

**Request for Information  
(RFI)  
Alternative Loan Program for  
Indiana University,  
Bloomington Students**

**JUNE 1998**

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**SECTION A**

**Overview/Purpose**

Indiana University Bloomington is seeking to establish a relationship with a group of lenders to provide a loan program to IU students who, for whatever reasons, cannot take advantage of IU's Federal Direct Loans. This program will offer alternative resources for loans to international students and those domestic students who cannot take advantage of direct lending.

Because IU Bloomington is a participant in the Federal Direct Lending Program, it is anticipated that the initial focus of this program will be international students.

It is not the intention of Indiana University to be a party to the loans issued under this program. The university's participation in this program will be limited to certain gate-keeping functions as described in the section headed "Indiana University Participation".

If the responses to this RFI indicate the viability of the request, the university will issue a Request for Proposal (RFP) for this program. Our decision to proceed will be based on whether we find a lender or lenders who meet our criteria as outlined in the **SECTION E** of this RFI entitled "Program Requirements".

## **SECTION B**

### **Response Guidelines**

All questions regarding this RFI along with **5 copies** of your response should be directed to:

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Office of International Services  
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## **SECTION C**

### **Time Table**

June 12, 1998 Request For Information Mailed

July 24, 1998 Responses Due by 3:00 p.m.

July 31, 1998 Review completed

## **SECTION D**

### **Background: Indiana University**

#### **General**

Indiana University is one of the largest universities in the United States. It was established by the Indiana General Assembly in 1820 as Indiana Seminary and located in Bloomington. Designed as Indiana College by the General Assembly in 1828, it became Indiana University in 1838.

The Indiana University system is composed of eight campuses based upon the Bloomington-Indianapolis core campuses and regional campuses serving other areas of the State in Gary, South Bend, Fort Wayne, Kokomo, Richmond and New Albany. The Bloomington campus is the oldest and largest campus in the Indiana University system occupying 1,878 acres and is the primary residential campus, as well as the focus of this inquiry. The Indianapolis campus is the home of the Indiana University School of Medicine, School of Dentistry, School of Nursing and the School of Allied Health Sciences. The eight campuses of Indiana University total 3,491 acres.

Indiana University divides the year into two academic semesters and additional summer programs that vary in length by campus. The University offers courses in the arts, humanities, social, behavioral and physical sciences and professional fields. Additional programs include military service, professional practice, continuing education and special summer session programs.

The major areas and fields of study at the Bloomington and Indianapolis campuses are organized into the following specific schools: College of Arts and Sciences/School of Fine Arts; School of Business; School of Continuing Studies; School of Dentistry; School of Education; Purdue University School of Engineering and Technology, Indianapolis; Graduate School; School of health, Physical Education and Recreations; Herron School of Arts; School of Journalism; School of Law - Bloomington; School of Law, Indianapolis; School of Liberal Arts; School of Library and Information Science; School of Medicine/School of Allied Health Sciences; School of Music; School of Nursing; School of Optometry; School of Physical Education; School of Public and Environmental Affairs; Purdue University's School of Science, Indianapolis; and School of Social Work. The Purdue University School of Engineering and Technology, Indianapolis and the Purdue University School of Science, Indianapolis, include academic programs that are the responsibility of Purdue University.

In total, 739 Indiana University degree programs and 148 Purdue University degree programs, are authorized on Indiana University campuses. These degree programs consist of 391 four-year programs leading to baccalaureate degrees, 324 programs leading to advanced degrees (professional, master's and master's degree equivalents, and doctoral), and 171 associate and certificate degree programs.

The University's total headcount enrollment for the fall of 1997 was 91,215 students. During the academic year ending June 30, 1997, the university awarded a total of 14,243 degrees consisting of 8,750 baccalaureate degrees, 2,963 masters degrees, 1,223 professional and doctoral degrees and 1,307 associate degrees. Indiana University's full-time faculty as of the fall semester of 1997 aggregates 4,115 at all campuses.

## **Accreditations and Memberships**

Indiana University is fully accredited in all of its departments and divisions by the North Central Association of Colleges and Schools. Each professional school holds full accreditation from its respective professional association. Indiana University is a member of the American Council of Education and the Association of American Universities.

