



**FINANCE AUTHORITY OF MAINE
REQUEST FOR PROPOSALS (RFP)
FOR LOAN ORIGINATION SERVICES FOR THE FINANCE AUTHORITY OF
MAINE'S PRIVATE EDUCATION LOAN PROGRAM**

FAME CONTACT:

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SCHEDULE OF KEY ACTIVITIES:

Activity	Date
RFP Issued	November 10, 2022
Email Questions to FAME	November 11 - November 16, 2022
FAME Answers to Questions Provided	November 18, 2022
Proposals due to FAME	November 30, 2022, 3:00 p.m. (EDT)
Interviews/Site visits with Proposers (at FAME's discretion)	December 5 - December 16, 2022
Selection of Vendor	On or before December 30, 2022
Contract negotiation/signed	On or before January 6, 2023
Launch of Program (firm)	May 1, 2023

SECTION I GENERAL INFORMATION

1.1 Background on the Finance Authority of Maine (FAME)

To meet the financing needs of Maine’s business community, the Finance Authority of Maine (FAME) offers a wide array of business assistance programs, ranging from traditional loan insurance programs for both small and larger businesses, to investment tax credits. FAME has also established taxable and tax-exempt bond financing programs that allow strong, creditworthy firms in Maine to access capital at favorable rates and terms.

FAME also administers Maine’s higher education finance programs. Through a variety of loan, grant and scholarship programs, FAME helps Maine students and families meet the costs associated with higher education. To aid in this important effort, FAME also oversees an extensive outreach and counseling program that is designed to encourage young people to aspire to and pursue higher education. FAME is also the administrator for the state’s Section 529 Plan—NextGen 529®.

FAME is committed to innovative, flexible solutions that address the needs of Maine individuals and companies in a changing economic landscape. With a core competency in finance, and a highly experienced staff, FAME is the place to turn to for resources that build success.

We are a well-established state organization with a history of providing innovative financial solutions to assist state residents in achieving financial success. We have fulfilled this mission in a variety of ways, perhaps most prominently through utilizing our risk analysis capabilities and student lending.

1.2 Private Education Loan Program Executive Summary

FAME is requesting proposals to secure innovative, high quality, efficient and cost effective origination solutions for a \$68 million alternative student loan portfolio consisting of The Maine Loan® and The Maine Medical Loan® in accordance with applicable Federal and State statutes and regulations. Annual new originations average \$13 million.

All Maine Loans® and Maine Medical Loans® are funded with the proceeds from tax-exempt bonds or obligations and no State monies are allocated to fund the program. We currently have \$69,710,000 bonds outstanding. All bond issues are insured by Assured Guaranty Corporation and carry the moral obligation backing of the State of Maine.

FAME’s alternative student loan program currently consists of The Maine Loan® and The Maine Medical Loan®. The Maine Loan allows borrowers to borrow up to the full cost of an undergraduate or graduate education less other financial aid. This loan is available to eligible Maine residents attending approved schools in the United States and Canada and out-of-state residents attending

approved schools in Maine. The Maine Medical Loan allows borrowers to borrow up to the full cost of a medical degree less other financial aid. This loan is available to eligible Maine residents attending approved medical schools in the United States and Canada, and out-of-state residents attending approved medical schools in Maine. FAME is not currently offering a direct education loan consolidation product but may decide to do so in the future. New loans are approved based on the creditworthiness of the applicants consistent with the program rules. Borrowers must have a Maine nexus.

There are two primary contractual relationships FAME has at the present time for the administration of Maine Loan and Maine Medical Loan. FAME contracts with iGrad to provide a financial literacy module which must be completed by new borrowers. FAME currently contracts with FirstMark Services, a Nelnet, Inc. subsidiary for the origination and backend servicing of all loans. Total loan origination volume in fiscal year 2022 was \$13.1 million for The Maine Loan and The Maine Medical Loan. The current outstanding portfolio being serviced by Firstmark Services totals approximately \$70 million.

Maine Loan, Maine Medical Loan, and MELA Consolidation has historically had a low cumulative default rate as a percentage of loans in repayment. As of June 30, 2022, the cumulative gross default rate is 3.39%. We see quality loan originations as a key component to this very low default rate.

To summarize, this alternative student loan program has been an important safety net for many students and their families in meeting the full cost of higher education. Since 1988, the program has disbursed student loans totaling over \$300 million dollars. This student loan program will remain an important financial aid resource for Maine students and families.

For additional information, Annual Reports and Bond Reports are available at www.famemaine.com/about under Annual Reports.

SECTION II PURPOSE OF RFP

2.1 Purpose of Request for Proposals

This Request for Proposals invites interested parties to formally express interest in partnering with FAME in the capacity of Loan Originations Service Provider for our Private Education Loan Program. FAME seeks to establish a partnership with an organization firmly committed to providing innovative and high quality of service delivery to borrowers and colleges.

2.2 Issuing Officer

Finance Authority of Maine (FAME) is issuing this RFP. The Issuing Officer is the point of contact regarding this RFP. No contact with any other FAME employee with respect to this RFP is permitted, from the date of release of this RFP until a contract is awarded, unless otherwise designated by the Issuing Officer. The Issuing Officer for this RFP is:

Jennifer Lanphear
Education Programs Manager
jlanphear@famemaine.com

All communications should be directed to the Issuing Officer.

2.3 Period of Contract

The duration of any contract resulting from this RFP shall be for three (3) years from the date of its execution, with an option exercisable by FAME to renew for up to two (2) additional contract periods, each not to exceed three (3) years in duration. Proposers shall submit in their response to this RFP, the terms and conditions for service in additional years beyond the initial three (3) year contract period. FAME reserves the option to renew the contract or any portion of the contract, in its sole and absolute discretion under the terms and conditions set forth in this RFP or other such conditions as may be negotiated between the parties for any such renewal period(s).

SECTION III SCOPE OF SERVICES REQUESTED

3.1 Program Overview

Proposers must have significant private loan origination experience. Proposers must be innovative and demonstrate a proven track record of successful Private Student Loan program management, including professional and flexible management, staff, systems, and business operations.

FAME intends to select a single provider to assume all operations and functions necessary to originate Private Education Loans effective May 1, 2023. The contract requires a commitment from the selected Proposer to meet this timeframe.

