

FFELP Servicer Questionnaire Part I	Answer (Y/N)
<p>2. Is FFELP student loan servicing part of your long-term (5-year) strategy as an organization? (Please describe organizational strategy.)</p> <p>UNIPAC has been in the third party servicing business since 1978. Historically, the predominant focus for the corporation has been the servicing of student loans, including federal and private loan programs. It is an absolute and fundamental component of UNIPAC's long-term strategy to continue its position as the high quality solution for student loan servicing across the nation. This includes the commitment to continuously deliver the products and services needed by students, schools, and lenders to complement their participation in both federal and private student loan programs.</p>	<p>Y</p>
<p>3. Is the size of your current servicing portfolio greater than \$1 billion?</p>	<p>Y</p>
<p>4. Is your organization (processing system and personnel) capable of handling an increase in FFELP volume of \$550 MM? (Please provide supporting documentation.)</p> <p>Currently, UNIPAC successfully services \$12.3 billion. \$550MM of that volume is this FFELP volume mentioned above. This contract would represent a continuation of service for the \$550MM volume. UNIPAC has no foreseeable hardware, software, or personnel related limitations to large future growth.</p>	<p>Y</p>
<p>5. Is the following an accurate statement? Auditors did not disclose any material findings and/or note any scope limitations on audit work performed on any of your due diligence and other audits (of all or part of your portfolio) performed within the last 3 calendar years. (Please include supporting information.)</p> <p>Audit reports are enclosed in Appendix A.</p>	<p>Y</p>
<p>6. Is your organization financially sound? (Please include financial statements for the past three years and comparable credit reports/ratings.)</p> <p>Financial Statements are enclosed in Appendix B.</p>	<p>Y</p>
<p>7. Is your organization able to meet all of the reporting requirements set forth by this ITB? (Please include sample reports that match or exceed the requirements.)</p> <p>Sample reports are enclosed in Appendix C. UNIPAC has the capability of developing additional reports through VISION:Journey, an ad hoc reporting tool.</p>	<p>Y</p>

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<p>8. Is your organization capable of providing support to the State in public awareness initiatives as reflected in Task 29? (Please describe potential support.)</p> <p>UNIPAC has significant resources to support the Authority's desire to facilitate public awareness of its programs in Michigan. UNIPAC's extensive educational materials, web site, and employee expertise can be effectively leveraged to complement the Authority's own efforts to inform and educate target audiences in the state. As an example, UNIPAC's innovative @theU web site includes valuable consumer information and attractive services to students, and their families interested in pursuing a degree in higher education. This web site is available to all Michigan residents. Additionally, UNIPAC is prepared to work with the Authority to determine and implement the most effective vehicles to deliver public awareness initiatives.</p>	<p align="center">Y</p>
<p>9. Is your processing system flexible enough to handle potential servicing, reporting, and program changes initiated by the State? (Please include system design overview.)</p> <p>UNIPAC employs approximately 250 information technology professionals with the expertise to deal with any new requirements and modifications to the systems required by the State.</p> <p>In terms of hardware capacity considerations, UNIPAC owns and operates an IBM mainframe computer and banks of Compaq Servers that serve as the hardware infrastructure. UNIPAC continually monitors the performance of its hardware, operating systems, and associated subsystems to measure increases in clients' computing needs. UNIPAC thus ensures adequate capacity is maintained. All subsystems, such as disk space and tape utilization, are monitored and modified as necessary.</p> <p>The state-of-the-art servicing systems that are the foundation of the UNIPAC servicing operation have a demonstrated record of efficient and accurate performance. This track record is reflected by superior ratings from recent third-party audits, both in the areas of compliance and electronic data processing (EDP).</p> <p>These systems are the product of UNIPAC's ongoing commitment to investment in technology and technology infrastructure. From top information systems employee talents to the implementation of powerful new programming tools, document management systems, internet based applications and client server technology, UNIPAC continually invests in leading-ideas and technology. This investment is balanced by a conservative strategy of using proven system architecture and</p>	<p align="center">Y</p>

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<p>functionality to ensure overall performance. The result is a stable, capacity-oriented foundation complemented by the integration of the latest technology.</p> <p>In addition to providing the automation and controls to facilitate a low-risk servicing solution, the system also supports large-capacity processing. Over 7,000 schools and well over one million borrowers nationwide are currently serviced by this application software. The UNIPAC systems easily perform at or near 100 percent of system availability and have far greater capacity for volume growth.</p> <p>The core UNISTAR system runs in an IBM mainframe environment. The system consists of more than 800 programs written in COBOL II. The file structures consist of DB2, VSAM, and IAM. DB2 is a relational database product. VSAM is a keyed file access method. IAM is a product that compresses and optimizes VSAM files and eliminates any VSAM file size limitations. The core system consists of approximately 10 on-line screens that are executed under CICS.</p> <p>Various subsystems within UNISTAR, such as loan consolidation, lender profile maintenance, and image processing, run in a PC/LAN Windows based environment utilizing advanced technology tools such as Visual Basic, Microsoft ACCESS, and SQL server. An integral component of UNIPAC's system evolution effort is the continual evaluation and ultimate utilization of additional PC and client server technology. This approach can reduce development costs and provide superior functionality, yet interface effectively with the mainframe application in order to provide efficient processing as well as accelerate the development process.</p>	
<p>10. Is your organization capable of processing and servicing borrower incentive programs which include incentives such as a reduced interest rate for timely payments or a reduced reserve fee: (Please describe capabilities.)</p> <p>UNIPAC supports flexible borrower incentive programs. The eligibility and qualification criteria is table-driven, allowing clients to customize each program to meet their needs. Listed below are the incentive programs available to UNIPAC clients.</p> <p>➤ BILP (Borrower Incentive Loan Program) is a program that discounts the interest rate on a student loan if payments are made on-time. The client specifies what is considered an on-time payment, how many on-time payments are required to qualify, and how much the interest rate will be adjusted.</p>	<p align="center">Y</p>

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<p> <input checked="" type="checkbox"/> BILP-ML (Borrower Incentive Loan Program-Multiple Level) is a very similar program to BILP, except that the student loan customer can receive multiple interest rate discounts. The client specifies what is considered an on-time payment, the number of on-time payments required to qualify, the number of times the interest rate can be discounted for each set of on-time payments, and the amount of each interest rate adjustment. </p> <p> <input checked="" type="checkbox"/> BILP-S (Borrower Incentive Loan Program-Superloan) discounts the interest rate on a student loan whenever the customer is responsible for the interest. The client specifies how much the interest rate should be discounted. </p> <p> <input checked="" type="checkbox"/> EPD (Electronic Payment Debit) Discount reduces the interest rate on a student loan if the monthly payments are made automatically by electronic payment debit via UNIPAC's KwikPay product. </p>	
<p> 11. If there are multiple servicers and your organization is selected as the primary servicer, are you capable of coordinating and maintaining a central borrower database as described in the ITB? (Please provide supporting documentation.) </p> <p> UNIPAC currently coordinates and maintains the MHESLA Portfolio Servicer Reference Database. Sample database screens are enclosed in Appendix D. </p>	Y
<p> 12. Does your organization hold membership and actively participate in national industry associations (i.e. NCHELP, SLSA, or EFC)? (Please provide documentation.) </p> <p> UNIPAC actively participates in many state and national industry associations including but not limited to the following: </p> <p> Michigan Association of Student Financial Aid Administrators (MASFAA) National Council of Higher Education Loan Programs, Inc. (NCHELP) Student Loan Servicing Alliance (SLSA) Consumer Bankers Association (CBA) Education Finance Council (EFC) </p> <p> Documentation is enclosed in Appendix E. </p>	Y
<p> 13. Does your organization agree to not compete against the State in loan purchases? </p>	Y

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<p>14. Does your organization have a school support team? (Please describe the structure of the team and the relevant experience of each member.)</p> <p>UNIPAC is acutely aware of the industry's need for a premier loan servicer and has a team of experienced professionals dedicated to supporting UNIPAC serviced schools. The School Relations Department is responsible for building strong relationships with school financial aid personnel, gauging the level of service being provided to schools and borrowers by UNIPAC, working directly with schools to determine specific loan servicing needs, and responding with technologically advanced servicing solutions to meets those needs.</p> <p>Today, UNIPAC's School Relations Department consists of a Director, a Supervisor, and four full-time School Relations Representatives who are positioned strategically throughout the nation to provide school and client customers with dedicated support. Jeff Jobes, Senior Vice President of the Lincoln, Nebraska office since May of 1989, oversees all of UNIPAC's School Relations Department activities.</p> <p>The members of the School Relations department are:</p> <p>Jeff Hubbard, National Director of School Relations, has been with UNIPAC for one year. His previous experience as a Sales Associate for a leading regional bank in the Midwest positions him well for leading this growing and dynamic team.</p> <p>Alan Ishida is the School Relations Supervisor and has been with UNIPAC for 12 years. His experience managing UNIPAC's largest volume state from 1992 to 1999 provides him with the knowledge and insight to successfully coach and support UNIPAC's four full-time field representatives.</p> <p>Mike Nelson, School Relations Representative, is responsible for managing the student loan market in Michigan by supporting UNIPAC's school and client customers. He has been managing the State of Michigan for UNIPAC since June 1999. Mr. Nelson has over 15 years of industry experience. He began his career in the student loan industry working for a consulting firm and promoting their services to schools on the eastern seaboard. He also worked as the Director of Financial Aid for a group of technical schools in New Jersey, managed the Compliance and Government Relations Department for a national guarantor, and most recently served as the Director of Compliance and Audit for a servicing entity.</p>	<p align="center">Y</p>

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<p>LaShorne Gibson, School Relations Representative, has been with UNIPAC for 13 years. She has held several positions within the company, most recently coming from UNIPAC's Client Relations Department where she served for four years as an operational liaison between UNIPAC and its client community.</p> <p>Cathy Elander, School Relations Representative, is responsible for managing the State of Texas. Cathy has been in the student loan industry since 1990 and has held significant positions in a number of financial institutions in Texas. Cathy's background includes Operations Manager for a major national lender, sales and marketing for one of the nations largest banks, and finance at a major loan servicer. Cathy has been with UNIPAC since June 1999.</p> <p>Jerome Moss, School Relations Representative, is the newest member of the UNIPAC School Relations team. Jerome covers New York and New Jersey for UNIPAC. Prior to coming to UNIPAC in April 2000, Jerome's relevant financial aid experience includes serving as the Loan Coordinator since 1992 at the State University of New York's Fredonia, New York campus. Jerome's school experience adds a key perspective and focus to the UNIPAC School Relations team.</p>	
<p>15. Does your organization provide progressive Internet based products for schools and borrowers? (Please describe in detail these products and services.)</p> <p>UNIPAC has taken a proactive approach to implementing Internet technology. Students, parents, and schools who have a relationship with UNIPAC have access to the Internet products available on the UNIPAC web site at www.unipac.com.</p> <p>The products include:</p> <p>1. UniWeb_{SM} is an on-line suite of sophisticated loan processing products designed exclusively for school financial aid administrators. Available for Fall 2000 processing, UniWeb increases delivery speed and allows schools to make on-line changes, 24 hours a day, 7 days a week. The requirements for a school to use UniWeb are a signed software agreement and a logon ID.</p> <p>The following on-line services are available through UniWeb:</p> <ul style="list-style-type: none"> ➤ Entrance and Exit Counseling via the Internet Counsellink_{SM} combines Entrance and Exit counseling in an on-line forum, making it easy for students to satisfy federal 	<p align="center">Y</p>

