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Sole Source Form

Requestor:	Davita Weary
Department:	Office of Student Financial Services
Date:	November 9, 2023
Vendor/Contractor:	Educational Computer Systems, Inc. dba ECSI
Products/Services:	ServicingSelect

Business Rationale

Why do you need to acquire these products or services?

The procurement for the above-mentioned Department is for the purchase of student loan servicing. University of Mississippi Medical Center needs a comprehensive campus-based student loan servicing solution to maintain compliance with all applicable regulations, ensure students and borrowers are provided with a high level of customer service, and to reduce the administrative burden on our office.

Has your Department bought these products/services in the past? Yes

- Who was the Vendor?
- What was the PO number?
- What was the PO date?
- What was the dollar amount?
- Was it Bid or Sole Sourced?

Why are these products or services the only ones that can meet your needs?

ECSI provides a complete administrative solution for managing student loan portfolios.

The full-service model is ECSI's most comprehensive and cost-effective solution for managing a student loan portfolio. ECSI provides borrowers with world-class customer service & unlimited phone support while processing all payments & entitlement forms on behalf of the school.



By partnering with ECSI, schools are able to focus on what's critical by relieving the following administrative responsibilities:

- Monthly Bill File Creation
- NSLDS Reporting
- Credit Bureau Reporting (Metro 2 Format – Reporting to all Four Agencies)
- Document Imaging & Storage
- Monthly Management Report Generation
- Required System Enhancements
- Website Updates & Maintenance

ECSI's proprietary loan servicing system, SAL, is the only platform on the market that provides the user-friendly Primary Window. There are no confusing screens, function key paths, or elaborate menu choices to remember. With SAL, 95% of all questions can be answered from just one screen, and the remaining 5% is tab driven for easy access. The Primary Window provides instant access to perform the following functions:

- Search for a Borrower by SSN, Last 4-Digits of SSN, SID, Name, Maiden Name, Co-Signer, Phone Number, Email Address, Heartland Key, etc.
- Manually Add New Loans and/or Advances
- Change a Borrower's Demographic Information
- Process Payments, Adjustments, Deferments, Postponements, Cancellations, etc.
- Access the Collection Screen for Rehabilitations, Reschedules, and Payoff Forecasting
- Review Transaction History
- Review and Add Memos or Comments
- Create and Generate Custom Letters via our Integrated Document Writer — Microsoft Word
- Produce Complete Exit Interviews, and/or 1845 Assignment Forms, within seconds
- Instantly Create and Print Management Reports
- Complete Judgment Tracking and Processing

Streamlined Operations

Flexible enough to handle any loan or debt type in existence (i.e., Perkins, Health Professions, Nursing, Institutional, etc.), SAL's Fund File stores an electronic copy of all federal & institutional promissory note entitlements and parameters, to ensure accurate and compliant SAL System processing.



Automatic Collection Agency Placements

Although ECSI's clients have the ability to place their borrowers with a collection agency manually, the Auto Agency Placement Module is designed to greatly enhance the process of assigning accounts to collection agencies, while reducing the time doing so.

During the initial set-up, ECSI works with their clients to determine when an account should be placed with a collection agency and which collection agency it should be placed with (i.e., collection agency #1 at six months delinquent).

One month before that date or at five months delinquent (in this example), ECSI provides clients with a list of potential placements which will be assigned to collection agency #1 in one month, assuming that there is no activity on these particular accounts. (Please note: Any account(s) listed on the Potential Placement Report may be held back from collection assignment if designated.) In exactly one month, if there has been no activity on these delinquent accounts, they'll automatically be placed with collection agency #1 as a 1st placement.

Per federal regulations, Perkins loan collection accounts shall remain with the first collection agency for no longer than 12 months without activity. If there has been no collection activity on these accounts at 3, 6, and 9 months, ECSI notifies the school and warns the collection agency there has been no activity on these accounts, and the accounts will be removed from the unit/agency if there is no activity within 12 months. Again, one month prior, or at the 11th month, ECSI provides a report that indicates which accounts will be placed with collection agency #2 and will send a final warning to collection agency #1. In one month (i.e., at the 12th month of no activity), the accounts would be automatically removed from collection agency #1 and placed electronically with collection agency #2. This process may continue forever or until the school decides to bring the account back in-house or assign it to the Department of Education.