As outlined more fully in Section 3.2 below, the Proposer's responsibilities include, but are not limited to, the following:

- Application Receipt and Entry
- Creation and hosting of web-based forms for tracking of FAME and/or lender approval
- Originate loans in accordance with program underwriting guidelines (Attachment A)
- Allow for the review and Approval by FAME of applications via online access
- Generation of Loan Documents
- Facilitation of School Certification
- Credit Agreement Distribution and Verification
- Loan Origination Status Tracking
- Data Feed to FAME and Firstmark
- Reporting and Online Query to FAME
- Records Maintenance
- Customer Support
- Facilitate Loan Funding and Disbursement
- Facilitate e-signing of credit agreement
- Verification of in-school status
- Integration with Financial Literacy and College Planning tools provided by FAME and proposal of new Financial Literacy tools
- Remote access to system for FAME
- Integration with and transfer of records to Firstmark as post origination loan servicer

3.2 Description of Required Services

Utilizing the Proposer, FAME seeks to provide student borrowers and their co-borrowers (up to 2 co-borrowers permitted), if any, as well as colleges, with an integrated and efficient loan

delivery process, employing current technology and best industry practices, and in full compliance with all applicable state and federal laws. While the following descriptions outline current loan origination requirements and related processes, proposers are encouraged to make recommendations regarding opportunities to improve loan delivery, including any such alternative origination systems and processes as may be applicable to FAME's business requirements as outlined herein. Services to be provided include, but are not limited to the detail provided in section 4 and the program guidelines. See Attachment A.

- 3.2.1 Prepare and furnish to FAME no later than the first (1st) business day of each month, in a format acceptable to FAME, monthly and cumulative to-date information.
- 3.2.2 Provide, at termination of the Agreement, all borrower and loan information on the Vendor's systems in a format, medium, and timeframe acceptable to FAME.
- 3.2.3 **DATA Security and Customer Privacy**
Comply with FAME's policies relative to customer privacy, and assist in communications to customers in this regard. Such assistance shall include, but may not be limited to, providing, at least annually, a statement for each borrower outlining FAME's, and, if applicable, the participating lender's privacy policy, in accordance with applicable regulations.
- 3.2.4 **Compliance with State and Federal Laws and Regulations.**
Proposer will be responsible for compliance with all applicable state and federal consumer protection and truth in lending laws, which may involve residents of many different states, in the provision of all origination and servicing activities.
- 3.2.5 **Data Backup and Storage**
Maintain adequate data backup procedures, and the ability to recreate on a daily basis all data stored on tape, disk, or other medium.
- 3.2.6 **SSAE 16**
Provide to FAME, annually, at the Proposer's expense, an independent public accountant's study of the servicing systems and the operating effectiveness of the internal accounting and administrative controls (SSAE 16, Type2, or substitute acceptable to FAME). In addition, the Proposer must be willing to provide any such information regarding its business and operations as may be necessary for FAME's bond issuance disclosures.
- 3.2.7 **Disaster Recovery**
Provide FAME annually a description of the business continuity, business recovery and disaster control planning affecting the loan origination and

disbursement data.

3.2.8 Proposers are encouraged to include in their proposals any other activities they see as necessary or beneficial to the successful origination of education loans.

SECTION IV INFORMATION REQUIRED FROM RESPONDING PROPOSERS

4.1 Proposal Format

Proposals should be prepared in as concise a manner as possible, delineating the Proposer's capabilities to satisfy the requirements of this RFP. In order to expedite the evaluation of proposals, it is essential that Proposers follow the format and instructions contained herein. Proposals must include substantial evidence of the Proposer's commitment and ability to undertake the services required and outlined in this RFP.

The proposal should address each item in Section 4 in the order requested, with any requested samples or other supporting information provided as necessary in clearly labeled appendices.

An electronic copy of the written proposal must be emailed with the subject line "Private Education Loan Originations Services Proposal" to Jennifer Lanphear, Education Programs Manager at jlantphear@famemaine.com com no later than 3:00 p.m. (Eastern Daylight Savings Time) on Monday, November 30, 2022.

4.2 Background on Firm

Please provide an overview of your organization including information on size, organizational structure, location(s), ownership and affiliations, and years of experience in educational loan origination.

4.2.1 Please outline your firm's experience in originating private education loans including approximate numbers and dollar values of loans originated as well as numbers of lenders for whom you provide such services.

4.2.2 As part of the selection process, FAME will perform a financial review of your organization. Please provide most current audited financials, SSAE16 or other applicable reviews as conducted by other third parties and agencies.

4.3 Organization/Infrastructure

Please describe your firm's service organization and infrastructure that will be used in providing services for FAME including, and without limitation:

4.3.1 Who in your organization will manage efforts to deliver the services contemplated herein? Please include the names and backgrounds of key individuals with key areas of responsibility, as well as staffing and experience levels of service delivery groups. Inclusion of an organizational chart is recommended. Please detail the breakout of functional responsibility for service delivery to FAME as the lender, colleges and student borrowers and co-borrowers, if applicable.

4.3.2 Please provide detailed description of hours of operations and standards and measurements in place relative to loan origination, customer service, and including average response times for telephone inquiries and written customer requests (by mail or e-mail). Please indicate processes for monitoring compliance with standards, and reports available internally and FAME.

4.3.3 Please describe your training process for loan origination and customer service representatives.

4.3.4 Do you currently originate Private education loans for students and co-borrowers?

4.3.5 Please specify the location(s) of staff anticipated to support the delivery of contemplated

services. If more than one location, please specify the functional areas of responsibility in each location.

4.3.6 List all subcontractors you anticipate would be involved in performing the services contemplated in this RFP. The scope of services provided by the subcontractor(s) must be clearly delineated. Note: Performance by subcontractors or agents will not relieve Vendor of responsibility.

4.3.7 Please outline any recent or pending changes in your firm's organization, corporate structure or location of facilities.

4.4 Loan Origination and Customer Service

Please provide detailed information regarding your approach to the following areas of customer interaction:

4.4.1 Describe your ability to process private education loans.

4.4.2 Describe process for collection of school certification for private education loans.

4.4.3 Describe your process for disbursing private education loans.

4.4.4 Describe your process for transmitting fully executed (disbursed) loan data to external student loan servicers.

4.4.5 Please describe your origination systems and processes used to route and track all customer inquiries, loan requests, truth in lending disclosures, and items awaiting resolution. Include all follow up activities and techniques used for the management of the application pipeline.

4.4.6 Please describe the process for applications that have been, denied, withdrawn or being appealed by the consumer. Include compliance standard, ability to generate adverse action letters and credit counseling services.

4.4.7 Detail all supported methods for enabling borrowers to provide additional information for completing the loan application, including follow up activities.

4.4.8 Review the guidelines in Attachment A that pertain to the origination guidelines. Please state any objection or concerns with complying fully with the underwriting guidelines.

4.4.9 Describe the reporting options for your program, as they pertain to origination process and the ability to monitor loans throughout the process. Describing the loan statuses and how the system shall automatically track and display the changing status of each loan from initial

receipt through the disbursement of the loan or other terminal status (e.g. denied or withdrawn).