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<p>loan counseling requirements. Important financial aid information is also available to students, demystifying the financial aid process from the very beginning.</p> <ul style="list-style-type: none"> ➤ On-line Applications Loan applications can be accessed via the Internet through AppLink_{SM}. It is an easy way for students to obtain loan applications, and allows students to complete and print the application conveniently from their home computers. ➤ PLUS Loan Approval PLUS loan approval is available on-line in seconds through PLUSLink_{SM}. The evaluation results provided by PLUSLink allow for the immediate processing of the loan. ➤ Disbursement Management Management of disbursement activity is easily one of the more important features of UniWeb, enabling schools to use Hold & Release, view the status of disbursements, and make necessary adjustments to them through \$\$\$Link_{SM} via the Internet. Schools receive immediate on-line display of change transactions, and can manage on-line cancellations through netting. ➤ Detailed Loan Origination Data On-line detailed loan origination information includes everything from loan type and status, to lender, guarantor, and repayment details. File modifications can also be made through UNILINK[®], including changes to a student's enrollment status and change of address. In addition, UNILINK is one of the best default management tools available in the industry, helping to reduce delinquency and default rates in schools across the country. ➤ School Inbox UniWeb also includes an electronic "Inbox" that enables schools to access data files, reports, faxes, and letters from a central location on the Internet. <p>2. StudentLink[®] allows customers to access loan information for all loans serviced by UNIPAC (FFELP and Private). Available 24 hours a day, 7 days a week, the following account information can be obtained:</p>	

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<ul style="list-style-type: none"> ➤ Current principal balance ➤ Next payment due date ➤ Interest rate ➤ Loan period and disbursements ➤ On-line deferment and forbearance forms <p>3. @theU_{SM} is a virtual campus for students and families with Internet products and services. MHESLA constituents visiting @theU will have access to the following information:</p> <ul style="list-style-type: none"> ➤ Financial Aid Information Students can access user friendly descriptions regarding financial aid opportunities, the application process, and the availability of student loans. Students can also use an interactive calculator to help determine Expected Family Contribution. ➤ Student Loan Applications Interested students can take advantage of on-line applications to apply for federal and private loans. ➤ Scholarship Search Students can search a national database of scholarships at no cost. ➤ Campus Store Students can purchase a wide variety of merchandise from name brand vendors from the e-commerce component of @theU. Members of @theU earn UniBucks for each purchase that can be applied to reduce their current or future student loan obligation at UNIPAC or any other servicer. ➤ Campus News Current events and human interest stories from campuses around the country can be accessed via the site. ➤ Event Center Students can follow the concert circuit and check specific dates and locations of their favorite music group, download music, and access movie reviews. ➤ Road Trip An on-line travel service provides the ability to browse airline and hotel information, and book preferred accommodations. 	

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<ul style="list-style-type: none"> ➤ Admissions Students can get assistance with college entrance exams and materials for SAT, GRE, GMAT and LSAT. Also available is an extensive college search program that assists students with choosing a college based on interests or degree programs. ➤ Career Center Users can begin planning their careers on @theU. This section provides articles on job hunting strategies, resumes, networking, interviewing, career management, and internships. ➤ Contact Us @theU members can provide feedback on the web site and suggest ideas for future enhancements. <p>A link is available in the About @theU section of this site for MHESLA to place on its web site free of charge.</p>	
<p>16. Does your organization offer benefit programs for students and/or parents? (Please describe in detail any programs.)</p> <p>As part of UNIPAC's loyalty program, @theU members will earn UniBucks worth up to 5% of each purchase at the Campus Store. UniBucks are tracked and accessed via the ATM. Once earned, UniBucks can be applied to the student loan account serviced at UNIPAC or any other financial institution designated. Parents, family members, and friends can establish their own @theU accounts, and UniBucks from these accounts can be transferred to any @theU member they choose.</p> <p>Borrowers with loans serviced by UNIPAC earn an extra 20% of the applied amount towards UniBucks.</p>	Y
<p>17. Does your organization use a quality measurement program? (Please describe in detail any programs.)</p> <p>INTERNAL MANAGEMENT AND CONTROL</p> <p>UNIPAC's reputation for providing quality products with an excellent level of service is a direct result of supplying sufficient, experienced personnel and computer resources to develop and support those products. Administering these assets effectively requires a sophisticated management tool. UNIPAC's Management Control System (MCS) has proven to be highly successful in this area.</p>	Y

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<p>The MCS system that continually evaluates each servicing activity that is performed. MCS procedures and workflows assist in successfully completing functions as well as providing a quality standard for all required work activities. Daily, weekly, and monthly reporting from MCS provide the informational tools for the management team to maintain productivity and quality levels. This reporting also monitors incoming work volumes to assist in planning appropriate resources, maintaining turnaround standards and deadlines, and managing incoming volumes.</p> <p style="text-align: center;"><u>Quality Standards</u></p> <p>Each work activity has a quality checklist of the criteria needed for successful servicing. Employees receive an objective performance rating daily. This checklist provides a consistent and continuous measurement of quality.</p> <p style="text-align: center;"><u>Centralized Staging Area of All Work</u></p> <p>MCS centralizes all incoming work in specified areas in each of the departments. Work is received in the designated area, assigned to staff, and returned to this area. This control assures that all incoming and completed work is accounted for, and allows completed work to be sampled for quality checks. In addition, the supervisor is constantly aware of work volume and is in control of assigning the next function to be performed.</p>	
<p>18. Does your organization offer clients the ability to update system data fields accessed online? If so, please identify which fields may be updated. (Please cite examples of clients that have this ability.)</p> <p>Through secure access, clients can view all system data and update the servicing history. Currently, MHESLA employees have the ability to perform these activities.</p>	<p>Y</p>
<p>19. Does your organization and key personnel have prior experience in portfolio conversion? If so, please describe the steps you took to ensure a smooth transition for students, parents, and schools. (Please include resumes of key operational, financial, and managerial personnel and provide references for portfolios previously converted.)</p> <p>The UNIPAC Conversions Department performs a number of checks and balances throughout the conversion process to ensure a quality conversion. UNIPAC can perform both manual and automated conversions, depending on the volume and specific requests of MHESLA. UNIPAC has a proven track record of customizing conversion activity</p>	<p>Y</p>

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<p>specific to client needs. UNIPAC maintains a high standard of quality checks throughout the conversion process.</p> <p>UNIPAC will work closely with MHESLA to discuss any special considerations regarding the conversion and prepare an appropriate project plan detailing the tasks and benchmarks to meet the conversion objective. Project plans with detailed timelines are created and adhered to. Each conversion is given a unique acquisition number for tracking. Balancing routines take place daily, at every stage of the conversion. All loans converted to the UNIPAC system are first added to a mirrored production environment. In this environment, required adjustments, balancing routines, and system edits are performed prior to placing the loans in production.</p> <p>The leadership team of the UNIPAC Conversions Department consists of one Manager, one Supervisor, and three Client Portfolio Representatives.</p> <p>Garry Graham is the Operations Manager. Mr. Graham has over 14 years experience with UNIPAC in a leadership role. His background within the FFELP industry includes Aversions, Claims, Appeals, Recovery, and two years as Manager of Conversions.</p> <p>The Conversions Supervisor is Grace Ruybal. Ms Ruybal has over 20 years experience with UNIPAC in a leadership role. Her background within the FFELP industry includes Aversions, Customer Service, and 12 years as Supervisor of Conversions</p> <p>Charlotte Lewis, Client Portfolio Representative, has been with UNIPAC over 6 years, one year in Customer Service, 5 years as a CPR in Conversions.</p> <p>Chris Blythe has over 13 years experience with UNIPAC in the Conversions Department.</p> <p>Beba Bockenstedt has 10 years experience with UNIPAC. Two years in Claims, seven years in Appeals, and one year in Conversions.</p> <p>Converted Portfolio References Michigan Higher Education Student Loan Authority 608 West Allegan Lansing, MI 48933 Contact: Mr. Fred Hasselback 517.373.8899</p>	

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<p>Manufactures and Traders Trust Company One Fountain Plaza, 4th Floor Buffalo, NY 14203 Contact: Mr. Tony Goodwin 716.848.3125</p> <p>Union Bank & Trust Company 3600 S. 48th St. Lincoln, NE 68506 Contact: Mr. Ken Backemeyer 402.488.0941</p> <p>Utah Higher Education Assistance Authority (SBR) 355 West North Temple #3 Triad Center, Suite 550 Salt Lake City, Utah 84180-1205 Contact: Mr. Richard Davis 801.321.7285</p>	
<p>20. Does your organization have the ability and willingness to support the conversion of schools from the Federal Direct Loan Program to FFELP? (Please provide at least one reference of a school you have successfully worked with on this type of conversion.)</p> <p>UNIPAC is very willing to support the conversion of schools from the Federal Direct Loan Program to FFELP. To date, UNIPAC has converted four schools.</p> <p>Baker College 1050 W. Bristol Flint, MI 48507</p> <p>Contact: Ellis P. Salim System Vice President for Student Services 810.766.4276</p>	<p align="center">Y</p>
<p>21. Does your organization provide clients with the ability to write and print out customized reports at the client's site? (Please describe any products.)</p> <p>A product manufactured by Sterling Software, VISION:Journey, is used to write and print out customized reports. Journey's capabilities include the ability to:</p>	<p align="center">Y</p>

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<ul style="list-style-type: none"> ➤ Generate simple or complex queries and reports ➤ Run queries against mainframe files and databases ➤ Download results of queries into a variety of file formats ➤ Obtain information from the mainframe ➤ Access the functionality for information management while benefiting from a user-friendly PC environment ➤ Print generated reports on a local printer <p>UNIPAC clients access to all of their data with enhanced security for ad hoc reporting</p>	
<p>22. Does your organization have significant existing relationships in the Michigan market (i.e., schools, lenders, secondary markets)? (Please provide an overview of the relationships that exist.)</p> <p>UNIPAC currently provides services to 82 schools located throughout the state of Michigan, including Baker College, University of Detroit Mercy, Detroit College of Business, University of Michigan, Michigan State University, and the majority of the state community colleges. UNIPAC began origination and student loan servicing relationships with these schools in 1998 (including the MI-LOAN program).</p> <p>UNIPAC has FFELP origination and loan servicing relationships with Michigan National Bank, Bank One, Comerica Bank, as well as the Authority (MHESLA). UNIPAC originates and services the MI-LOAN program on behalf of the Authority.</p> <p>UNIPAC interacts with over 130,000 Michigan student and parent borrowers through its FFELP and MI-LOAN servicing activities.</p> <p>Baker College's Corporate Director of Financial Aid is an active member of UNIPAC's School Advisory Board. UNIPAC has a standing position committed to a Michigan school on its advisory board.</p> <p>Additionally, UNIPAC has taken an active role in the following Michigan organizations:</p> <ul style="list-style-type: none"> ➤ A member of the Michigan Guarantee Agency Advisory committee since 1994. ➤ A member of MSFAA and platinum sponsor. 	Y