ECSI can add collection costs to borrower accounts online, in real-time, with the option for automatic or manual addition. SAL maintains the 25% cost cap on appropriate accounts, without manual adjustment. SAL accommodates any contingency rate, to allow the school to negotiate rates with its collection agencies. Agency rates are stored behind the scenes within SAL for an automatic fee on fee assessment when an account is placed (manually or automatically).

When agency fees were capped by regulation changes on July 1, 2008, ECSI accommodated these changes for all clients.

SAL can also track 'other costs' which may be manually or automatically assessed to delinquent borrowers. Examples include penalty/late fees, letter fees, phone fees, email fees, credit bureau



fees, legal fees, NSF fees, skip trace fees, DRAP fees, in-house collection fees, etc. Such other costs, whether due or paid, are displayed on SAL's Primary Window and on many of ECSI's standard management reports and all collections related reports.

Name, Address, & Reference Information

Unlike other student loan billing systems, SAL can store up to 99 name and address changes per borrower and up to 999 references per borrower. ECSI can send borrower correspondence (i.e., billing statements, late letters, etc.) to the address of choice, store reference information, and provide the option of an exclusive billing address.

When a change is made to the borrower's demographic and/or reference information, SAL automatically records the date, time, operator number, and the source of the change for future auditing purposes.

All changes made to borrower and/or reference demographic information are stored within a SAL sub-file for easy access (e.g., not in the memos area) and may be retrieved and reactivated within seconds if needed.

SAL also provides instant, online access to each borrower's name and address profile report which may be generated, viewed, and/or printed at any time.

- SAL Stores 99 Name & Address Updates per Borrower
- SAL Stores 999 References per Borrower
- Auto Reference Downloads (ex: Online Exit & Entrance Interviews, etc.)
- Innovis Skip Tracing & Address Storage
- Post Office Address Change Requests
- Monthly Borrower Address Verification Review via ECSI website
- Bad Address Coloration Changes

Memos

SAL maintains a memo record of all contacts, both written and oral, with a borrower and/or borrower's representative. All memos are stored in chronological order, newest-to-oldest, top-to-bottom and are recorded real-time.

As a SAL system enhancement, a SAL-user may have the ability to update and/or delete a memo that has just been applied to the SAL System. A memo may only be updated and/or deleted when all 3 of the following criteria have been met.

- Only the SAL-user who entered the memo may update and/or delete it.



- The memo can only be updated and/or deleted on the same day that it was applied to the SAL System.
- If requirements 1 & 2 have been met, only the most recent memo (top memo) may be updated and/or deleted.

After each step of the due diligence process, SAL creates a system memo on each borrower's account for auditing purposes. Also, all collection letters, custom letters, and/or forms created through SAL's Document Writer (MS Word), automatically produce a system memo that includes the creation date & time, letter/form type created, and the operator's initials, as an audit trail and documentation of all collection history.

- Unlimited Memo Writing
- Automatic Memo Creation
- Review Dates / Tickler System for Collector Follow-Up
- Special Memo Capability for Instant SAL Visualization

History

SAL maintains an unlimited online transaction history record (by borrower, by loan), which cannot be changed, to keep our clients in compliance with federal regulations.

All transaction history is stored in chronological order, newest-to-oldest, top-to-bottom. As a recent SAL System enhancement, the Filter Button allows the Transaction History to be sorted by "Type" (ex: advances, deferments & cancellations, payments & other transactions, & all transactions).

- Unlimited Transaction History
- Viewing of Specific Transactions
- Change Loan Options
- Printing Capabilities

Entitlement Processing

To facilitate automation and accuracy within the SAL system during payment and entitlement processing, ECSI has created the Fund File. The Fund File stores an electronic copy of all federal and school-specific institutional promissory notes. The Fund File is so flexible, it can handle any loan type in existence, and a new fund can be set-up within minutes. The Fund File makes entitlement processing seamless and ensures compliance at all times.

The Fund File...

- controls entitlement months available, used, and remaining;
- controls cancellation percentage amounts available, used, and remaining;



- allows for fully automated national student clearinghouse deferment processing;
- is fully integrated with the OPEID directory for instant verification;
- is fully integrated with the low-income school directory & report option.

Interest Accrual

ECSI's SAL System is also the only system in the country that offers the flexibility to accrue interest both daily or monthly, and it will accommodate any interest rate, including zero interest loans. This functionality is enabled through the Fund File parameters and can be changed to daily or monthly by fund type as the interest calculation method is controlled at the fund level. Schools have the capability to compound interest for either method and to capitalize interest. Monthly interest accrual is utilized by 99.9% of schools; however, the daily interest option may be of interest to schools that administer short-term or emergency loans. Since interest accrual is fund specific, it can be activated for only selected funds, as needed.

