

COMPETITIVE LOAN AUCTION PILOT PROGRAM FOR PLUS LOANS

PRE-QUALIFICATION FORM

Lender Name: _____ LID: _____

Address: _____ Contact Name: _____

_____ Phone: _____ email: _____

Please complete the following and return it to: plus-auction@ed.gov

1. States in which a bid will be made: List the State(s) you as an eligible lender participating in the Federal Family Educational Loan (FFEL) Programs intend to bid. The listing of a particular State(s) does not limit the lenders ability to bid in additional states, nor does it bind you to the States indicated, but provides the Secretary with the ability to assess the ability of a lender to originate, service and raise the capital necessary to make parent PLUS Loans in the States in which the lender has indicated an interest in bidding.

2. Borrower Benefits: The statute requires the Secretary to establish a set of borrower benefits lenders shall provide in order to participate in the PLUS Auction. The only permitted borrower benefit for Parent PLUS loans made as a result of the auction program required by the Secretary is a reduction in interest rates of not more than 0.25 percent that are contingent on the use of an automatic payment process by the borrower for any payments due. This benefit will be required for all borrowers to whom PLUS loans for parents are made and in all States the lender is the winning bidder. By submission of this form you are agreeing, should you win the bid, to provide this borrower benefit to all Parent PLUS borrowers to whom you lend as a result of this auction program.

3. Origination of PLUS Loans: Describe your ability and capacity to originate loans in a manner consistent with existing FFEL Program requirements in the State(s) in which you intend to bid. Please provide any supporting documentation to demonstrate your ability to originate the number and dollar volume of loans, understanding you could be one of only two lenders originating all PLUS loans for parents in the State(s) you indicated you would bid. Provide any other information to assist us in reviewing your capacity to originate loans in the State(s) you intend to bid, including but not limited to, technological compatibility with institutions in the State(s).

4. Servicing of PLUS Loans: Describe your servicing capability and capacity for PLUS loans that will be originated in the State(s) in which you intend to bid. You may provide any supporting documentation you believe will demonstrate that ability. Provide assurances there are no adverse audit findings outstanding, or other compliance or performance issues that would negatively impact your ability to service the PLUS loans originated in the State(s) in which you intend to bid. By signing this form you are certifying there are no If you outsource the servicing of loans originated to a third party, please provide all the information requested as it pertains to that third party, including but not limited to the organization's name, address, contact information, servicing capacity, etc.

5. Capital to Make PLUS Loans: Provide any supporting documentation necessary to demonstrate you will have and/or be able to raise the necessary capital to provide for the origination and full disbursement of the anticipated new volume of PLUS loans to parents for the period covered by the auction in the State(s) in which you intend to bid. What loan and dollar volume do you expect to originate in those States?

6. Organization Official: Identify the name and position held of the individual(s) with authority to place a bid for the eligible lender. The person you identify may be changed by notifying us before the auction begins.

Name

Position/Title

Required agreement: Please be aware a lender with a winning bid is obligated to enter into an agreement with the Secretary in accordance with section 499 (b)(3)(G)(i) of the HEA, to make all PLUS loans to all eligible PLUS loan borrowers in the State(s) in which it has the winning bid.

By signing below and submitting this form for prequalification, you are assuring all of the information provided is accurate to the best of your knowledge and agreeing to the terms and conditions outlined in this document.

Name

Signature

Date

Paperwork Burden Statement

According to the Paperwork reduction Act of 1995, no persons are required to respond to a collection of information unless such collection displays a valid OMB control number. The valid OMB control number for this information collection is 1840-0803. The time required to complete this information collection is estimated to average 36 minutes per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: U.S. Department of Education, Washington, D.C. 20202-4537. If you have comments or concerns regarding the status of your individual submission of this form, write directly to: Office of Postsecondary Education, U.S. Department of Education, 400 Maryland Avenue, S.W., K Street, Room 8030, Washington D.C. 20202-4537.