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<p>23. Does your organization have extensive document management and imaging expertise allowing for the ability to image the State's internal documents and for the State to be able to print copies of the imaged materials at the State's site? Can this service be customized to meet specific MHESLA needs? (Please describe any system in detail.)</p> <p>UNIPAC's extensive document management and imaging expertise make it possible to image State internal documents as well as allow the State to print copies of the imaged materials at the State's site.</p> <p>UNIPAC utilizes a front end capture package provided by Kofax, called Ascent. This is proprietary software, primarily written in C++. UNIPAC also utilizes a back-end retrieval software package provided by Optika, called FilePower. This is also proprietary software, primarily written in C. In addition, UNIPAC has written several utilities and report packages for internal use, using Visual Basic 6.0.</p> <p>The images scanned by UNIPAC are stored on optical platters, and the back-end retrieval software retrieves the images from these platters, based upon a UNIPAC-specific indexing structure (which usually includes borrower SSN). This media will change within the year, however, and magnetic disc will be the primary storage media, with magnetic tapes providing backup.</p>	<p align="center">Y</p>
<p>24. Is your organization able to provide customized special reports for selected schools? (Please provide examples.)</p> <p>Samples of the Forecast Report and Convert to Repayment Report are included in Appendix F. Additional customized reports can be implemented upon request.</p>	<p align="center">Y</p>

MI-LOAN Servicer Questionnaire

The MI-LOAN Servicer Questionnaire is composed of two parts.

Part I includes questions 1-12 and requires a "yes/no" answer. **Bidders must be able to answer "yes" and provide necessary documentation for questions 1-12 on the questionnaire to be qualified to bid. Those bidders who cannot answer "yes" are not eligible to bid.**

Part II includes questions 13-22 and also requires a "yes/no" answer. However, bidders who cannot answer "yes" to questions 13-22 are still eligible to bid.

Please complete the questionnaire and include it and your supporting documentation with your bid response.

MI-LOAN Servicer Questionnaire Part I	Answer (Y/N)
<p>1. Does your organization have experience and history in alternative student loan servicing? (Please describe organizational history.)</p> <p>UNIPAC has been servicing alternative loan programs since 1993. Today, we service a variety of alternative loan programs for clients such as Brazos Higher Education Authority, Comerica Bank, Maine Education Loan Authority, Michigan Higher Education Loan Authority, Minnesota Higher Education Services Office, and Union Bank & Trust.</p> <p>UNIPAC, a leader and premier servicer for over 20 years in the student loan industry, provides dedicated customer service and innovative, quality products to its clients nationwide. Headquartered in Aurora, Colorado, the company began operations in January 1978 with a staff of less than 20 people. Today UNIPAC employs over 1,100, servicing over \$12. billion in FFELP and private student loan programs.</p>	Y
<p>2. Is alternative student loan servicing part of your long-term (5-year) strategy as an organization? (Please describe organizational strategy.)</p> <p>UNIPAC has been in the third party servicing business since 1978. The predominant focus for the corporation throughout its history has been the servicing of student loans, including federal and private loan programs. It is absolutely a fundamental component of UNIPAC's long-term strategy to continue its position as the high quality solution for student loan servicing across the nation. This includes the commitment to continuously deliver to the marketplace the products and services requested by students, schools, and lenders to complement their participation in both federal and private student loan programs.</p>	Y

<p align="center">MI-LOAN Servicer Questionnaire</p> <p align="center">Part I</p>	<p align="center">Answer (Y/N)</p>
<p>3. Is your organization (processing system and personnel) capable of handling an increase in MI-LOAN volume of 100% a year? (Please provide supporting documentation.)</p> <p>The STAR™ system is a PC based client-server application designed with a SQL server database engine. STAR utilizes a 3-tier structure that has enabled UNIPAC to introduce multi-threading in the STAR application, which positions us to split processing across multiple servers. This structure enables UNIPAC to utilize as many servers as needed to handle future volume growth.</p> <p>UNIPAC is capable of handling the increase in origination volume. Cross training of FFELP and Private Loan Origination staff allows for greater flexibility to shift resources with increased volume.</p>	<p align="center">Y</p>
<p>4. Is the following an accurate statement? Auditors did not disclose any material findings on audit work performed on any of your audits performed within the last 3 calendar years. (Please include supporting information.)</p> <p>Audit reports are enclosed in Appendix A.</p>	<p align="center">Y</p>
<p>5. Is your organization financially sound? (Please include financial statements for the past three years and comparable credit reports/ratings.)</p> <p>Financial Statements enclosed in Appendix B.</p>	<p align="center">Y</p>
<p>6. Is your organization able to meet all of the reporting requirements set forth by this ITB? (Please include sample reports that match or exceed the requirements.)</p> <p>Enclosed are samples of the reporting package in Appendix I. Samples of the reports that do not currently exist in UNIPAC's production environment have been simulated. UNIPAC has the ability to create these reports if awarded the contract. Additional reports can be developed using Crystal Reports, a UNIPAC provided, client ad hoc reporting tool.</p>	<p align="center">Y</p>
<p>7. Is your organization capable of providing support to the State in public awareness initiatives as reflected in Task 22? (Please describe potential support.)</p> <p>UNIPAC has significant resources to support the Authority's desire to facilitate public awareness of its programs in Michigan. UNIPAC's extensive educational materials, web site, and employee expertise can be effectively leveraged to complement the Authority's own efforts to inform and educate target audiences in the state. As an example, UNIPAC's</p>	<p align="center">Y</p>

<p style="text-align: center;">MI-LOAN Servicer Questionnaire</p> <p style="text-align: center;">Part I</p>	<p style="text-align: center;">Answer (Y/N)</p>
<p>innovative @theU web site includes valuable consumer information and attractive services to students and their families who are interested in pursuing a degree in higher education. This web site is available to all Michigan residents. Additionally, UNIPAC is prepared to work with the Authority to determine and implement the most effective vehicle to deliver public awareness initiatives.</p>	
<p>8. Is your processing system flexible enough to handle potential servicing, reporting, and program changes initiated by the State? (Please include system design overview.)</p> <p>The STAR system is a profile driven system. The profiles allow flexibility in making changes to client specific program requirements. If program changes are required that cannot be updated in the profiles, UNIPAC has an Information Systems development group of 22 programmers along with 10 business/technical resources that support and enhance STAR. Additionally, with STAR's modular architecture, UNIPAC is able to make changes to a single component once, and all processes using that component get the benefit of the change. This simplifies the process of making system enhancements.</p> <p>The STAR™ System is a PC based product built in Visual Basic™, MicroFocus™ COBOL, and SQL Server™. STAR is table-driven and is accessible using Windows® 95 or Windows® NT with easy-to-read user screens. The system is structured to meet each loan program's needs through customization of its eight system profiles. Each profile allows the client to choose the parameters which best fit their demographic region and school requirements/requests. The eight profiles allow flexibility for base rate, interest, billing, fees, collections, capitalization, payment and general loan data.</p> <p style="text-align: center;"><u>Profiles</u></p> <p>The Base Rate and Interest Profiles work in tandem to calculate the interest rate assigned by the client. Various combinations can be accommodated, e.g., a three month T-bill as the base rate and a 5% margin or 5 points as the interest rate. Other options such as fixed or variable interest rate; daily, weekly, monthly, quarterly, semi-annually, or annually rate change frequency; and minimum and maximum interest rates are also available.</p> <p>The Fee Profile allows the client to customize fee assessment in a variety of ways; whichever is most applicable to the loan program. A late fee can be calculated as a percent of the payment amount, or as a flat fee. Other</p>	<p style="text-align: center;">Y</p>

<p style="text-align: center;">MI-LOAN Servicer Questionnaire</p> <p style="text-align: center;">Part I</p>	<p style="text-align: center;">Answer (Y/N)</p>
<p>possible approaches to fee assessments are those based upon a percent of Principal and Interest, Current Principal Balance, or Disbursement Amount. The client may also choose to establish minimum and maximum fee amount tolerances.</p> <p>Collection activity is completely customizable through the Collection Profile. Some of the parameters to be selected are the number of days a letter will be sent and to whom the letter will be sent. Also, multiple recipients may be designated at various number of days delinquency. Such as, on the 10th day of delinquency a letter is sent to the borrower and on the 15th day of delinquency a letter is sent to the co-borrower. Parameters for late fee assessment are set within this profile as well.</p> <p>The Cap Profile offers the opportunity for capitalization. Capping information, frequency, status, and billing information are specified in this profile.</p> <p>Payment specifications are established in the Payment Profile. Payment specifications include payment code, type of payment due, frequency that the payment is recalculated, minimum payment required, next due date, etc. This profile setup, once again, readily affords flexibility to the client.</p> <p>General loan information resides in the Loan Profile. Term, write-off amount, interest basis, and base rate margin are established within this profile. Required relationships (borrower, co-signer, reference, parent, school, etc.) and origination specifications (payee, co-payee, and "mail check to") are designated as well.</p> <p>Specific billing information regarding payment frequency and payment responsibility is noted in the Billing Profile. For example, payment responsibility can be assigned to the borrower, parent, co-signer, etc. The client controls every aspect of profile formation.</p> <p style="text-align: center;"><u>Status Junction</u></p> <p>Within each profile, multiple variables are chosen and assigned to a key or code. The package of selections made for each profile key or code is joined in the Status Junction. It is through the Status Junction that the program parameters are met.</p> <p style="text-align: center;"><u>Enhanced Capabilities</u></p> <p>The features of the product are further enhanced by its customer service capabilities. The system is able to run simultaneously on multiple PCs.</p>	