Cohort Default Rate Tools

ECSI is the only student loan billing servicer that allows its clients to control borrower delinquencies and cohort default rates. As an example, any borrower in this year's cohort calculation will be displayed and highlighted in green and any borrower in next year's cohort calculation is highlighted in yellow to provide easy identification of these critical accounts.

ECSI's Cohort Report not only displays the current cohort default rate – it also provides a 30, 60, and 90-day default rate projection.

In addition to automatically producing a paper billing statement when an ACH or eBill borrower becomes delinquent, ECSI also offers many ancillary features and optional services to help assist collection efforts, reduce delinquency, and reduce cohort default rates. These include, but are not limited to, the following:

- Cohort Report Projections (Current, 30, 60, 90-Day Projections)
- Default Prevention Services (DPS)
- Default Reduction Assistance Program (DRAP) Reporting
- Custom Phone Call Services
- Custom Letter Services
- Fully Automated Skip Trace Services (Address and Home Phone Number)
- Fully Compliant Electronic Disclosure Services (including the new PLEA Disclosures)
- Review/Tickler System - Cohort Options
- Auto Agency Placement & Retraction
- Perpetual Billing



- State Tax Offset File Creation, if applicable in your state
- Multiple Payment Options (ex: Check, ACH, eCheck, Credit Cards, etc.)
- Multiple Billing Options (ex: Paper Billing Statement, eBill, etc.)
- Grace Ending Notices – Proactive Calls/Letters for Expiring Grace Periods

Billing & ePayment Options

- ACH Draw Date Options: 1st, 10th, 15th, & 20th
- Permanent & Temporary ACH Payments
- On-Demand ACH Payments via eCheck
- Credit Card Payment Options (One-Time and Recurring)
- Regular Billing Statements
- Electronic Billing Statements & Storage (Unlimited)
- Coupon Payment Option
- Current Invoice Viewing Capabilities via SAL
- Prior Invoice Viewing Capabilities via SAL
- Perpetual Billing History (10-year storage)

Regulation Z

ECSI was the first student loan billing servicer to develop a fully automated Regulation Z solution for higher education. Regulation Z consists of three disclosures and a self-certification form provided to the borrowers of private education loans at specific intervals of the loan application and approval process.

These disclosures are required for every private education loan a school or lender provides and must contain special HEOA requirements and content. This includes all institutional, health professions, and nursing loans, which fall under the Department of Education's definition of a private education loan.

Most private education loans currently do not contain disclosures of any type. In order for schools to provide these three required disclosures, they would have to print and mail them at each interval and then patiently wait for the student's response. This wastes time, money, and valuable resources, and it can delay the approval and disbursement process.

ECSI's Regulation Z solution gives schools back that valuable time and energy by creating the disclosures automatically during and after the application process and can save costly school resources by providing all three disclosures and the self-certification form electronically. ECSI's



process also automatically tracks the three-day right to cancel period required by Regulation Z for such loans.

Bankruptcy Monitoring

ECSI's Bankruptcy Monitoring Solution is a fully integrated SAL solution that continuously monitors and automatically updates accounts with the correct bankruptcy status. This not only reduces legal liability but also improves cash flow.

Here is how it works.

- ECSI monitors grace and repayment accounts in SAL and records the results of the monitoring process.
- When a bankruptcy is found, SAL is automatically updates with a bankruptcy deferment flag, bankruptcy type, and a memo is added.
- When a dismissed bankruptcy is found, SAL automatically removes the bankruptcy deferment flag in SAL and adds a memo.

The Bankruptcy Monitoring Solution has been tremendously successful in ensuring compliance with the automatic stay, while assisting with cash flow by removing the bankruptcy deferment in a timely manner.

LVC Process

ECSI has developed a solution to accommodate direct loan consolidations processed through the newly automated system which was mandated by the Department of Education. The service allows schools to avoid the tedious tasks of monitoring several sources for file transfers, manually inputting data into an online portal, waiting for a fund transfer, reconciling from a manifest, and managing the over and underpayments.

Red Flag Regulations

ECSI offers a Red Flag Regulation service. This service includes tagging all suspicious activity and producing a monthly report (available via the web) which identifies each flagged account and the reason for concern. In instances where there is suspicion, ECSI (optionally) will follow up with the student or borrower via the US Mail under the Premium Red Flag Regulation service.