The Proposer shall work with FAME to establish the exact system codes and status descriptions for various stages of processing, but FAME anticipates the need to include the following statuses:

- Application Received, Awaiting Review
- Pending, Missing Information
- Denied
- Withdrawn
- Approved, Pending Certification and Signed Note
- Approved, Note Received, Awaiting Certification
- Approved, Certification Received, Awaiting Note
- Approved, Ready for Disbursement on Scheduled Date
- Verified for Disbursement
- Disbursed
- Converted to loan servicing system

All the participating schools and FAME need the ability to inquire online for application status information. F A M E must have access to loans it is originating. Similarly, schools must have access only to its students' records and must be able to identify different security levels and thereby control access by user identification. FAME must have access to all records, including memo entries reflecting status changes and interactions with the applicant(s). The user must be able to obtain detailed applicant status information by unique ID code or name of any applicant or student, and get a list of applicants at a given status level or other specified query sort criteria.

4.4.10 Within the FAME loan origination process, loan requests meeting certain criteria will need to be reviewed by FAME for a credit report check and full debt to income test and approval. Please provide a brief overview of how this process would work with your loan origination systems and within your organization.

4.4.11 Provide an overview of your Electronic Signature technology and how it is used in the application process. Identify whether any contested loans on your Electronic Signature system were deemed unenforceable.

4.4.12 For approved loans please provide an overview of the system's school certification and disbursement process. Include any current arrangements in place with third parties to assist in the process. Include any free electronic certification and disbursement services vendor can provide to FAME.

4.4.13 For fully disbursed loans please provide an overview of the process you use to transmit loan

data to a student loan servicing vendor. Please indicate if you have an established data transfer relationship with Firstmark Services.

4.4.14 Provide an overview of how loan origination guideline changes are processed. Include any cost for the change and the timeline associated for completing the change.

4.4.15 Please provide a schedule of all loan origination costs associated with setting up a program, reporting and the processing of loans. If needed please use an average loan size of \$9,200 with two disbursements as basic loan size metrics.

4.4.16 Post application process, detail all methods for transitioning the loans to a loan repayment servicer as well as a list of vendors you already partner with on post application processes.

4.4.17 Identify the types of information (loan status, balance, etc.) borrowers can obtain via a secure web site, including any limitations on access to such information.

4.4.18 Describe the process and system(s) used for handling incoming borrower telephone calls. Include, at a minimum:

4.4.18.1 The routing and tracking of customer calls, including any queuing of calls by type, options to speak to live representatives, and ability to leave messages for return calls.

4.4.18.2 The role of any Automated Voice Response Unit (VRU), including its use in routing calls, the types of information borrowers may obtain by VRU, and any limitations on the hours when such information is available.

4.4.18.3 A description of standards in place relative to call handling (average wait times, etc.) as well as any measures in place to ensure adherence to these standards.

4.4.19 Describe your routine process(es) and timeline(s) for communicating with applicants. Please include, in a labeled Appendix, samples of representative texts, emails, letters and/or forms used relative to communicating with applicants.

4.4.20 Have you conducted any form of customer satisfaction survey within the past two years? If so, please provide a brief summary of your findings.

4.4.21 Describe the process and/or penalties for lenders who stop origination of new loans.

4.4.22 Describe the process for post disbursement adjustments for loans without limitations to refunds, overpayments, and repayments.

4.5 Description of Origination Systems

Please provide a description of your organization's information systems (platform, operating systems, critical software) that would be utilized in connection with the provision of the services to FAME and to borrowers and their institutions.

- 4.5.1 Indicate whether systems are developed and maintained by in-house technical staff, or if provided in full or in part by external parties (leased, purchased, etc.). If leasing all or part of your systems from an external provider, please indicate the duration and any material usage limitations for each applicable lease or license.
- 4.5.2 Please provide a detailed description of your organization's application and disbursement processing capabilities, how these processes integrate with an external loan servicing system and whether your loan application system allows for web-based interchange with borrowers and schools.
- 4.5.3 Please describe your recommended approach to receipt and processing of cancelled or lost disbursements. Do you currently engage the services of any third party lockbox Vendors?
- 4.5.4 Please indicate which industry file protocols you support, and the version currently in use. Please provide a brief description of any other data format(s) you use for Private education loans.
- 4.5.5 Describe your use of web and mobile technology for service delivery. Identify how web and mobile technology is used to make education loan portfolio information available to FAME to access portfolio and individual borrower records as needed.
- 4.5.6 Please indicate any Private loan programs currently being originated on your platform?
- 4.5.7 Please advise as to your electronic interface capabilities (remote query and electronic transfer of data).
- 4.5.8 Describe the processing flow from application received, through credit decision, loan disbursements and external transfer to loan servicing. Provide details regarding systems involved, user access and systems for storage. Please detail number of systems, platforms and user ids involved.
- 4.5.9 Please detail your ability to originate loans with special borrower benefits including, but not limited to, discounted interest rates or reduced origination fees (either from inception or following a specified triggering event). Please provide herein, or in a labeled appendix,

specific examples of borrower benefit and/or discount programs currently handled by your organization.

4.5.10 Please provide, in a labeled appendix, samples of all routine origination and disbursement reports and screen shots provided to lenders as part of your loan origination functions including, but not limited to, origination activity reports and application status reports to include but limited to:

- (i) an unaudited summary statement of all transactions during such month in reasonable detail,
- (ii) credit tier, fico tier, and income tiers, and
- (iii) such other monthly custom reports as are reasonably requested from time to time by FAME

4.5.11 Please describe your firm's use of electronic signatures in originating educational loans.

4.5.12 Describe your change management methodology for introducing origination systems enhancements or modifications, either mandated by changes in regulations or developed at the request of FAME or to improve customer service or operational efficiencies. Please also outline under what circumstances project costs are passed onto your clients.

4.5.13 Describe any significant recent or pending systems development initiatives.

4.5.14 Please describe your data file backup and storage practices, as well as your disaster recovery plan.

4.6 Compensation

Please indicate your fees for providing services for FAME as outlined herein. To the extent that the fees indicated are not all-inclusive, please indicate what additional circumstances or activities reasonably expected in the course of anticipated loan origination may lead to additional charges. For all costs not included, please detail your process for scoping and authorizing incremental charges, and itemize your pricing methodology in detail.

Specify any anticipated additional charges including rates for special reports, modifications of service, etc., as well as costs for compliance related system changes.