<p style="text-align: center;">MI-LOAN Servicer Questionnaire</p> <p style="text-align: center;">Part I</p>	<p style="text-align: center;">Answer (Y/N)</p>
<p>Authorized parties, which have been designated within profile information, can call and receive or provide borrower information without extensive searches.</p> <p>Reporting capabilities is expansive. Using Crystal Information as a report writer, letters and reports can be easily customized. In addition to 16 standard reports, any data stored in the system can be written to a report in various forms. This product also allows users to create client specified calculations from demographic and financial information for standard and ad-hoc reporting. Billing statements, collection letters, and miscellaneous ad-hoc letters to individuals or groups of participants are also generated from Crystal.</p> <p>This system is the product of UNIPAC's ongoing commitment to investment in technology and technology infrastructure. From top information systems employee talents to the implementation of powerful new programming tools, document management systems, internet based applications and client server technology, UNIPAC continually invests in leading-ideas and technology. This investment is balanced by a conservative strategy of using proven system architecture and functionality to ensure overall performance. The result is a stable, capacity-oriented foundation complemented by the integration of the latest technology.</p> <p>In addition to providing the automation and controls to facilitate a low-risk servicing solution, STAR™ supports large-capacity processing. Over 1,2000 schools and well over 111,000 borrowers nationwide with over 176,000 notes are currently serviced by this application software. The UNIPAC systems easily perform at or near 100 percent of system availability and have far greater capacity for volume growth.</p>	
<p>9. Is your organization capable of processing and servicing borrower incentive programs which include incentives such as a reduced interest rate for timely payments or a reduced reserve fee: (Please describe capabilities.)</p> <p>UNIPAC has the ability monitor borrower's accounts for Borrower Incentive Program qualifications and apply the appropriate incentive.</p>	<p>Y</p>
<p>10. If there are multiple servicers and your organization is selected as the primary servicer, are you capable of coordinating and maintaining a central borrower database as described in Task I? (Please provide supporting documentation.)</p> <p>UNIPAC currently coordinates and maintains the MHESLA Portfolio Servicer Reference Database. Sample database screens are enclosed in Appendix D.</p>	<p>Y</p>

<p style="text-align: center;">MI-LOAN Servicer Questionnaire</p> <p style="text-align: center;">Part I</p>	<p style="text-align: center;">Answer (Y/N)</p>
<p>11. Does your organization hold membership and actively participate in national industry associations (i.e. NCHELP, SLSA, and EFC)? (Please provide documentation.)</p> <p>UNIPAC actively participates in many state and national industry associations including but not limited to the following:</p> <p>Michigan Association of Student Financial Aid Administrators (MASFAA) National Council of Higher Education Loan Programs, Inc. (NCHELP) Student Loan Servicing Alliance (SLSA) Consumer Bankers Association (CBA) Education Finance Council (EFC)</p> <p>Documentation is enclosed in Appendix E.</p>	<p style="text-align: center;">Y</p>
<p>12. Does your organization have liability insurance for errors and omissions? (Please provide documentation)</p> <p>Please see Appendix G.</p>	<p style="text-align: center;">Y</p>
<p>13. Does your organization have a school support team? (Please describe the structure of the team and the relevant experience of each member.)</p> <p>UNIPAC is acutely aware of the industry's need for a premier loan servicer and has a team of experienced professionals dedicated to supporting UNIPAC serviced schools. The School Relations Department is responsible for building strong relationships with school financial aid personnel, gauging the level of service being provided to schools and borrowers by UNIPAC, working directly with schools to determine specific loan servicing needs, and responding with technologically advanced servicing solutions to meets those needs.</p> <p>Today, UNIPAC's School Relations Department consists of a Director, a Supervisor, and four full-time School Relations Representatives who are positioned strategically throughout the nation to provide school and client customers with dedicated support. Jeff Jobes, Senior Vice President of the Lincoln, Nebraska office since May of 1989, oversees all of UNIPAC's School Relations Department activities.</p> <p>The members of the School Relations department are:</p> <p>Jeff Hubbard, National Director of School Relations, has been with UNIPAC for one year. His previous experience as a Sales Associate for a leading regional bank in the Midwest positions him well for leading this growing and dynamic team.</p>	<p style="text-align: center;">Y</p>

<p align="center">MI-LOAN Servicer Questionnaire</p> <p align="center">Part I</p>	<p align="center">Answer (Y/N)</p>
<p>Alan Ishida is the School Relations Supervisor and has been with UNIPAC for 12 years. His experience managing UNIPAC's largest volume state from 1992 to 1999 provides him with the knowledge and insight to successfully coach and support UNIPAC's four full-time field representatives.</p> <p>Mike Nelson, School Relations Representative, is responsible for managing the student loan market in Michigan by supporting UNIPAC's school and client customers. He has been managing the State of Michigan for UNIPAC since June 1999. Mr. Nelson has over 15 years of industry experience. He began his career in the student loan industry working for a consulting firm and promoting their services to schools on the eastern seaboard. He also worked as the Director of Financial Aid for a group of technical schools in New Jersey, managed the Compliance and Government Relations Department for a national guarantor, and most recently served as the Director of Compliance and Audit for a servicing entity.</p> <p>LaShorne Gibson, School Relations Representative, has been with UNIPAC for 13 years. She has held several positions within the company, most recently coming from UNIPAC's Client Relations Department where she served for four years as an operational liaison between UNIPAC and its client community.</p> <p>Cathy Elander, School Relations Representative, is responsible for managing the State of Texas. Cathy has been in the student loan industry since 1990 and has held significant positions in a number of financial institutions in Texas. Cathy's background includes Operations Manager for a major national lender, sales and marketing for one of the nations largest banks, and finance at a major loan servicer. Cathy has been with UNIPAC since June 1999.</p> <p>Jerome Moss, School Relations Representative, is the newest member of the UNIPAC School Relations team. Jerome covers New York and New Jersey for UNIPAC. Prior to coming to UNIPAC in April 2000, Jerome's relevant financial aid experience includes serving as the Loan Coordinator since 1992 at the State University of New York's Fredonia, New York campus. Jerome's school experience adds a key perspective and focus to the UNIPAC School Relations team.</p>	

<p style="text-align: center;">MI-LOAN Servicer Questionnaire</p> <p style="text-align: center;">Part I</p>	<p style="text-align: center;">Answer (Y/N)</p>
<p>14. Does your organization provide progressive Internet based products for schools and borrowers? (Please describe in detail these products and services.)</p> <p>UNIPAC has taken a proactive approach to implementing Internet technology . students, parents, and schools who have a relationship with UNIPAC have access to the Internet products available on the UNIPAC web site at www.unipac.com.</p> <p>1. PreApp_{SM} allows customers to begin the application process on-line with a credit check. Results are returned in seconds.</p> <p>2. StudentLink® allows customers to access loan information for all loans serviced by UNIPAC (FFELP and Private). Available 24 hours a day, 7 days a week, the following account information can be obtained:</p> <ul style="list-style-type: none"> ➤ Current principal balance ➤ Next payment due date ➤ Interest rate ➤ Loan period and disbursements ➤ On-line deferment and forbearance forms <p>3. @theU is a virtual campus for students and families with Internet products and services. MHESLA constituents visiting @theU will have access to the following information:</p> <ul style="list-style-type: none"> ➤ Financial Aid Information Students can access user friendly descriptions regarding financial aid opportunities, the application process, and the availability of student loans. Students can also use an interactive calculator to help determine Expected Family Contribution. ➤ Student Loan Applications Interested students can take advantage of on-line applications to apply for federal and private loans. ➤ Scholarship Search Students can search a national database of scholarships at no cost. ➤ Campus Store Students can purchase a wide variety of merchandise from name brand vendors from the e-commerce component of @theU. Members of @theU earn UniBucks for each purchase 	<p style="text-align: center;">Y</p>

<p style="text-align: center;">MI-LOAN Servicer Questionnaire</p> <p style="text-align: center;">Part I</p>	<p style="text-align: center;">Answer (Y/N)</p>
<p>that can be applied to reduce their current or future student loan obligation at UNIPAC or any other servicer.</p> <ul style="list-style-type: none"> ➤ Campus News Current events and human interest stories from campuses around the country can be accessed via the site. ➤ Event Center Students can follow the concert circuit and check specific dates and locations of their favorite music group, download music, and access movie reviews. ➤ Road Trip An on-line travel service provides the ability to browse airline and hotel information, and book preferred accommodations. ➤ Admissions Students can get assistance with college entrance exams and materials for SAT, GRE, GMAT and LSAT. Also available is an extensive college search program that assists students with choosing a college based on interests or degree programs. ➤ Career Center Users can begin planning their careers on @theU. This section provides articles on job hunting strategies, resumes, networking, interviewing, career management, and internships. ➤ Contact Us @theU members can provide feedback on the web site and suggest ideas for future enhancements. <p>A link is available in the About @theU section of this site for MHESLA to place on its web site free of charge.</p>	
<p>15. Does your organization offer benefit programs for students and/or parents? (Please describe in detail any programs.)</p> <p>As part of UNIPAC's loyalty program, @theU members will earn UniBucks worth up to 5% of each purchase at the Campus Store. UniBucks are tracked and accessed via the ATM. Once earned, UniBucks can be applied to the student loan account serviced at UNIPAC or any other financial institution designated. Parents, family members, and friends can establish their own @theU accounts, and UniBucks from these accounts can be transferred to any @theU member they choose.</p>	<p>Y</p>

<p align="center">MI-LOAN Servicer Questionnaire</p> <p align="center">Part I</p>	<p align="center">Answer (Y/N)</p>
<p>Borrowers with loans serviced by UNIPAC earn an extra 20% of the applied amount towards UniBucks.</p>	
<p>16. Does your organization use a quality measurement program? (Please describe in detail any programs.)</p> <p>I INTERNAL MANAGEMENT AND CONTROL</p> <p>UNIPAC's reputation for providing quality products with an excellent level of service is a direct result of supplying sufficient, experienced personnel and computer resources to develop and support those products. Administering these assets effectively requires a sophisticated management tool. UNIPAC's Management Control System (MCS) has proven to be highly successful in this area.</p> <p>The MCS system that continually evaluates each servicing activity that is performed. MCS procedures and workflows assist in successfully completing functions as well as providing a quality standard for all required work activities. Daily, weekly, and monthly reporting from MCS provide the informational tools for the management team to maintain productivity and quality levels. This reporting also monitors incoming work volumes to assist in planning appropriate resources, maintaining turnaround standards and deadlines, and managing incoming volumes.</p> <p align="center"><u>Quality Standards</u></p> <p>Each work activity has a quality checklist of the criteria needed for successful servicing. Employees receive an objective performance rating daily. This checklist provides a consistent and continuous measurement of quality.</p> <p align="center"><u>Centralized Staging Area of All Work</u></p> <p>MCS centralizes all incoming work in specified areas in each of the departments. Work is received in the designated area, assigned to staff, and returned to this area. This control assures that all incoming and completed work is accounted for, and allows completed work to be sampled for quality checks. In addition, the supervisor is constantly aware of work volume and is in control of assigning the next function to be performed.</p>	<p align="center">Y</p>