Government Assignment Packets

ECSI supports schools during the process of assigning Perkins loans to the Department of Education, Financial Student Aid (the Department) with an optional Government Assignment



Package. ECSI works with its clients to support them through the steps set forth by the Department to successfully assign Perkins loans.

Here are the steps ECSI takes within the government assignment process:

- Send notifications to borrowers as are required by Federal Perkins regulations
- Remove loans from collection agencies
- Produce electronic OMB-1845 forms in compliance with assignment guidelines set forth for Federal Perkins loans
- Generate loan history and memo files
- If applicable, generate electronic promissory notes
- Update accounts in SAL to show the loan was assigned to the Department
- Update NSLDS
- Update credit status with the credit bureaus
- Cease all future reporting upon completion

Note: ECSI has recently introduced our new Enhanced Perkins Loan Assignment solution to help further streamline this important process. Schools can send ECSI the promissory notes for the loans being assigned, and ECSI will take the above steps and will assemble the assignment packets and submit them to the Department of Education on the school's behalf.

Document Imaging

ECSI scans every check and remittance statement received and processed on clients' behalf along with all other pertinent documents such as deferment and cancellation forms, borrower correspondence, etc. Today, by scanning and storing all important documentation, ECSI can now provide clients, and their borrowers, with instant clarification.

Fully Integrated Collection Module

ECSI provides a fully integrated collection module with a built-in tickler system, as a part of their standard software. The collection screen allows schools to see all of a borrower's debt summarized with totals, and also includes the ability to search for borrowers, update borrower demographic information, update borrower reference information, access name and address history, review transaction history, create forms & letters through SAL's Microsoft Word Document Writer, forecast future payoffs, process renegotiations, process rehabilitations, make temporary payment arrangements, add special memos, etc.



ECSI offers the option to assess pre-determined collection fees that instantly appear on the SAL system and on the borrower's next ECSI billing statement. By assessing these collection fees, schools have the ability to recover their investment by allowing the SAL system to pay for itself.

World Class Customer Service

ECSI provides the highest levels of customer service and support in the industry. When needed, school staff can reach a live, experienced ECSI Client Support Representative from 8:00 a.m. to 8:00 p.m. EST, Monday through Friday via a toll-free number or live chat. At ECSI, all requests and inquiries are responded to within 24 hours or less. Additionally, ECSI's client service department is currently working to process all borrower paperwork on the same day it is received.

ECSI's Customer Service Team provides students and borrowers with live customer support (phone, email and live chat) and it is available 7:30AM to 8:00PM ET, Monday through Friday. Additionally, the live chat team is available 8:00AM to 5:00 PM ET on Saturday. ECSI's secure website is available 24x7 with 99.98% uptime. The option for live support outside of standard hours is available as needed by schools.

During standard business hours, students or parents will be able to contact live customer service and reach a Customer Service Representative in five rings or less. If the customer service team is contacted after standard business hours, the student's request will be responded to within 4 hours of the opening of business the next day. Email inquiries from students or parents are responded to within 1 hour during standard business hours and within 4 hours on the next business day if after standard hours.

Additionally, ECSI has partnered with Voiance, a U.S. based call center with 15 years of experience. Voiance specializes in phone interpretation solutions offering these services for over 170 languages, 24 hours a day, 7 days a week, 365 days a year. This feature allows ECSI customer service specialists to engage in three-way conversations between a client/borrower and a Voiance interpreter.

ECSI's secure website provides clients, borrowers, and collection agencies with important, up-to-date information. After successfully logging into the website, borrowers have the ability to quickly review their account information to answer many of their own questions. In addition, they also have unlimited access to:

- Sign Up and Review Copies of their Electronic Bills
- Make Electronic Payments via ACH or Credit Card
- Review Current Account Balances, Payoff Amounts, etc.



- Update Demographic and/or Banking Information
- Download Entitlement Forms
- Complete Online Entrance Interviews & e-Sign their Prom Notes
- Complete Online Exit Interviews
- Review Electronic Disclosure Statements
- Authorize Release of Information

Just as important, each client has the ability to access and review all borrower information to answer questions as well. In addition, schools have access 24 hours a day and 7 days a week to view and print all ECSI management reports, electronic bills, scanned documents, users' manuals, etc. Finally, whether accounts are manually assigned or are assigned through the Auto Agency Placement Module, collection agencies will have the ability to instantly access and download all borrower account information and data files to begin their collection efforts immediately.