4.8 Miscellaneous Provisions

- 4.8.1 Please disclose any litigation or administrative action proceeding or allegation of program violation during the past five years, if any, including and without limitation, regarding your activities involving student loans or other consumer loan programs.
- 4.8.2 Provide a copy of your most recent audited financial statements. Advise whether you have received any adverse audit result in the past five years.
- 4.8.3 Please provide the name of your counsel to be used in negotiating agreements and rendering opinions therewith. Please specify if you are planning to use in-house counsel.
- 4.8.4 Please provide a list of three references that FAME may contact in connection with its review of your qualifications to provide the proposed loan services that utilize your application processing and disbursement services.
- 4.8.5 If your firm believes that a conflict of interest may arise during the course of this contract, the nature of the conflict should be described.
- 4.8.6 Please provide details of any criminal investigation pending against your firm, or any ongoing or open federal audit.
- 4.8.7 Please complete the Attachment B, vendor security questionnaire.
- 4.8.8 Please provide a proposed contract with your response.
- 4.8.9 Please be advised that FAME will not provide indemnification for any actions that are not the direct result of FAME's willful misconduct.
- 4.8.10 Please provide a copy of your firm's policy relative to:
 - 4.8.10.1 The prohibition of discriminatory employment practices;
 - 4.8.10.2 Affirmative Action/Equal Opportunity/Diversity practices;
 - 4.8.10.3 The use of minority business enterprises;
 - 4.8.10.4 The use of women-owned business enterprises;
 - 4.8.10.5 Accommodation for the Americans with Disabilities Act (ADA);
 - 4.8.10.6 The protection of privacy of borrowers and others with personal information within your control.
- 4.8.11 Provide any additional information which would aid our decision in selecting your organization for contract.

SECTION V GENERAL CONDITIONS

5.1 Additional Information

It may be necessary for FAME to request additional information from one or more Proposers and FAME reserves the right to do so. FAME may ask certain Proposers to make oral presentations. FAME may choose to undertake site visits to some, but not all of the Proposers. FAME will determine which Proposers will make presentations in its sole discretion.

5.2 Questions

Questions regarding this solicitation or requests for additional information should be directed in writing to Jennifer Lanphear, at the email address indicated in Section 2.2. All requests for additional information should be received by November 16, 2022. Interested firms should not contact any other employee or agent of FAME concerning the subject matter of this Request for Proposals or related matters unless at the direction of the Issuing Officer.

5.3 FAME Rights

FAME reserves the right to reject any and all proposals, to waive any minor irregularities in a proposal, to request clarification of information from any Proposer and to effect any agreement deemed by FAME to be in its best interest with one or more Proposers. All proposals and their contents will be the sole property of the FAME upon receipt.

5.4 Reimbursement

FAME will not reimburse Proposers for any costs associated with the preparation or submittal of any proposal or for any travel and/or per diem expenses incurred in any presentations of such proposals.

5.5 Negotiations of Proposal and Contract

Nothing in this Request for Proposals, nor in FAME's acceptance of any proposal in whole or in part, shall obligate FAME to complete negotiations with the related Proposer. Acceptance by FAME of any proposal shall be subject to the condition subsequent that FAME and the Proposer execute a supplementary contract that incorporates the terms of the proposal and such other terms and conditions as FAME shall reasonably require. FAME reserves the right to end negotiations with a Proposer at any time up to the consummation of the contract arising from this Request for Proposals

and to commence negotiations with any other proposer. All proposals must remain available through December 30, 2022.

5.6 Applicable Laws/Standard of Care/Limitation of Liability

The Proposer shall be responsible for compliance with provisions of federal, state and local laws applicable to the development and submission of any proposal received in response hereto. By submitting a proposal, the Proposer agrees that the state's laws shall govern any and all claims and disputes which may arise between parties submitting a proposal response hereto and FAME and that the courts of the state shall be the exclusive forum for adjudication of any such claims and disputes.

The contract with the successful Proposer shall be governed by the state's law and shall provide for arbitration in the state of any claims or disputes arising under such contract. The Vendor must agree to perform its services in a manner commensurate with best industry practices and standards. Liability for origination errors by the Vendor may not be limited to fees paid, but must include cure, and in the absence of cure, purchase or payoff in full of the affected loan(s).

5.7 Public Records Request

All responses and related documents submitted or presented as part of this RFP shall become the property of FAME. Public records requests with respect to such responses may be submitted at any time and FAME will respond with either an offer to provide the requested materials or the appropriate exemption under state law. Depending on the circumstances, the provision of information may be delayed in order to maintain the integrity of the process. FAME is under no obligation to return any responses or materials submitted by a Proposer in response to this RFP, including bidder "trade secrets" and financial information. This public ownership of materials applies even if the Proposer has submitted a non-disclosure or other statement asking FAME to retain the security or confidentiality of the trade secret information.

5.8 Ownership of Data

All material and data produced for FAME under a contract resulting from this RFP are the exclusive property of FAME.

5.9 Required Surety

The successful Proposer shall maintain a fidelity bond in an amount satisfactory to FAME, to be negotiated as a condition of any contract resulting from this RFP, to protect against loss due to dishonest or fraudulent action by its employees in connection with the obligations of this RFP. FAME expects to require a liquidated damages provision, supported by a surety bond, in the contract

resulting from this RFP. Please confirm your firm's willingness to provide such protection.

5.10 Termination

Upon expiration or termination of the servicing contract, all files, tapes, manuals, documents and information held by the Loan Vendor in connection with the performance of the services described in this RFP shall be turned over to FAME or its designee in a format prescribed by FAME.

5.11 FAME Liability

FAME shall have no liability whatsoever to any Proposer or subcontractor of a Proposer for any financial losses incurred by such entity or entities in response to this proposal or in connection with the Program or the services of such entity, and cannot guarantee that the FAME Education Private Loan Program as described herein will be implemented, and if implemented, that it will be successful.

The Proposer shall indemnify and hold FAME harmless from any claim, suit, damage, or other liability, including costs and attorney's fees, occasioned by the Proposer's failure to perform an obligation under terms of this RFP and any subsequent contract.

SECTION VI SELECTION PROCESS

FAME will select the Proposer based on its judgment regarding the ability and commitment of the Proposer to provide the required services as outlined herein, as well as the cost of providing such services. FAME's selection process will consider the relevant experience of the Proposer, the strength of the proposal, and the demonstrated ability and willingness of the Proposer to work with FAME to structure the best possible service delivery model.

Evaluation of the responses will include the following criteria:

- a. Overall costs of loan origination;
- b. Financial stability and strength of company;
- c. Experience in providing similar services;
- d. Experience of key personnel;
- e. Ability to deliver services using the most current technology;
- f. Customer service capabilities;
- g. Any other qualities or criteria deemed to be relevant or in the best interests of the FAME.

FAME expressly reserves the right not to accept the least cost response.

6.1 Anticipated Timeline

It is FAME's intention to select the Vendor on or before December 30, 2022 with the intention of having the program operational on May 1, 2023 (*date firm*). FAME reserves the right to modify such dates at its discretion.

The following estimated timeline, although subject to change, indicates Client's intentions regarding the Loan Vendor selection process:

Activity	Date
RFP Issued	November 10, 2022
Email Questions to FAME	November 11 – November 16, 2022
FAME Answers to Questions Provided	November 18, 2022
Proposals due to FAME	November 30, 2022, 3:00 p.m. (EDT)
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Launch of Program (firm)	May 1, 2023

APPENDIX

Appendix I Compensation Worksheet

Please provide a schedule for all loan origination and disbursement costs associated with the services you are providing.