<p style="text-align: center;">MI-LOAN Servicer Questionnaire</p> <p style="text-align: center;">Part I</p>	<p style="text-align: center;">Answer (Y/N)</p>
<p>17. Does your organization offer clients the ability to update system data fields accessed online? If so, please identify which fields may be updated. (Please cite examples of clients that have this ability.)</p> <p>Through secure access, clients have the ability to view all system data, to update the servicing history, and to schedule a follow-up. Currently, MHESLA employees have the ability to perform these activities.</p>	<p style="text-align: center;">Y</p>
<p>18. Does your organization and key personnel have prior experience in portfolio conversion? If so, please describe the steps you took to ensure a smooth transition for students, parents, and schools. (Please include resumes of key operational, financial, and managerial personnel and provide references for portfolios previously converted.)</p> <p>The UNIPAC Conversions Department performs a number of checks and balances throughout the conversion process to ensure a quality conversion. UNIPAC can perform both manual and automated conversions, depending on the volume and specific requests of MHESLA. UNIPAC has a proven track record of customizing conversion activity specific to client needs. UNIPAC maintains a high standard of quality checks throughout the conversion process.</p> <p>UNIPAC will work closely with MHESLA to discuss any special considerations regarding the conversion and prepare an appropriate project plan detailing the tasks and benchmarks to meet the conversion objective. Project plans with detailed timelines are created and adhered to. Each conversion is given a unique acquisition number for tracking. Balancing routines take place daily, at every stage of the conversion. All loans converted to the UNIPAC system are first added to a mirrored production environment. In this environment, required adjustments, balancing routines, and system edits are performed prior to placing the loans in production.</p> <p><u>Key Operational Personnel</u></p> <p>Joe Garman is Conversions Supervisor with over 14 years experience in the student loan industry.</p> <p>Michelle Wahlberg is Project Lead with 10+ years experience in student loans</p> <p><u>Converted Portfolio References</u></p> <p>Michigan Higher Education Student Loan Authority 608 West Allegan</p>	<p style="text-align: center;">Y</p>

<p style="text-align: center;">MI-LOAN Servicer Questionnaire</p> <p style="text-align: center;">Part I</p>	<p style="text-align: center;">Answer (Y/N)</p>
<p>Lansing, MI 48933 Contact: Mr. Fred Hasselback 517.373.8899</p> <p>The Brazos Higher Education Authority Inc. 2600 Washington Ave. P.O. Box 1308 Waco, TX 76703-1308 Contact: Ms. Jo Himes 254.753.0915</p> <p>Minnesota Higher Education Services Office 1450 Energy Park Drive, Suite 350 St. Paul, MN 55108-5227 Contact: Ms. Marilyn Kosir 651.642.0567 x 3401</p>	
<p>19. Does your organization provide clients with the ability to write and print out customized reports at the client's site? (Please describe any products.)</p> <p>A product manufactured by Seagate Software, Crystal Reports, is used to write and print out customized reports. Crystal Reports' capabilities include the ability to:</p> <ul style="list-style-type: none"> ➤ Generate simple or complex queries and reports ➤ Run queries against an FTP (File Transfer Protocol) site that is updated daily ➤ Download results of queries into a variety of file formats ➤ Access the functionality for information management while benefiting from a user-friendly PC environment ➤ Print generated reports on a local printer 	<p>Y</p>
<p>20. Does your organization have significant existing relationships with Michigan schools? (Please provide an overview of the relationships that exist.)</p> <p>UNIPAC currently provides services to 82 schools located throughout the state of Michigan, including Baker College, University of Detroit Mercy, Detroit College of Business, University of Michigan, Michigan State University, and the majority of the state community colleges. UNIPAC began origination and student loan servicing relationships with these schools in 1998 (including the MI-LOAN program).</p>	<p>Y</p>

<p style="text-align: center;">MI-LOAN Servicer Questionnaire</p> <p style="text-align: center;">Part I</p>	<p style="text-align: center;">Answer (Y/N)</p>
<p>UNIPAC has FFELP origination and loan servicing relationships with Michigan National Bank, Bank One, Comerica Bank, as well as the Authority (MHESLA). UNIPAC originates and services the MI-LOAN program on behalf of the Authority.</p> <p>UNIPAC interacts with over 130,000 Michigan student and parent borrowers through its FFELP and MI-LOAN servicing activities.</p> <p>Baker College's Corporate Director of Financial Aid is an active member of UNIPAC's School Advisory Board. UNIPAC has a standing position committed to a Michigan school on its advisory board.</p> <p>Additionally, UNIPAC has taken an active role in the following Michigan organizations:</p> <ul style="list-style-type: none"> ➤ A member of the Michigan Guarantee Agency Advisory committee since 1994. ➤ A member of MSFAA and platinum sponsor. 	
<p>21. Does your organization have extensive document management and imaging expertise allowing for the ability to image the State's internal documents and for the State to be able to print copies of the imaged materials at the State's site? Can this service be customized to meet specific MHESLA needs? (Please describe any system in detail.)</p> <p>UNIPAC's extensive document management and imaging expertise make it possible to image State internal documents as well as allow the State to print copies of the imaged materials at the State's site.</p> <p>UNIPAC utilizes a front end capture package provided by Kofax, called Ascent. This is proprietary software, primarily written in C++. UNIPAC also utilizes a back-end retrieval software package provided by Optika, called FilePower. This is also proprietary software, primarily written in C. In addition, UNIPAC has written several utilities and report packages for internal use, using Visual Basic 6.0.</p> <p>The images scanned by UNIPAC are stored on optical platters, and the back-end retrieval software retrieves the images from these platters, based upon a UNIPAC-specific indexing structure (which usually includes borrower SSN). This media will change within the year, however, and magnetic disc will be the primary storage media, with magnetic tapes providing backup.</p>	<p>Y</p>

MI-LOAN Servicer Questionnaire Part I	Answer (Y/N)
22. Is your organization able to provide customized special reports for selected schools? (Please provide examples.) Please see a copy of the Denied Status Report in Appendix H. Additional customized reports can be implemented upon request.	Y



APPENDIX A

CONTRACTOR'S TECHNICAL PROPOSAL
(EXCERPTS)

UNIPACS

All other portions of proposal to remain with the Office of Purchasing. This includes:

Accounting Reports (Disk 1)

Claims Reports (Disk 2)

Other Reports (Disk 3)

Accountant Reports for Year End '97 & '99

IV-A. BUSINESS ORGANIZATION

Company Name: UNIPAC

Corporate Location: UNIPAC
3015 S. Parker Road, Suite 400
Aurora, CO 80014

Minnesota Location: UNIPAC
180 E. 5th Street, 13th Floor
St. Paul, MN 55101

Nebraska Location: UNIPAC
121 S. 13th, Suite 400
Lincoln, NE 68508



UNIPAC is a privately held for-profit corporation and began student loan servicing operation on January 1, 1978. It was incorporated in the state of Nebraska.

SUBCONTRACTORS

Anacomp Document Solutions
2520 Pilot Knob Road Suite 300
Mendota heights, MN 55120

Contact: Darlene Gieseke, Center Manager
Phone: 651.683.1000 ext. 347
Fax: 651.683.9838

UNIPAC supplies Anacomp with computer tapes containing client accounting information at the end of each month. If requested, clients are provided with microfiche copies of their statistical reports, alpha-cross reference listing, posting ledgers, and bond posting ledgers. On occasion, other special requests occur during the month, and Anacomp accommodates those microfiche requests as well.

While UNIPAC only contracts for microfiche services from Anacomp, they also provide other forms of storage such as CD ROM and imaging solutions. Anacomp provides document-management outsource services and technical support services. Their most recent product presents secured company reports and documents over the Internet.

Anacomp, Inc. (Nasdaq: ANCO) has a 32-year history with approximately 7,500 customers in the United States and internationally. Anacomp is headquartered in San Diego, California. The company employs approximately 2,500 people, and operates more than 50 document-processing service centers around the world.

Iron Mountain
5050 Moline Street
Denver, CO 80239

Contact: Kathy Newell
Phone: (303) 373-0557

Iron Mountain is a Records Management Company that provides document storage and retrieval. The company has been in business since 1951 and merged with Pierce Leahy and File Vault in February 2000. Iron Mountain is traded on the New York Stock Exchange as IRM. Its headquarter office is located in Collegeville, Pennsylvania, with shared responsibility out of Boston, Massachusetts. Iron Mountain has 550 operating sites, 9,000 employees, and 120,000 customers nationwide.

UNIPAC has approximately 9,700 boxes stored at this facility. UNIPAC has used Iron Mountain as a storage vendor for approximately 4-1/2 years. Iron Mountain has provided reliable and accurate service during this period.

IV-C. MANAGEMENT SUMMARY

A. Prior Experience

UNIPAC, a leader and premier servicer for over 20 years in the student loan industry, provides dedicated customer service and innovative, quality products to its clients nationwide. Headquartered in Aurora, Colorado, the company began operations in January 1978 with a staff of less than 20 people. Today, UNIPAC employs over 1,100 servicing over \$12 billion.

In the 1980s, the number of UNIPAC clients and corresponding loan volume increased significantly. Looking ahead to continued growth, a second office location was established in Lincoln, Nebraska. In November 1997, UNIPAC opened a third office in St. Paul, Minnesota to accommodate added volume as a result of changes within the industry. These two satellite offices allow UNIPAC to further expand its volume in a controlled, methodical manner, and enable it to be well positioned to meet any servicing challenges posed by the student loan industry.

UNIPAC provides one of the most sophisticated lender servicing systems in the industry. Through extensive research, development expertise, and testing, UNIPAC effectively maintains a state-of-the-art system that enables it to aggressively respond to its clients' dynamic business needs. It is UNIPAC's commitment to continued investment that yield the quality, flexibility and integrity that its clients have come to expect in all UNIPAC products.

The single most significant asset of UNIPAC's full service product is its management group. UNIPAC is fortunate to have mid-level management with multiple years of valuable experience working at UNIPAC. A broad foundation of knowledge has thus developed in the operation of its servicing system and the student loan program. Conversely, UNIPAC's senior level management brings a unique blend of expertise and leadership, cultivated from significant positions within other corporations prior to joining UNIPAC. The combination of these skills among UNIPAC's management has proven to be a very successful formula for building UNIPAC's strong national reputation.

The reinvestment in the organization's infrastructure has resulted in a unique combination of:

- **Extensive Human Resources**
Management with multiple years of student loan experience, over 200 information systems professionals, financial accounting experts, 25 quality control technicians, etc.
- **Advanced Technology**
Internal state-of-the-art data center, fourth generation computer applications, imaging, special reporting tools, etc.
- **Sophisticated Processing Environment**
Large capacity internal printing and mail room functions, multiple data entry units, leading-edge call center operations, over 97 toll-free customer service lines, etc.

Responsible Official:

Todd Eicher
Vice President
180 E. 5th Street, 13th Floor
St. Paul, MN 55101
Phone: 651.2657601

B. Staffing

The executive bios that follow highlight UNIPAC's corporate executives who would have ultimate responsibility for the MHESLA loan programs engagement.

K. Jon Kern has been the President of UNIPAC since it began operations on January 1, 1978. Since that time, he has led the corporation in expanding its products and services, as well as developing a plan that has allowed controlled growth with emphasis on quality. Mr. Kern was in charge of student loan operations at a local bank for six years before joining UNIPAC. Mr. Kern's educational emphasis was in business administration and data processing. Prior to entering the student loan industry, he was employed in private sector accounting and data processing.

