

## Workforce Development Revolving Loan Fund RFP Questions and Answers

Q: Will the Treasurer consider extending the deadline for submission to March 10, 2014, to extend the amount of time one week plus give consideration for the President's Day holiday?

A: *Yes, the Treasurer's office will extend the deadline for submission to March 10, 2014.*

Q: How many years is the Revolving Loan Fund anticipated to exist (i.e., is there an anticipated Termination Date)?

A: *There is no anticipated Termination Date.*

Q: Does the Treasurer expect to re-compete the loan servicing contract? If yes, how often?

A: *The Treasurer does not anticipate contemplating re-competing the loan servicing contract.*

Q: Are the qualifying institutions responsible for ensuring the repayment of the obligations, or are they a mere conduit through which the funds flow? (i.e., do the institutions bear the risk of bad loans since they are the originator?)

A: *The qualifying institutions are not responsible for ensuring repayment of obligations.*

Q: Does servicing of the loans include responsibility for collection of defaulted loans?

A: *The Treasurer, acting on behalf of the State, has the ability to collect on defaulted loans through the collection services provided by the Ohio Attorney General.*

Q: Is interest expected to accrue during the deferral period (i.e., the workforce program length, plus the six month, no interest period). Is the Servicer expected to bill during the deferral period, or just send annual statements?

A: *No, interest is not expected to accrue while the student is in a qualifying education program. The Servicer is not expected to bill during the deferral period.*

Q: For what academic year does the Chancellor intend upon having this program available to students?

A: *The program is expected to be available beginning with the 2014-2015 academic year.*

Q: What are the funding volume projection targets for the program for the first three (3) years?

A: *The Chancellor anticipates awarding all \$25M within the first three years.*

Q: Is this program intended to be a credit based product, or is eligibility based solely upon meeting residency and enrollment requirements in approved programs at participating institutions?

A: *The program may or may not be credit based, which will be determined by the Chancellor; regardless, a Borrower may not necessarily be creditworthy.*

Q: Under "S.B. 1", Section 2, Divisions (B) through (H), what aspects of the program are expected to be included in the "advisory and administration services for the Program" by the selected Provider?

*A: The Provider is expected to address all aspects included in Divisions (B) through (H), with the exception of the qualification and selection of programs receiving funds, as that process will be managed by the Chancellor.*

Q: Would the selected Provider be able to (sub-)contract with other third-parties to perform certain activities under its advisory and administrative services?

*A: Yes, subject to approval by the Treasurer.*

Q: "S.B. 1" includes a cap for an allocation of program appropriations for administrative expenses of up to \$250,000 for the Treasurer of State in 2014. Are the services being considered under this RFP for program development and/or ongoing administration to be paid from this allocation? If so, is there a limit on how much of that allocation could be paid to a third-party or Agent of the Treasurer of State?

*A: The \$250,000 allocated to the Treasurer of State is not limited other than to the payment of administrative expenses.*

Q (continued from above): Or, would either the advisory or administrative services be considered 'servicing fees' as discussed in Section 2, Division (G)(2) of S.B. 1? Or, are the 'servicing fees' discussed in Section 2, Division (G)(2) of S.B. 1 specific to fees paid to a 'Loan Servicer' for traditionally defined 'loan servicing' (billing and collections) activities, which could be separate from any proposed administrative fees?

*A: Section 2, Division (G)(2) authorizes the Treasurer of State to designate a third party to serve as an agent of the Treasurer of State in servicing the loans, termed here as the Provider. The third party designated by the Treasurer of State is authorized to take such actions, to enter into such contracts, and to execute all instruments necessary or appropriate to service those loans. Therefore, the on-going administrative expenses would be considered a part of the servicing fees discussed in this Division.*