Please indicate your firm's willingness to provide services for additional years beyond the initial three (3) year contract period, including the anticipated price structure and applicable terms and conditions in the event that Client chooses to renew, and if so, provide details.

Please specify charges for each of the following activities, if applicable.

a) Loan Origination charges:

b) Electronic certification and disbursement charges:

c) Any other itemized fees for originations activity:

d) Any charges for providing portfolio information to Client electronically:

Please list all other anticipated charges not included in the fees indicated above. Specify the nature and frequency of any activity that results in additional incremental expense to the program.

Please detail your approach to billing for systems and process changes, addressing both changes required by applicable law and regulation and changes, enhancements, special reports, etc. as may be requested by Client from time to time.

Attachment A

94-457 FINANCE AUTHORITY OF MAINE (FAME)

Chapter 801: SUPPLEMENTAL EDUCATION LOAN PROGRAM RULES

(APA Office Note: this chapter has been relocated from the former Maine Educational Loan Authority to the Finance Authority of Maine; see 20-A MRS §11414 et seq.)

SUMMARY: The Maine Educational Loan Program provides a limited amount of supplemental education loan funds to finance the costs of attendance at institutions of higher education. The funds are provided through the issuance of the Authority's bonds or obligations, interest on which may be excludable from gross income under Federal law and taxable income under Maine law. This rule establishes basic eligibility criteria for the Authority's supplemental education loan program. The basic criteria include significant application requirements, credit evaluation standards and loan charges. The Rule establishes ways in which loans may be made and serviced.

1. Supplemental Education Loans

The Authority will originate or purchase a supplemental education loan to an eligible borrower provided that the following requirements or limitations shall have been satisfied:

- A. Eligible Students and Borrowers (§2),
- B. Eligible Schools (§3),
- C. Credit Underwriting (§4),
- D. Loan Amounts (§5),
- E. Finance Charges (§6),
- F. Repayment Terms (§7), and
- G. Any other Requirements in accordance with law.

2. Eligible Students and Borrowers

- A. A loan shall be made to or for the benefit of a student enrolled at an eligible school at the time the loan proceeds are disbursed to finance the cost of attendance for one (1) academic year or any part thereof. A statement of enrollment provided to the Authority from the school prior to disbursement of loan proceeds shall be evidence of enrollment for the semester, trimester or other academic period stated, provided that the Authority may require additional statements for any person. In addition, the school shall provide a statement of the cost of attendance less any financial aid awards known to the school and less any tuition prepayments. "Cost of Attendance" means the tuition and fees applicable to a student, together with an estimate of other expenses reasonably related to cost of

attendance at an institution, including, without limitation, the cost of room and board, housing and food, transportation, books, supplies and the loan guarantee fee paid when the supplemental loan is originated.

- B. An eligible student is one who is either (i) a resident of the State and attending an eligible school, (ii) not a resident of the State and attending an eligible school in the State, or (iii) any other student to whom the Authority is permitted by law to make a loan, including an existing FAME borrower.
- C. An eligible borrower is any one or more of the following persons who has agreed to repay a supplemental loan:
 - (i) An eligible student, or
 - (ii) A parent, guardian or spouse of an eligible student (each a “co-borrower”).

Provided that an eligible borrower shall also include any guarantor or co-signor (each a “co-signor”) with respect to the eligible loan where the context may so require.

3. Eligible Schools

An eligible school is any public or private educational institution in the United States and Canada determined by the Executive Director of the Authority to meet the following criteria:

- A. It provides a program of education beyond the high school level;
- B. It awards an associate, bachelors or advanced degree;
- C. It is an accredited institution; and
- D. It is an eligible institution under Title IV of the *Higher Education Act of 1965*.

4. Credit Underwriting

In order to determine an applicant's capability to repay a supplemental loan, the applicant's total debt, including installment, revolving and mortgage debt and the supplemental loan, shall be reviewed. In addition, the following requirements are applicable:

- A. Credit bureau reports obtained from a nationally recognized credit bureau for each applicant, including the student borrower.
- B. Minimum two (2) year credit history and three trade lines for all co-borrowers and co-signors, or student if applying alone.
- C. No record of a paid or unpaid charged off account greater than \$250 within the past two (2) years.
- D. No record of a foreclosure, repossession, open judgment or suit, paid or unpaid tax lien, prior educational loan default or other negative public record items in the past seven

years (exceptions may be granted where the applicant provides written documentation demonstrating the obligation has been paid).

- E. No record of a bankruptcy in the past seven (7) years (exceptions may be granted where the Applicant provides written documentation demonstrating the circumstances leading up to the bankruptcy were beyond his/her control. Examples - large medical expenses, unemployment due to being laid off or disabled, etc.).
- F. Debt/income ratio not to exceed fifty (50) percent and minimum income of at least \$1,667 for the applicants for a loan as a group when more than one co-borrower or co-signor exists. Debt is defined as monthly installment, revolving and mortgage payments. Income is gross monthly income for calculation purposes (income must be at least \$20,000 on an annual basis). The debt/income ratio and minimum income threshold may be modified by the Authority from time to time, based upon current market conditions.
- G. Additional underwriting criteria to be determined by the Authority based on credit scores obtained from a nationally recognized credit bureau.
- H. Except as otherwise specifically allowed above, documented exceptions to any of the criteria set forth in (A) through (G) above may be made but only in accordance with the Lender's customary credit policies for consumer loans, and only if the underwriter of credit signs off on the loan.
- I. At least one of the borrowers must be a U.S. citizen or certified Permanent Resident of the United States. A non-citizen applicant must submit a valid Form I-551 Alien Registration Receipt Card with the application. All borrowers must have a valid U.S. Social Security number.

5. Loan Amounts

With respect to any one student, the maximum amount of a supplemental loan shall be the cost of education less any Financial Aid received for the academic period. The minimum loan amount per student will be \$1,000.00 per year. The minimum monthly payment, when principal is due, shall be at least \$50.00. No loan proceeds will be disbursed for any semester, trimester or other academic period until proof of enrollment for such period is provided.

6. Finance Charges

- A. The finance charges on the supplemental loan may include a variable interest rate based on the Authority's cost of financing, which shall be as set forth in the form of note presently approved, including interest on Authority obligations plus a spread to cover the Authority's costs of credit enhancement, loan servicing, loan origination, administration and other related costs of the Authority's obligations and the supplemental loan program. The supplemental loan documents may provide that, if a loan is purchased by a loan guarantor selected by the Authority, if none of the Authority's obligations, proceeds of which were used to fund the supplemental loan, are outstanding or if there is no interest rate established for such obligations, the interest rate on the loan will be equal to a rate not more than the one year Treasury constant maturity immediately preceding each

June 1, provided that in all such cases, the interest rate shall not exceed the maximum rate allowable by law.