Ray Ciarvella is the corporation's Executive Vice President, having joined UNIPAC in 1990. Mr. Ciarvella has direct responsibility for the support of our loan servicing products, including all information systems and operational processing activities. Additionally, Mr. Ciarvella works closely with UNIPAC's President to establish the corporation's overall strategic direction. His prior experience includes over eleven years in data processing management. Mr. Ciarvella graduated from Colorado State University with a degree in Computer Science.

Paul Tone began his employment at UNIPAC in 1989, and since that time, he has held a number of significant leadership positions in the corporation. In his current role as Senior Vice President of Government and Industry Relations, Mr. Tone represents UNIPAC on a number of national student loan committees and, as a result, ensures that UNIPAC and our clients are appropriately informed of the latest student loan policy and regulatory issues. Prior to joining UNIPAC, Mr. Tone served as Deputy Director of the Colorado Student Loan Program.

Edward Martinez joined UNIPAC Service Corporation in April of 1989 as the Senior Vice President of Administration and Legal. Mr. Martinez has served as Chairman of the Regulations Committee for the National Council of Higher Education Loan Programs (NCHELP). Prior to coming to UNIPAC, Mr. Martinez held the position of Assistant Director of Legal Affairs for the Colorado Student Loan Program for five years. His background also includes positions with the Colorado Attorney General's Office in the Education Unit, the Education Commission for the States, and as a banking attorney for the law firm of Davis, Graham, and Stubbs. Mr. Martinez earned his law degree from the University of Colorado.

Mark Voegelé joined the UNIPAC staff in August of 1990. Mr. Voegelé is the Vice President of UNIPAC's Information Systems Division, overseeing all data processing activities at the corporation. His background includes a B.S. degree in Computer Science from Mankato State University and extensive experience in IBM mainframe software development. Mr. Voegelé's initial responsibilities at UNIPAC included the enhancement of our loan servicing software.

Matt Hall is Vice President of the Loan Services Division. Mr. Hall's direct responsibilities include loan services across the three office locations. Prior to his current position, Mr. Hall managed the UNIPAC Information Systems department responsible for the maintenance and development of our student loan servicing system. Mr. Hall has twelve years of progressive experience in information systems programming and management within banking and financial industries and earned his B.S. in Business Finance from Indiana University.

Joe Bird is UNIPAC's Vice President of Marketing, and has been with UNIPAC since February 1991. Mr. Bird was with the Nebraska Student Loan Program (NSLP), most recently as Vice President of Lender and School Relations. Prior to NSLP, Mr. Bird held financial aid positions at the University of Nebraska, Omaha, and Kearney State College. Mr. Bird holds a B.S. degree in Elementary Education from Morningside College and an M.S. degree in Higher Education Administration from Iowa State University.

Todd Eicher, Vice President of the St. Paul office, has six years of experience with UNIPAC. After graduating from the University of Nebraska College of Law, Mr. Eicher joined UNIPAC as an attorney. Prior to his current role, Mr. Eicher had management responsibility for the Account Maintenance Department and the Compliance Department.

C. Subcontractors

Anacomp Document Solutions
2520 Pilot Knob Road Suite 300
Mendota heights, MN 55120

Contact: Darlene Gieseke, Center Manager
Phone: (651) 683-1000 ext 347
Fax: (651) 683-9838

UNIPAC supplies Anacomp with computer tapes containing client accounting information at the end of each month. If requested, clients are provided with microfiche copies of their statistical reports, alpha-cross reference listing, posting ledgers, and bond posting ledgers. On occasion, other special requests occur during the month, and Anacomp accommodates those microfiche requests as well.

While UNIPAC only contracts for microfiche services from Anacomp, they also provide other forms of storage such as CD ROM and imaging solutions. Anacomp provides document-management outsource services and technical support services. Their most recent product will present company reports and documents in a secured fashion over the Internet.

Anacomp, Inc. (Nasdaq: ANCO) has a 32-year history with approximately 7500 customers in the United States and internationally. Anacomp is headquartered in San Diego, California. The company employs approximately 2500 people, and operates more than 50 document-processing service centers around the world.

Iron Mountain
5050 Moline Street
Denver, CO 80239

Contact: Kathy Newell
Phone: (303) 373-0557

Iron Mountain is a Records Management Company that provides document storage and retrieval. The company has been in business since 1951 and merged with Pierce Leahy and File Vault in February 2000. Iron Mountain is traded on the New York Stock Exchange as IRM. Its headquarter office is located in Collegeville, Pennsylvania with shared responsibility out of Boston, Massachusetts. Iron Mountain has 550 operating sites, 9,000 employees, and 120,000 customers nationwide.

UNIPAC has approximately 9,700 boxes stored at this facility. UNIPAC has used Iron Mountain as a storage vendor for approximately 4-1/2 years. Iron Mountain has provided reliable and accurate service during this period.

APPENDIX B
CONTRACTOR'S PRICING

MICHIGAN HIGHER EDUCATION STUDENT LOAN AUTHORITY
FFELP Servicing
Price Proposal Summary
PRICING PERIOD: OCTOBER 1, 2000, THROUGH SEPTEMBER 30, 2005

<u>Service to be Provided</u>	<u>Quotation</u>	<u>Unit</u>	<u>Estimated Volume*</u>	<u>Months</u>	<u>Year 1 (2000/2001)</u>
Conversion Fee (Task 1)	\$ 7.50	per borrower	X 10	X 12=	\$ 900.00
Hardware/Software/Maintenance (Tasks 1 & 2)	\$ -	per year		=	\$ -
Dedicated Data Circuit (Task 2)					
Initial Set Up	\$ -	set up		=	\$ -
Service Fee	\$ 750.00	per month	X	12=	\$ 9,000.00
Printers (Task 2)	\$ -	per printer		=	\$ -
System Changes (Task 3)	\$ 60.00	per hour	X 10	X 12=	\$ 7,200.00
Portfolio Tapes (Task 4)	\$ 2,000.00	per tape	X 3 Units	=	\$ 6,000.00
Origination (Tasks 6 & 7)					
Stafford and PLUS	\$ 6.00	per application	X 1,000	X 12=	\$ 72,000.00
Consolidation Loan	\$ 55.00	per application	X 100	X 12=	\$ 66,000.00
In-school status					
Subsidized	\$ 1.95	per account	X 8,683	X 12=	\$ 203,182.20
Unsubsidized	\$ 2.20	per account	X 1,906	X 12=	\$ 50,318.40
Grace Period/Repayment: Current					
Subsidized	\$ 3.65	per account	X 44,643	X 12=	\$ 1,955,363.40
Unsubsidized	\$ 3.70	per account	X 16,841	X 12=	\$ 747,740.40
Consolidation Loans	\$ 4.15	per account	X 3,836	X 12=	\$ 191,032.80
Repayment: Delinquent					
Subsidized & Unsubsidized	\$ 5.90	per account	X 21,184	X 12=	\$ 1,499,827.20
Consolidation	\$ 6.40	per account	X 1,293	X 12=	\$ 99,302.40
Deferred Loans (Task 16)	\$ 3.65	per account	X 12,536	X 12=	\$ 549,076.80
Claim Processing (Task 18)	\$ -	per account	X 600	X 12=	\$ -
Cure Fee (Task 19)	\$ 600.00	per account	X 5	X 12=	\$ 36,000.00
Secondary Market (Task 22)					
Packaging	\$ 1%	purchased		=	\$ 60,000.00
Inspection/Conversion					
(a) In school status	\$ 5.00	per account	X 170	X 12=	\$ 10,200.00
(b) All other statuses	\$ 10.00	per account	X 425	X 12=	\$ 51,000.00
(c) Internal transfers	\$ 1.50	per account	X 4,500	X 12=	\$ 81,000.00
Local Lender Loan Program	\$ 5.00	per account	X 360	X 12=	\$ 21,600.00
Credit Evaluation (Task 23)					
Regular	\$ 2.50	per application	X 5	X 12=	\$ 150.00
Pre-Approval	\$ 5.00	per application	X 25	X 12=	\$ 1,500.00
Repurchases (Task 24)	\$ 20.00	per account	X 75	X 12=	\$ 18,000.00
Ad Hoc Reports (Task 26)	\$ 50.00	per report	X 5	X 12=	\$ 3,000.00
Public Awareness (Task 29)	\$ 0.001	portfolio		=	\$ 648,252.00
				Total =	\$ 6,387,645.60

*Volume will differ based on the actual number of units processed or needed.

MICHIGAN HIGHER EDUCATION STUDENT LOAN AUTHORITY
FFELP Servicing
Price Proposal Summary
PRICING PERIOD: OCTOBER 1, 2000, THROUGH SEPTEMBER 30, 2005

<u>Service to be Provided</u>	<u>Quotation</u>	<u>Unit</u>	<u>Estimated Volume*</u>	<u>Months</u>	<u>Year 2 (2001/2002)</u>
Conversion Fee (Task 1)	\$ 7.50	per borrower	X	20 X	12= \$ 1,800.00
Hardware/Software/Maintenance (Tasks 1 & 2)	\$ -	per year			= \$ -
Dedicated Data Circuit (Task 2)					
Service Fee	\$ 750.00	per month	X		12= \$ 9,000.00
Printers (Task 2)	\$ -	per printer			= \$ -
System Changes (Task 3)	\$ 66.00	per hour	X	20 X	12= \$ 15,840.00
Portfolio Tapes (Task 4)	\$ 2,000.00	per tape	X	3 Units	= \$ 6,000.00
Origination (Tasks 6 & 7)					
Stafford and PLUS	\$ 6.00	per application	X	1,150 X	12= \$ 82,800.00
Consolidation	\$ 55.00	per application	X	115 X	12= \$ 75,900.00
In-school status					
Subsidized	\$ 1.90	per account	X	10,853 X	12= \$ 247,448.40
Unsubsidized	\$ 2.15	per account	X	2,382 X	12= \$ 61,455.60
Grace Period/Repayment: Current					
Subsidized	\$ 3.58	per account	X	55,803 X	12= \$ 2,397,296.88
Unsubsidized	\$ 3.63	per account	X	21,051 X	12= \$ 916,981.56
Consolidation Loans	\$ 4.08	per account	X	4,795 X	12= \$ 234,763.20
Repayment: Delinquent					
Subsidized & Unsubsidized	\$ 5.83	per account	X	26,480 X	12= \$ 1,852,540.80
Consolidation	\$ 6.33	per account	X	1,616 X	12= \$ 122,751.36
Deferred Loans (Task 16)	\$ 3.58	per account	X	15,670 X	12= \$ 673,183.20
Claim Processing (Task 18)	\$ -	per account	X	600 X	12= \$ -
Cure Fee (Task 19)	\$ 600.00	per account	X	5 X	12= \$ 36,000.00
Secondary Market (Task 22)					
Packaging	\$ 1%	purchased			= \$ 60,000.00
Inspection/Conversion					
(a) In school status	\$ 5.00	per account	X	170 X	12= \$ 10,200.00
(b) All other statuses	\$ 10.00	per account	X	425 X	12= \$ 51,000.00
(c) Internal transfers	\$ 1.50	per account	X	4,500 X	12= \$ 81,000.00
Local Lender Loan Program	\$ 5.00	per account	X	360 X	12= \$ 21,600.00
Credit Evaluation (Task 23)					
Regular	\$ 2.50	per application	X	5 X	12= \$ 150.00
Pre-Approval	\$ 5.00	per application	X	25 X	12= \$ 1,500.00
Repurchases (Task 24)	\$ 20.00	per account	X	75 X	12= \$ 18,000.00
Ad Hoc Reports (Task 26)	\$ 50.00	per report	X	5 X	12= \$ 3,000.00
Public Awareness (Task 29)	\$ 0.001	portfolio			= \$ 648,252.00
				Total	= \$ 7,628,463.00

*Volume will differ based on the actual number of units processed or needed.