### Student Demographics

The following table indicates the percentage of undergraduate international students on each Indiana University campus:

Campus	Total Students	Total Foreign Students	Percent Foreign Students
Bloomington	34,937	2,477	7.1%
Fort Wayne	6,025	86	1.4%
Gary	5,256	13	0.2%
Indianapolis	27,036	568	2.1%
Kokomo	2,927	10	0.3%
New Albany	5,520	10	0.2%
Richmond	2,345	1	0.04%
South Bend	7,169	233	3.3%
TOTAL	91,215	3,398	3.7%

The following table indicates the worldwide representation among foreign students at all Indiana University campuses:

Region	Number of Students at IU	Percentage of All Foreign Students at IU
Asia	2,356	66%
Europe	483	13%

Latin America	249	7%
Middle East	163	5%
North America	137	4%
Africa	128	4%
Oceania	25	1%

The request pertains to the Bloomington campus only. The following table shows the distribution of foreign students in Bloomington among degree levels:

Degree Level	Percentage of Foreign Students
Undergraduate	39.4%
Masters	28.8%
Doctorate	30.5%
Professional	1.3%

### **Economic/Financial Factors**

Foreign students make an important contribution to the economic as well as to the socio-cultural life of the campus and of the surrounding community. In addition to the wealth of knowledge, talents, and abilities they share with us during their stay here, they annually expend large sums of money in the local economy which they have brought with them from home country sources.

Over two thirds (67%) of all foreign students on U.S. campuses receive most of their financial support from personal and family sources outside the United States, while over three quarters are primarily funded by non-U.S. sources. The Institute of International Education estimates that the gross economic impact of the almost 458,000 foreign students attending U.S. institutions exceeds 7 billion dollars per year.

If the education of international students in our colleges and universities were looked upon as an "industry", the institutions of higher learning involved would collectively comprise this country's fifth-largest exporter of services, according to the U.S. Department of commerce. The United States is in fact the world's leading exporter of educational services, its colleges and universities having generated annual trade surpluses valued in the billions of dollars.

Foreign students attending Indiana University in the 1998-99 academic year are expected to have available from \$22,907 to \$38,309 to cover essential educational and living expenses.

## **SECTION E**

### **Program Requirements:**

The University will select lenders for this program based on its evaluation of their ability to: (1) offer the broadest eligibility requirements, (2) offer the best financial package for students, (3) provide the best quality of student service.

Considerable weight will be given to lending programs that permit international students at Indiana University to take advantage of alternative loans without having to provide a U.S. cosigner; a home-country cosigner is acceptable.

#### **Student Eligibility**

The university would like loans to be available to both international students and U.S. citizens who are unable to participate in direct lending, at both the graduate and undergraduate levels.

The borrowers may be either a part-time or a full-time student on the Indiana University Bloomington campus.

#### **Service from the Lender**

The university will give preference to lenders that have a demonstrably strong commitment to providing students and the university with good service. Good service includes:

- brief and concise application form.
- effective procedures for expediting applications as well as requests from new and continuing students. The speed of providing these services to students applying from overseas will be a factor in consideration.
- consistent effort to provide accurate information to students about the progress of their loan application and their obligations in fulfilling the terms of the loan.
- resources, such as a toll-free number and specially trained staff.
- high performance in explaining procedures clearly to students and to university staff.

#### **Program Attributes**

At a minimum, Indiana University would like the loan program to have the following attributes.

- a low, well-defined interest rate.
- no or low additional costs, such as origination, application, or guarantee fees.
- flexible repayment terms, ranging from options to begin repayment immediately to opportunities to postpone repayment until after graduation. The impact of deferred repayment should be low and clearly defined.
- well-defined lending maximums for each year and for the duration of study, tied either to absolute dollar figures or to a percentage of the university's estimated educational expenses, or both. In its evaluation, the university will give a higher priority to the breadth of student eligibility than to the size of the lending maximum.
- disbursement to Indiana University (minimum of two disbursements during a nine-month academic year).
- no fees or charges to Indiana University by the lending institution.
- Repayment schedule and responsibility for collection remain exclusively with the lending institution.
- All financial transactions between the University and the lender should be facilitated via EFT (electronic funds transfer).

## **SECTION F**

### **Indiana University Participation**

A lending program that makes Indiana University a party to the loan is unacceptable. The promissory note should include only the lending institution, the borrower, and, if necessary, the borrower's cosigner.

Indiana University is willing to provide the following services on behalf of the loan program:

- providing information and applications to students it feels could benefit from the loan program.
- certifying students' current status and reporting when students cease to be enrolled.
- providing yearly estimated expenses of study.
- disbursing to students' university account.

- assuring that loan proceeds are first applied to tuition before issuing any refunds to the student.

The university is willing to consider other stipulations and the provision of reports related to:

- student status
- progress towards a degree
- previous repayment record.

## **SECTION G**

### **Other Considerations**

The university will consider conducting exit interviews as a service to lenders under the proviso that lenders will provide appropriate training to university staff.