- B. The finance charges on the supplemental loan may include a fixed interest rate, which shall be set forth in the form of note presently approved. The fixed interest rate shall be determined in accordance with the financing documents associated with the proceeds of the Authority's bonds or other obligations used to fund each loan. The fixed interest rate cannot be increased at any time over the life of each individual loan.
- C. A borrower may be assessed a loan guarantee fee. The guarantee fee shall not exceed an amount equal to six (6) percent of the principal amount of the supplemental loan. The guarantee fee assessed will be added to the principal balance of the loan at the time of disbursement.

7. Repayment Terms

- A. There will be no penalty for or prohibition of prepayment of any or all amounts due under a borrower's supplemental loan documents. Any prepayment shall be applied in order of the dates such principal is due.
- B. Principal shall be amortized at varying maturities not to exceed twenty (20) years in accordance with a schedule established by the Authority to provide for payment of its obligations. The term of repayment, which shall be set forth in the form of the note, will be determined in accordance with the financing documents associated with the proceeds of the Authority's bonds or other obligations used to fund each loan.
- C. Borrower repayment options include:

Immediate Repayment. A borrower may elect to begin regular payments of principal and interest.

Interest Only Repayment. At the option of the borrower, repayment of principal may be deferred while the student is continuously enrolled on at least a half-time basis and for up to six (6) months after the date the student is no longer enrolled on at least a half-time basis.

Deferment of Principal and Interest. At the option of the borrower, repayment of principal and interest may be deferred while the student is continuously enrolled on at least a half-time basis and for up to six (6) months after the date the student is no longer enrolled on at least a half-time basis. Unpaid interest will be capitalized when the loan enters repayment.

- D. The notes shall provide that the supplemental loans will be amortized and payments on the notes made on a monthly basis. The principal amount of any supplemental loan will be amortized on a level debt service basis over not more than 240 months, commencing, at the option of the borrower, within fifty-one (51) days of the date of disbursement of the supplemental loan or within six (6) months of the borrower's termination of enrollment or graduation. Each year with respect to each supplemental loan with a variable interest rate, the amount of the monthly payment will be recalculated based on the interest rate then in effect, and the note will be reamortized on a level debt service basis over the remaining life of the loan.

8. Forbearance

If the borrower is unable to make regular principal and interest payments, the Authority may suspend principal payments under certain circumstances for a limited amount of time.

Forbearance may be granted in accordance with the following standards:

- A. Forbearance will grant extension of the principal payment only. One of the following two definitions would apply to the condition or status of a loan in forbearance:
 - (i) The borrower pays the interest each month. This option would be offered to the borrower as the first remedy for a delinquency. The borrower would be eligible for a total of twelve (12) months of reduced payments. This would be granted in increments of six (6) months.
 - (ii) The borrower pays no interest during this period of forbearance. The interest that accrues is capitalized at the end of the forbearance period. This option would be made available to borrowers as a last attempt to prevent default.
- B. The borrower may request a reduced payment amount during or prior to their account becoming delinquent.
- C. Borrowers who have already received twelve (12) months of forbearance will not be eligible for additional forbearances, provided, however, that in certain cases of extenuating circumstances, the Authority, in its discretion and in accordance with any applicable financing documents, may grant an administrative forbearance for an additional time period.
- D. The borrower will be billed monthly during the forbearance period.
- E. The borrower's account will appear to be in repayment during the interest only forbearance period. If payments are not made, then due diligence and collection activity will begin.
- F. The Authority will be notified if the borrower becomes delinquent and reaches sixty (60) days of non-payment. This notification will be included in the Pre-Claims Assistance notice sent to the Authority.
- G. If there is more than one "borrower," payment of the regular monthly installment will be sought from both or all of them before forbearance is granted.

H. Forbearance may be granted in the following situations:

(i) **Unemployment**

In requesting an unemployment forbearance, the borrower must provide the Authority with a written statement that he/she is actively seeking employment and verification that he/she is registered with at least one employment agency. A borrower cannot continue under this agreement if he/she is offered employment and rejects the offer as being unsuitable to his/her particular education or experience. A borrower will be considered automatically in default if he/she fails to accept such employment, fails to provide the Authority with the statement and verification described above, or knowingly misinforms the Authority of employment status.

(ii) **Partial Disability**

Partial disability forbearance may be granted if the borrower provides the Authority with a signed opinion from a licensed medical doctor, either his/her regular internist or a specialist in the field of his/her disability, that the borrower is unable to work. If the borrower fails to provide all the information requested by the Authority, or knowingly misinforms the Authority regarding his/her disability or secures the required medical opinion through fraudulent means, the borrower will be considered in default.

(iii) **Non-Delinquency Defaults**

Borrower's failure to advise the Authority in a timely manner of changes in enrollment status shall be a default under the supplemental loan. The Authority may grant forbearance in this circumstance if satisfied that the failure was an oversight and not an act of willful deception.

(iv) **Delinquency**

The Authority will act in delinquency situations on the merits and problems of each individual case.

(v) **Active Duty**

In requesting an active duty forbearance, the borrower must provide the Authority with a written statement that he/she is actively enlisted in the military and verification of the active duty assignment begin and end dates.

(vi) The Authority may, at its discretion, grant forbearance for reasons that are not described in this section subject to the approval of any bond insurer on that particular loan.

9. School Notification and Refund Requirements

The school must report to the Authority, on a timely basis, the student's early termination from the school or any drop in enrollment status that would warrant a refund. The amount of the refund, if any, will be determined by the school's stated refund policy for the period of time the student actually attended. The note shall provide that any refund shall be forwarded to the Authority along with notification to the student on whose behalf the loan was made.