MICHIGAN HIGHER EDUCATION STUDENT LOAN AUTHORITY
FFELP Servicing
Price Proposal Summary
PRICING PERIOD: OCTOBER 1, 2000, THROUGH SEPTEMBER 30, 2005

<u>Service to be Provided</u>	<u>Quotation</u>	<u>Unit</u>	<u>Estimated Volume*</u>	<u>Months</u>	<u>Year 3 (2002/2003)</u>
Conversion Fee (Task 1)	\$ 7.50	per borrower	X 30	X 12=	\$ 2,700.00
Hardware/Software/Maintenance (Tasks 1 & 2)	\$ -	per year		=	\$ -
Dedicated Data Circuit (Task 2)					
Service Fee	\$ 750.00	per month	X	12=	\$ 9,000.00
Printers (Task 2)	\$ -	per printer		=	\$ -
System Changes (Task 3)	\$ 75.00	per hour	X 30	X 12=	\$ 27,000.00
Portfolio Tapes (Task 4)	\$ 2,000.00	per tape	X 3 Units	=	\$ 6,000.00
Origination (Tasks 6 & 7)					
Stafford and PLUS	\$ 6.00	per application	X 1,322	X 12=	\$ 95,184.00
Consolidation	\$ 55.00	per application	X 132	X 12=	\$ 87,120.00
In-school status					
Subsidized	\$ 1.65	per account	X 13,566	X 12=	\$ 268,606.80
Unsubsidized	\$ 1.90	per account	X 2,977	X 12=	\$ 67,875.60
Grace Period/Repayment: Current					
Subsidized	\$ 3.45	per account	X 69,753	X 12=	\$ 2,887,774.20
Unsubsidized	\$ 3.50	per account	X 26,313	X 12=	\$ 1,105,146.00
Consolidation Loans	\$ 3.95	per account	X 5,993	X 12=	\$ 284,068.20
Repayment: Delinquent					
Subsidized and Unsubsidized	\$ 5.70	per account	X 33,100	X 12=	\$ 2,264,040.00
Consolidation	\$ 6.20	per account	X 2,020	X 12=	\$ 150,288.00
Deferred Loans (Task 16)	\$ 3.45	per account	X 19,587	X 12=	\$ 810,901.80
Claim Processing (Task 18)	\$ -	per account	X 650	X 12=	\$ -
Cure Fee (Task 19)	\$ 600.00	per account	X 5	X 12=	\$ 36,000.00
Secondary Market (Task 22)					
Packaging	\$ 1%	purchased		=	\$ 60,000.00
Inspection/Conversion					
(a) In school status	\$ 5.00	per account	X 170	X 12=	\$ 10,200.00
(b) All other statuses	\$ 10.00	per account	X 425	X 12=	\$ 51,000.00
(c) Internal transfers	\$ 1.50	per account	X 4,500	X 12=	\$ 81,000.00
Local Lender Loan Program	\$ 5.00	per account	X 360	X 12=	\$ 21,600.00
Credit Evaluation (Task 23)					
Regular	\$ 2.50	per application	X 5	X 12=	\$ 150.00
Pre-Approval	\$ 5.00	per application	X 30	X 12=	\$ 1,800.00
Repurchases (Task 24)	\$ 20.00	per account	X 100	X 12=	\$ 24,000.00
Ad Hoc Reports (Task 26)	\$ 50.00	per report	X 5	X 12=	\$ 3,000.00
Public Awareness (Task 29)	\$ 0.001	portfolio		=	\$ 648,252.00
				Total =	\$ 9,002,706.60

*Volume will differ based on the actual number of units processed or needed.

MICHIGAN HIGHER EDUCATION STUDENT LOAN AUTHORITY
FFELP Servicing
Price Proposal Summary
PRICING PERIOD: OCTOBER 1, 2000, THROUGH SEPTEMBER 30, 2005

<u>Service to be Provided</u>	<u>Quotation</u>	<u>Unit</u>	<u>Estimated Volume*</u>	<u>Months</u>	<u>Year 4 (2003/2004)</u>
Conversion Fee (Task 1)	\$ 7.50	per borrower	X 40 X	12=	\$ 3,600.00
Hardware/Software/Maintenance (Tasks 1 & 2)	\$ -	per year		=	\$ -
Dedicated Data Circuit (Task 2)					
Service Fee	\$ 750.00	per month	X	12=	\$ 9,000.00
Printers (Task 2)	\$ -	per printer		=	\$ -
System Changes (Task 3)	\$ 82.00	per hour	X 30 X	12=	\$ 29,520.00
Portfolio Tapes (Task 4)	\$ 2,000.00	per tape	X 3 Units	=	\$ 6,000.00
Origination (Tasks 6 & 7)					
Stafford and PLUS	\$ 6.00	per application	X 1,520 X	12=	\$ 109,440.00
Consolidation	\$ 55.00	per application	X 151 X	12=	\$ 99,660.00
In-school status					
Subsidized	\$ 1.40	per account	X 16,957 X	12=	\$ 284,877.60
Unsubsidized	\$ 1.65	per account	X 3,721 X	12=	\$ 73,675.80
Grace Period/Repayment: Current					
Subsidized	\$ 3.15	per account	X 87,191 X	12=	\$ 3,295,819.80
Unsubsidized	\$ 3.20	per account	X 32,891 X	12=	\$ 1,263,014.40
Consolidation Loans	\$ 3.65	per account	X 7,491 X	12=	\$ 328,105.80
Repayment: Delinquent					
Subsidized and Unsubsidized	\$ 5.40	per account	X 41,375 X	12=	\$ 2,681,100.00
Consolidation	\$ 5.90	per account	X 2,525 X	12=	\$ 178,770.00
Deferred Loans (Task 16)	\$ 3.15	per account	X 24,483 X	12=	\$ 925,457.40
Claim Processing (Task 18)	\$ -	per account	X 700 X	12=	\$ -
Cure Fee (Task 19)	\$ 600.00	per account	X 5 X	12=	\$ 36,000.00
Secondary Market (Task 22)					
Packaging	\$ 1%	purchased		=	\$ 60,000.00
Inspection/Conversion					
(a) In school status	\$ 5.00	per account	X 170 X	12=	\$ 10,200.00
(b) All other statuses	\$ 10.00	per account	X 425 X	12=	\$ 51,000.00
(c) Internal transfers	\$ 1.50	per account	X 4,500 X	12=	\$ 81,000.00
Local Lender Loan Program	\$ 5.00	per account	X 360 X	12=	\$ 21,600.00
Credit Evaluation (Task 23)					
Regular	\$ 2.50	per application	X 5 X	12=	\$ 150.00
Pre-Approval	\$ 5.00	per application	X 30 X	12=	\$ 1,800.00
Repurchases (Task 24)	\$ 20.00	per account	X 100 X	12=	\$ 24,000.00
Ad Hoc Reports (Task 26)	\$ 50.00	per report	X 5 X	12=	\$ 3,000.00
Public Awareness (Task 29)	\$ 0.001	portfolio		=	\$ 648,252.00
				Total	\$ 10,225,042.80

*Volume will differ based on the actual number of units processed or needed.

MICHIGAN HIGHER EDUCATION STUDENT LOAN AUTHORITY
FFELP Servicing
Price Proposal Summary
PRICING PERIOD: OCTOBER 1, 2000, THROUGH SEPTEMBER 30, 2005

<u>Service to be Provided</u>	<u>Quotation</u>	<u>Unit</u>	<u>Estimated Volume*</u>	<u>Months</u>	<u>Year 5 (2004/2005)</u>
Conversion Fee (Task 1)	\$ 7.50	per borrower	X 50	X 12 =	\$ 4,500.00
Hardware/Software/Maintenance (Tasks 1 & 2)	\$ -	per year			= \$ -
Dedicated Data Circuit (Task 2)					
Service Fee	\$ 750.00	per month	X	12 =	\$ 9,000.00
Printers (Task 2)	\$ -	per printer			= \$ -
System Changes (Task 3)	\$ 90.00	per hour	X 40	X 12 =	\$ 43,200.00
Portfolio Tapes (Task 4)	\$ 2,000.00	per tape	X 3 Units		= \$ 6,000.00
Origination (Tasks 6 & 7)					
Stafford and PLUS	\$ 6.00	per application	X 1,748	X 12 =	\$ 125,856.00
Consolidation	\$ 55.00	per application	X 173	X 12 =	\$ 114,180.00
In-school status					
Subsidized	\$ 1.40	per account	X 21,196	X 12 =	\$ 356,092.80
Unsubsidized	\$ 1.65	per account	X 4,651	X 12 =	\$ 92,089.80
Grace Period/Repayment: Current					
Subsidized	\$ 3.15	per account	X 108,988	X 12 =	\$ 4,119,746.40
Unsubsidized	\$ 3.20	per account	X 41,113	X 12 =	\$ 1,578,739.20
Consolidation Loans	\$ 3.65	per account	X 9,363	X 12 =	\$ 410,099.40
Repayment: Delinquent					
Subsidized and Unsubsidized	\$ 5.40	per account	X 51,718	X 12 =	\$ 3,351,326.40
Consolidation	\$ 5.90	per account	X 3,156	X 12 =	\$ 223,444.80
Deferred Loans (Task 16)	\$ 3.15	per account	X 30,603	X 12 =	\$ 1,156,793.40
Claim Processing (Task 18)	\$ -	per account	X 750	X 12 =	\$ -
Cure Fee (Task 19)	\$ 600.00	per account	X 5	X 12 =	\$ 36,000.00
Secondary Market (Task 22)					
Packaging	\$ 1%	purchased			= \$ 60,000.00
Inspection/Conversion					
(a) In school status	\$ 5.00	per account	X 170	X 12 =	\$ 10,200.00
(b) All other statuses	\$ 10.00	per account	X 425	X 12 =	\$ 51,000.00
(c) Internal transfers	\$ 1.50	per account	X 4500	X 12 =	\$ 81,000.00
Local Lender Loan Program	\$ 5.00	per account	X 360	X 12 =	\$ 21,600.00
Credit Evaluation (Task 23)					
Regular	\$ 2.50	per application	X 5	X 12 =	\$ 150.00
Pre-Approval	\$ 5.00	per application	X 30	X 12 =	\$ 1,800.00
Repurchases (Task 24)	\$ 20.00	per account	X 100	X 12 =	\$ 24,000.00
Ad Hoc Reports (Task 26)	\$ 50.00	per report	X 5	X 12 =	\$ 3,000.00
Public Awareness (Task 29)	\$ 0.001	portfolio			= \$ 648,252.00
Deconversion to another Servicer (Task 28)	\$ -	per account	X 112,099		= \$ -
				Total	= \$ 12,528,070.20
				Grand Total for all Five Years	= \$ 45,771,928.20

*Volume will differ based on the actual number of units processed or needed.

