledger?

THECB’s servicing system currently serves as its subsidiary ledger.

Question 33:

Regarding 7.02 in Attachment E, what type of fillable, on-demand letters will be required?

THECB should have the ability to choose from a library of on-demand, fillable letters that could be ordered from the servicing system. Library of on-demand letters would be identified by THECB.

Question 34:

Regarding 7.04 in Attachment E, what types of letters should the borrower and/or cosigner be able to request on-demand and is the expectation that this information would be immediately available to the borrower through the portal?

Examples of letters would include mortgage verification letters, pay-off letters, account status, IRS interest paid letters, etc. Proposed solution should allow for flexibility in adding additional letters as needed. Also, it is desired that this information would be immediately available to borrowers through the portal.

Question 35:

Regarding 9.02 in Attachment E, please provide further details on what THECB considers the personal identification number (PIN) and why the borrower would need to change this number through the IVR system.

THECB utilizes a borrower-created PIN for caller verification with the IVR system. Borrowers may update/change their PIN at their discretion.

Question 36:

Regarding 10.07 in Attachment E, when separate calculations of cosigner balances are done, is the loan split into two separate loans with the cosigner now being responsible for one portion and the borrower the other?

No, in the situation presented in the question, the loan is not split into separate loans. The borrower and cosigner calculations are tracked separately in the servicing system. There is one receivable in terms of the general ledger accounting entries.

Question 37:

Regarding 11.30 in Attachment E, can you clarify the expectation of shadowing the borrower/cosigner in the customer portal?

The display screens and available information should appear identical from the customer view and the THECB Staff view.

Question 38:

Regarding 16.14 in Attachment E, can you expand on the need to have access to the code repository?

To manage risk to THECB, we need to have the capability to access code in the event the vendor defaults on the support of the loan management system. This could be facilitated via a third-party repository.

Question 39:

What THECB resources/subject matter expert(s) will be made available to the winner of the contract for gap analysis and system update/testing for items that need to be developed based on requirements list?

THECB will provide both system administration professionals along with business analysts and subject matter experts familiar with our current system to assist with analysis and testing of the solution offered.

Question 40:

What's the average number of loans that are turned over for litigation per year?

THECB files suit against approximately 150-200 borrowers/cosigners per month.

Question 41:

Do any of THECB loan programs offer the option for multiple cosigners?

No.

Question 42:

Does THECB expect online payments to be integrated into the portal through API or is the borrower redirected to the payment processors site?

Regarding online payments, borrowers are redirected to the payment processor site.

Question 43:

How much does THECB plan to disburse in the upcoming academic year based on program type?

For the upcoming academic year (FY22), THECB estimates to disburse in excess of \$150 million in College Access Loans (CAL) and approximately \$3.4 million in Texas Armed Services Scholarship Program (TASSP) loans.

Question 44:

Can you expand on non-credit loans? Are these loans still being originated or are they no longer made and are just being serviced? If currently being originated, which program are they tied to? Or is this an option THECB is looking for the future?

Yes, Texas Armed Services Scholarship Program (TASSP) loans are non-credit loans that are still being originated. In addition, THECB is currently servicing, but not originating, several portfolios of non-credit loans (for example, B-on-Time). Proposed solution should allow for the ability to originate new, non-credit loan types, in the future.