10. Loan Consolidation

Consolidation of loans usually results in lower payments, thus making it easier for borrowers to meet their obligations. Any consolidation loan request shall be treated as a new credit request. The following guidelines must be followed:

- A. The loans must be of the same type (i.e. qualified supplemental education loans).
- B. Borrower(s) must be U.S. citizen or certified Permanent Resident of the United States. A non-citizen applicant must submit a valid Form I-551 Alien Registration Receipt Card with the consolidation application. All borrowers must have a valid U.S. Social Security number.
- C. Borrower must be an existing FAME borrower. FAME may, in its discretion, offer a consolidation loan to non-FAME borrowers who either: (1) are a Maine resident; or (2) have attended an approved Maine educational institution. Student's last school of attendance must be an approved FAME school.
- D. All loans being consolidated must be fully disbursed and in repayment or grace status.
- E. Loans which are thirty (30) or less days delinquent may be consolidated. Loans which are between thirty-one (31) and sixty (60) days delinquent may be consolidated if FAME reasonably believes the borrower has the willingness and ability to make the payments on the new consolidation loan because of the new lower payments. Written documentation must be included in the new loan file stating the specific reasons why the loan should be consolidated, as well as written documentation from the borrower(s) that he/she has the capacity to make payments on the new loan. No loans which are sixty-one (61) or more days delinquent may be consolidated.
- F. Loans being consolidated must have a minimum aggregate balance of at least \$10,000 and cannot exceed an aggregate balance of \$100,000 for non-FAME loans.
- G. Borrower(s) must provide the following documentation: proof of income substantiating the income listed on the application; proof of identity (i.e. copy of driver's license, state ID card, etc.); and a copy of the most recent loan statements for the loans being consolidated.
- H. The accrued interest of the underlying loans shall be capitalized with the consolidation loan.
- I. The underwriting criteria for establishing the eligibility of loans to be consolidated shall be as follows:

- (i) Credit bureau reports obtained from a nationally recognized credit bureau for each applicant.
- (ii) Minimum two (2) year credit history and three trade lines for the eligible borrower.
- (iii) No record of a paid or unpaid charged off account greater than \$250 within the past two (2) years.
- (iv) No record of a foreclosure, repossession, open judgment or suit, paid or unpaid tax lien, prior educational loan default or other negative public record items in the past seven years (exceptions may be granted where Applicant provides written documentation demonstrating the obligation has been paid and the circumstances surrounding the negative public record no longer exists).
- (v) No record of a bankruptcy in the past seven (7) years (exceptions may be granted where the Applicant provides written documentation demonstrating the circumstances leading up to the bankruptcy were beyond his/her control. Examples – large medical expenses, unemployment due to being laid off or disabled, etc.).
- (vi) Debt/income ratio not to exceed fifty (50) percent and minimum income of at least \$2,500 for the applicants for a loan as a group. Debt is defined as monthly installment, revolving and mortgage payments. Income is verified gross monthly income for calculation purposes (income must be at least \$30,000 on an annual basis). The debt/income ratio and minimum income threshold may be modified by the Authority from time to time, based upon current market conditions.
- (vii) Additional underwriting criteria to be determined by the Authority based on credit scores obtained from a nationally recognized credit bureau.

J. Finance Charges

- (i) The finance charges on the supplemental consolidation loan may include a variable interest rate based on the Authority's cost of financing, which shall be as set forth in the form of note presently approved, including interest on Authority obligations plus a spread to cover the Authority's costs of credit enhancement, loan servicing, loan origination, administration and other related costs of the Authority's obligations and the supplemental consolidation loan program. The supplemental consolidation loan documents may provide that if none of the Authority's obligations, proceeds of which were used to fund the supplemental consolidation loan, are outstanding or if there is no interest rate established for such obligations, the interest rate on the loan will be equal to a rate not more than the one year Treasury constant maturity immediately preceding each June 1, provided that in all such cases, the interest rate shall not exceed the maximum rate allowed by law.
- (ii) The finance charges on the supplemental consolidation loan may include a fixed interest rate, which shall be set forth in the form of note presently approved, determined in accordance with the financing documents associated with the

proceeds from the Authority's bonds or other obligations used to fund each loan. The fixed interest rate cannot be increased at any time over the life of the loan.

- (iii) A borrower may be assessed a loan guarantee fee. The guarantee fee shall not exceed an amount equal to six (6) percent of the principal amount of the supplemental consolidation loan. The guarantee fee assessed will be added to the principal balance of the loan at the time of disbursement.

K. Repayment Terms

- (i) There will be no penalty for or prohibition of prepayment of any or all amounts due under a borrower's supplemental consolidation loan documents. Any prepayment shall be applied in order of the dates such principal is due.
- (ii) Principal shall be amortized at varying maturities not to exceed thirty (30) years in accordance with a schedule established by the Authority to provide for payment of its obligations. The term of repayment, which shall be set forth in the form of the note, will be determined in accordance with the financing documents associated with the proceeds from the Authority's bonds or other obligations used to fund each loan.
- (iii) The notes shall provide that the supplemental consolidation loans will be amortized and payments on the notes made on a monthly basis. The principal amount of any supplemental consolidation loan will be amortized on a level debt service basis over not more than 360 months, commencing within fifty-one (51) days of the date of disbursement of the supplemental consolidation loan. Each year with respect to each supplemental consolidation loan with a variable interest rate, the amount of the monthly payment will be recalculated based on the interest rate then in effect, and the note will be reamortized on a level debt service basis over the remaining life of the loan.

11. Medical Loan Program

A Medical Loan has been developed to offer medical students access to low cost educational financing for their medical program. The FAME rules and guidelines as stated above are reflective of the rules and guidelines established for the medical loan program except as noted below:

A. Eligible Student Borrower

A student borrower will be eligible for a medical loan if they have met the credit underwriting requirements for the Authority's supplemental loan program described in section 4. above, excluding paragraph 4. F. If a student borrower does not meet the eligibility requirements then they will be required to obtain a co-borrower(s). Underwriting criteria will then be the same as the FAME supplemental loan program described in section 4. above.

B. Repayment Terms

- (i) There will be no penalty for or prohibition of prepayment of any or all amounts due under a borrower's supplemental loan documents. Any prepayment shall be applied in order of the dates such principal is due.
- (ii) Principal shall be amortized at varying maturities not to exceed twenty-five (25) years after entering repayment, in accordance with a schedule established by the Authority to provide for payment of its obligations. The term of repayment, which shall be set forth in the form of the note, will be determined in accordance with the financing documents associated with the proceeds from the Authority's bonds or other obligations used to fund each loan.
- (iii) Borrower repayment options include:

Immediate Repayment. A borrower may elect to begin regular payments of principal and interest.

Interest Only Repayment. At the option of the borrower, repayment of principal may be deferred for up to six (6) months after graduation and/or residency. The program also allows for a residency deferment of up to four (4) years.

Deferment of Principal and Interest. At the option of the borrower, repayment of principal and interest may be deferred for up to six (6) months after graduation and/or residency. The program also allows for a residency deferment of up to four (4) years. Unpaid interest will be capitalized when the loan enters repayment.

- (iv) The notes shall provide that the medical loans will be amortized and payments on the notes made on a monthly basis once the borrower has entered repayment. The principal amount of any medical loan will be amortized over not more than 300 months, when the borrower enters repayment. Each year with respect to each medical loan with a variable interest rate, the amount of the monthly payment will be recalculated based on the interest rate then in effect, and the note will be reamortized on a level debt service basis over the remaining life of the loan.

12. Program Implementation

The Authority may retain such originators, servicers, trustees, custodians, attorneys, accountants, consultants, and others as are necessary to implement the supplemental loan program.