New Borrower Website

ECSI has developed a new borrower website. In addition to bringing all current functionality up to date, the following features were also added:

- Borrowers have the ability to sign up for alerts and notifications
- Borrowers have the ability to view their loans with multiple schools
- Borrowers are able to view multiple accounts (e.g., Perkins Loan, Tuition Payment Plan, etc.) from one dashboard
- New and improved user tools such as FAQs, entitlement forms, etc.

The following functionality is available via ECSI's borrower website.

Account Overview

- Last Payment Amount and Date
- Current Amount Due and Due Date
- Next Scheduled Payment Amount and Scheduled Payment Date
- Loan Status
- Number of Months Past Due
- Original Balance
- Remaining Balance
- Accrued Interest
- Accrued Fees
- Payment Amount
- Fixed Payment
- Repayment Terms



Make A Payment

The borrower can make a one-time payment or recurring payments online via their checking account, savings account, credit card, and debit card.

Billing & Payment History

- Current statement summary
- Last payment summary
- Electronic version of current and prior billing statements.
- Payment history

Documents

The borrower can view documents that are associated with their account including, but not limited to, Promissory Notes, Exit Interviews, Tax Documents (1098-T or 1098-E), and Disclosures.

Contact Information Section (all can be updated online)

- Address
- Phone Number
- Email Address
- Statement Delivery Method
- Third-Party Information Release

Other functions that the borrower can perform using the borrower website include:

- Online entrance counseling and e-signing of the promissory note
- Annual disclosures including Perkins Loan Extension Act Disclosures
- Access to entitlement forms for deferment, forbearance, and cancellation
- Live Chat

Standard and Custom Management Reports

ECSI is the only loan servicer that offers unlimited report flexibility. In addition to their robust reporting library, ECSI is willing to create and/or customize any new (or existing) ECSI management report to meet specific reporting needs. If desired, all ECSI reports may be customized according to specific field and layout requirements, sort, and sequence criteria, and report frequency. Additionally, all ECSI management reports may be generated through SAL's Report Menu.



Every ECSI management report is uploaded and stored on ECSI's secure client website and is instantly available in MS Excel, Text, and PDF Formats when needed. Additionally, reports are available on the first of each month for the prior month with no downtime or delay.

Unique qualifications this vendor possesses?

ECSI is a proven performer and respected leader in the higher education industry. They provide a full range of customizable solutions in support of the entire life cycle of higher education and post-graduation. Founded in 1972, they have established themselves as the leading provider and partner for colleges and universities nationwide. With nearly 50 years of experience, more than 1,500 clients in all 50 U.S. states, and a 99.9% client retention rate, ECSI is the largest third-party billing servicer in the country and offers a full suite of intuitive and cost-effective solutions.

With unparalleled customer service, the trust and insight of their dedicated clients and the experience of printing and mailing over 900 million billing statements and processing over 700 million payments, they continue to refine their state-of-the-art solutions that helps streamline and automate operating efficiencies, maximizes cash flow, and enhances the overall experience for their students, borrowers, and families.

ECSI was also awarded the U.S. Department of Education's contract for Perkins Loan Servicing in February 2013 (i.e., Solicitation #ED-FSA-12-R-001, Phases 1 & 2), which was an extensive evaluation of all major Perkins Loan Servicers across the country. They were hand-selected to service the "federally held" portion of the existing Federal Perkins Loan Portfolio related to "Compliance, System Functionality, Automation, Customer Service, Client Support and IT Security" while meeting strict requirements related to "scalability in a dynamic environment" while possessing the "capabilities of implementing a variety of default aversion tools."

Their organization is managed by a highly experienced leadership team with an average of 25 years in the education industry and an average of 22 years in executive management. ECSI consists of five key operational and technical business units including Technical Operations, Application Development, Production Support, Client Support, and Customer Service. Additionally, there are six areas that support our operational and technical teams including Implementation and Program Management, Product Development, Human Resources, Training, Finance, and Marketing.

Were alternative products/services evaluated?

Alternative solutions were not evaluated as it is known in the higher education industry that ECSI is the leader in providing a comprehensive campus-based loan servicing solution. They provide multiple services (as described above) that are not offered by any other provider today.



What efforts were made to get the best price?

Due to the comprehensive and customizable nature of ECSI's loan servicing solution paired with the cost and time savings their solution provides, we believe their solution is priced competitively. By using ECSI's, we will save considerable time and resources due to the reduced administrative workload for our school.

Sincerely,

Lara Allworth

Lara Allworth
Client Relationship Coordinator