13. Federal Bond Ceiling

Any allocation of federal bond ceiling to the Authority shall be applied or carried forward first for student loan programs of the Authority and secondary markets and second for programs of other issuers.

STATUTORY AUTHORITY: 20-A MRSA §11417(1)(N)

Under the Maine Educational Loan Authority (MELA):

EFFECTIVE DATE:

August 13, 1988

AMENDED:

March 19, 1991 - Section 4(B)
March 19, 1991 - Section 6(A)
March 19, 1991 - Section 7(D)
June 17, 1997 - Section 4
November 27, 1999 - Section 11

NON-SUBSTANTIVE CORRECTION:

March 14, 2000 - unit number and chapter title

AMENDED:

December 27, 2003 - Sections 4, 5, 6, 7, 10, 11, filing 2003-475
December 27, 2005 - most of the chapter, filing 2005-503
June 25, 2008 - filing 2008-270 (EMERGENCY)
August 24, 2008 - filing 2008-370
August 3, 2009 - filing 2009-383
July 11, 2010 - filing 2010-284
July 5, 2014 - filing 2014-135

In 2015, MELA was repealed and its responsibilities absorbed by the **Finance Authority of Maine (FAME)** - see 20-A MRS §11414 *et seq.* This chapter was subsequently renumbered as 94-457 CMR ch. 801.

Attachment B

Vendor Security Program Questionnaire

Cloud Services Solution Vendor Information	FAME reviews the IT security of all cloud-based services that store, process, or transmit data that FAME considers to be sensitive or restricted. Please complete the questionnaire and provide the documentation requested below.	
Requested Documentation	Document Titles	Comments
<p>Please completing the following questionnaire and provide the documentation listed (as applicable or available without a non-disclosure agreement (NDA)).</p> <p>If FAME requires clarification regarding one or more responses, we will request additional information and address NDA measures at that time.</p> <p>Note that FAME is a public entity, and this is a public bid. Parts of your proposal could be subject to future FOIA/FOAA requests.)</p>	<p>Cloud Security Alliance Consensus Assessments Initiative Questionnaire (if cloud service provider)</p> <p>A vulnerability, penetration, or ethical hacking report prepared by a third party (not by the vendor)</p> <p>Documentation describing the technical and security infrastructure</p> <p>Data flow diagram for data processed by the application/service</p>	<p>FAME cannot validate and approve services or applications without supporting documentation. Please attach the requested documentation when returning the Security Program Questionnaire.</p>

Information Security	Information Security Questions	Comments
Management Program	Please describe your Security Management Program or attach a copy. Does your organization follow a particular security standard such as ISO-27001, ISO-22307, CoBIT, HITRUST, etc. or do you have your own?	
Policy Reviews	Do you notify clients when changes are made to security policies or procedures?	
User Access Policy	Please describe your employee termination procedures.	
Encryption Key Management	Will all data be encrypted at rest? (What algorithms are used?)	
	Will all data be encrypted in transit, including between servers? (What algorithms are used?)	
	Do you have an encryption key management system? (Please describe?)	
Vulnerability Scans & Patch Management	Do you conduct server vulnerability scans?	
	Do you conduct application vulnerability scans?	
	Please explain your patching policy, timeframes, and procedures.	
Malicious Software Protection	Do you have anti-malware or virus protection programs installed? (Which programs?)	
	How often are your malware/virus protection programs updated? How regularly are complete scans scheduled?	
Incident Management	How will you alert clients if their data may have been breached? Do you have a documented security incident response plan?	
	Can you incorporate client-specific needs into your incident response plan?	

	Please outline the responsibilities of your clients and you or your sub-contractors for responding to incidents?	
Incident Reporting	What methods do you use for log management?	
	Do logging and monitoring methods allow for isolation of an incident to a specific tenant?	
Incident Response Legal Preparation	How do you incorporate a “chain of custody” into your incident response plan?	
	Please share your procedures for forensic data collection and analysis?	
	Are you capable of supporting litigation holds (freeze of data from a specific point in time) for clients?	
Asset Returns	Please share a copy of your Privacy Policy.	
Audit Tools Access	How do you restrict, log, and monitor access to your systems? (Ex. Hypervisors, firewalls, vulnerability scanners, network sniffers, APIs, etc.)	
Source Code Access Restriction	Please describe your source code analysis process.	
Security Architecture	Security Architecture Questions	Comments
User ID Credentials	Please describe your identity management system and any options that are available to clients.	
	Does your system support both role-based and context-based access to the data?	
	Do you support multi-factor authentication? If so, what options are available?	
Data Security & Integrity	Is your data security architecture designed using an industry-standard? (ex. CDSA, MULITSAFE, CSA Trusted Cloud Architectural Standard, FedRAMP CAESARS)	

Application Security	Do you utilize NIST 800-64 (Security Considerations in the System Development Life Cycle) as a guideline for application development? - OR - Do you use another standard application security development framework?	
	Do you utilize automated source-code analysis tools to detect code security defects?	
Data Integrity	Are data input and output integrity routines (i.e., reconciliation and edit checks) implemented for application interfaces and databases to prevent manual or systematic processing errors or corruption of data?	
Production / Non-production Environments	Do you provide clients with separate environments for production and test / development processes?	
Remote User Multi-Factor Authentication	Is multi-factor authentication available for remote user access?	
Segmentation	Are systems and network environments logically separated?	
	Are systems and network environments segmented to allow isolation of restricted data?	
Wireless Security	What procedures are in place that require secure encryption for authentication and transmission during wireless transmission?	
	Have all vendor default passwords been changed?	
Shared Networks	How is access to systems with shared infrastructure restricted to only appropriate personnel?	
Equipment Identification	How does the information system identify and authenticate devices before establishing a network connection?	
Audit Logging / Intrusion Detection	Are file integrity (host) and network intrusion detection (IDS) tools implemented?	
	Are audit logs protected from modification?	
Mobile Code	How is mobile code monitored and controlled in your system?	

Third Party Audit	Are clients able to conduct their own vulnerability scans?	
Information System Regulatory Mapping	Do you have the capability to logically segment and recover data for a specific customer in the case of a failure or data loss?	
Risk Management	Is your organization insured by a 3rd party for losses?	
Data Governance	Data Governance Questions	Comments
Retention Policy	Do you have capabilities to enforce client data retention policies?	
Secure Disposal	Are you able to support secure deletion (ex. degaussing/cryptographic wiping) of archived data as determined by the client?	
	What happens to data at the end of a contract?	
Non-Production Data	Do you have procedures in place to ensure production data shall not be replicated or used in non-production environments?	
Information Leakage	Do you have controls in place to prevent data leakage or intentional/accidental compromise between tenants in a multi-tenant environment?	
	Do you have a Data Loss Prevention (DLP) or extrusion prevention solution in place for all systems which interface with your cloud service offering?	