MICHIGAN HIGHER EDUCATION STUDENT LOAN AUTHORITY

**MI-LOAN Program Servicing
Price Proposal Summary**

PRICING PERIOD: OCTOBER 1, 2000, THROUGH SEPTEMBER 30, 2005

<u>Service to be Provided</u>	<u>Quotation</u>	<u>Unit</u>	<u>Estimate Volume*</u>	<u>Year 1 (2000-2001)</u>
Conversion Fee (Task 1)	\$ 10.00	per borrower	X	10 x 12 mo. = \$ 1,200.00
Hardware/Software/Maintenance (Tasks 1 & 2)	\$ -	per year	X	1 = \$ -
Dedicated Data Circuit (Task 2)				
Initial Set Up	\$ -	setup	X	1 = \$ -
Service Fee	\$ -	per month	X	1 x 12 mo. = \$ -
Printers (Task 2)	\$ -	per printer	X	1 = \$ -
System Changes (Task 3)	\$ 60.00	per hour	X	20 x 12 mo. = \$ 14,400.00
Portfolio Tapes (Task 4)	\$ 1,000.00	per tape	X	3 = \$ 3,000.00
Audit Expenses (Task 4)	\$ 7,000.00	per year	X	1 = \$ 7,000.00
Origination (Task 6)	\$ 45.00	per application	X	300 x 12 mo. = \$ 162,000.00
Loan Servicing:				
Current	\$ 4.10	per borrower	X	7,480 x 12 mo. = \$ 368,016.00
Principal & Interest Forbearance	\$ 4.10	per borrower	X	300 x 12 mo. = \$ 14,760.00
Delinquent	\$ 7.10	per borrower	X	1,447 x 12 mo. = \$ 123,284.40
Public Awareness (Task 22)	\$ 1%	portfolio	X	\$41,000,000 = \$ 410,000.00
Ad Hoc Reports (Task 24)	\$ 50.00	per report	X	10 x 12 mo. = \$ 6,000.00
				Total = \$ 1,109,660.40

*Volume will differ based on the actual number of units processed or needed

MICHIGAN HIGHER EDUCATION STUDENT LOAN AUTHORITY

**MI-LOAN Program Servicing
Price Proposal Summary**

PRICING PERIOD: OCTOBER 1, 2000, THROUGH SEPTEMBER 30, 2005

<u>Service to be Provided</u>	<u>Quotation</u>	<u>Unit</u>		<u>Estimate Volume*</u>	<u>Year 2 (2001-2002)</u>
Conversion Fee (Task 1)	\$ 10.00	per borrower	X	20 x 12 mo. =	\$ 2,400.00
Hardware/Software/Maintenance (Tasks 1 & 2)	\$ -	per year	X	1 =	\$ -
Dedicated Data Circuit (Task 2)	\$ -	per month	X	1 x 12 mo =	\$ -
Printers (Task 2)	\$ -	per printer	X	1 =	\$ -
System Changes (Task 3)	\$ 60.00	per hour	X	30 x 12 mo. =	\$ 21,600.00
Portfolio Tapes (Task 4)	\$ 1,000.00	per tape	X	3 =	\$ 3,000.00
Audit Expenses (Task 4)	\$ 7,000.00	per year	X	1 =	\$ 7,000.00
Origination (Task 6)	\$ 45.00	per application	X	450 x 12 mo. =	\$ 243,000.00
Loan Servicing:					
Current	\$ 4.10	per borrower	X	9,350 x 12 mo =	\$ 460,020.00
Principal & Interest Forbearance	\$ 4.10	per borrower	X	450 x 12 mo =	\$ 22,140.00
Delinquent	\$ 7.10	per borrower	X	1,808 x 12 mo. =	\$ 154,041.60
Public Awareness (Task 22)	\$ 1%	portfolio	X	\$51,250,000 =	\$ 512,500.00
Ad Hoc Reports (Task 24)	\$ 50.00	per report	X	10 x 12 mo =	\$ 6,000.00
Total =					\$ 1,431,701.60

*Volume will differ based on the actual number of units processed or needed

MICHIGAN HIGHER EDUCATION STUDENT LOAN AUTHORITY

**MI-LOAN Program Servicing
Price Proposal Summary**

PRICING PERIOD: OCTOBER 1, 2000, THROUGH SEPTEMBER 30, 2005

<u>Service to be Provided</u>	<u>Quotation</u>	<u>Unit</u>		<u>Estimate Volume*</u>	<u>Year 3 (2002-2003)</u>
Conversion Fee (Task 1)	\$ 10.00	per borrower	X	30 x 12 mo. =	\$ 3,600.00
Hardware/Software/Maintenance (Tasks 1 & 2)	\$ -	per year	X	1 =	\$ -
Dedicated Data Circuit (Task 2)	\$ -	per month	X	1 x 12 mo. =	\$ -
Printers (Task 2)	\$ -	per printer	X	1 =	\$ -
System Changes (Task 3)	\$ 60.00	per hour	X	30 x 12 mo. =	\$ 21,600.00
Portfolio Tapes (Task 4)	\$ 1,000.00	per tape	X	3 =	\$ 3,000.00
Audit Expenses (Task 4)	\$ 7,000.00	per year	X	1 =	\$ 7,000.00
Origination (Task 6)	\$ 45.00	per application	X	675 x 12 mo. =	\$ 364,500.00
Loan Servicing:					
Current	\$ 4.10	per borrower	X	11,687 x 12 mo. =	\$ 575,000.40
Principal & Interest Forbearance	\$ 4.10	per borrower	X	675 x 12 mo. =	\$ 33,210.00
Delinquent	\$ 7.10	per borrower	X	2,260 x 12 mo. =	\$ 192,552.00
Public Awareness (Task 22)	\$ 1%	portfolio	X	\$ 64,062,500 =	\$ 640,625.00
Ad Hoc Reports (Task 24)	\$ 50.00	per report	X	10 x 12 mo. =	\$ 6,000.00
Total =					\$ 1,847,087.40

*Volume will differ based on the actual number of units processed or needed

MICHIGAN HIGHER EDUCATION STUDENT LOAN AUTHORITY

**MI-LOAN Program Servicing
Price Proposal Summary**

PRICING PERIOD: OCTOBER 1, 2000, THROUGH SEPTEMBER 30, 2005

<u>Service to be Provided</u>	<u>Quotation</u>	<u>Unit</u>		<u>Estimate Volume*</u>	<u>Year 4 (2003-2004)</u>
Conversion Fee (Task 1)	\$ 10.00	per borrower	X	40 x 12 mo. =	\$ 4,800.00
Hardware/Software/Maintenance (Tasks 1 & 2)	\$ -	per year	X	1 =	\$ -
Dedicated Data Circuit (Task 2)	\$ -	per month	X	1 x 12 mo. =	\$ -
Printers (Task 2)	\$ -	per printer	X	1 =	\$ -
System Changes (Task 3)	\$ 60.00	per hour	X	40 x 12 mo. =	\$ 28,800.00
Portfolio Tapes (Task 4)	\$ 1,000.00	per tape	X	3 =	\$ 3,000.00
Audit Expenses (Task 4)	\$ 7,000.00	per year	X	1 =	\$ 7,000.00
Origination (Task 6)	\$ 45.00	per application	X	1,012 x 12 mo. =	\$ 546,480.00
Loan Servicing:					
Current	\$ 4.10	per borrower	X	14,608 x 12 mo. =	\$ 718,713.60
Principal & Interest Forbearance	\$ 4.10	per borrower	X	1,012 x 12 mo. =	\$ 49,790.40
Delinquent	\$ 7.10	per borrower	X	2,825 x 12 mo. =	\$ 240,690.00
Public Awareness (Task 22)	\$ 1%	portfolio	X	\$80,078,125 =	\$ 800,781.25
Ad Hoc Reports (Task 24)	\$ 50.00	per report	X	10 x 12 mo. =	\$ 6,000.00
Total =					\$ 2,406,055.25

*Volume will differ based on the actual number of units processed or needed

MICHIGAN HIGHER EDUCATION STUDENT LOAN AUTHORITY

**MI-LOAN Program Servicing
Price Proposal Summary**

PRICING PERIOD: OCTOBER 1, 2000, THROUGH SEPTEMBER 30, 2005

<u>Service to be Provided</u>	<u>Quotation</u>	<u>Unit</u>		<u>Estimate Volume*</u>		<u>Year 5 (2004-2005)</u>
Conversion Fee (Task 1)	\$ 10.00	per borrower	X	50 x 12 mo.	=	\$ 6,000.00
Hardware/Software/Maintenance (Task 1 & 2)	\$ -	per year	X	1	=	\$ -
Dedicated Data Circuit (Task 2)	\$ -	per month	X	1 x 12 mo.	=	\$ -
Printers (Task 2)	\$ -	per printer	X	1	=	\$ -
System Changes (Task 3)	\$ 60.00	per hour	X	40 x 12 mo.	=	\$ 28,800.00
Portfolio Tapes (Task 4)	\$ 1,000.00	per tape	X	3	=	\$ 3,000.00
Audit Expenses (Task 4)	\$ 7,000.00	per year	X	1	=	\$ 7,000.00
Origination (Task 6)	\$ 45.00	per application	X	1,518 x 12 mo.	=	\$ 819,720.00
Loan Servicing:						
Current	\$ 4.10	per borrower	X	18,260 x 12 mo.	=	\$ 898,392.00
Principal & Interest Forbearance	\$ 4.10	per borrower	X	1,518 x 12 mo.	=	\$ 74,685.60
Delinquent	\$ 7.10	per borrower	X	3,531 x 12 mo.	=	\$ 300,841.20
Public Awareness (Task 22)	\$ 1%	portfolio	X	\$ 100,097,656	=	\$ 1,000,976.56
Ad Hoc Reports (Task 24)	\$ 50.00	per report	X	10 x 12 mo.	=	\$ 6,000.00
Deconversion to Another Servicer (Task 25)	\$ -	per borrower	X	23,309	=	\$ -
				Total	=	\$ 3,145,415.36
				Grand Total For All 5 Years		\$ 9,939,920.01

MICHIGAN HIGHER EDUCATION STUDENT LOAN AUTHORITY**Total Servicing Price Proposal Summary****PRICING PERIOD: OCTOBER 1, 2000, THROUGH SEPTEMBER 30, 2005**

	<u>FFELP</u>	<u>MI-LOAN</u>	<u>TOTALS</u>
YEAR 1	<u>\$ 6,387,645.60</u>	<u>\$ 1,109,660.40</u>	<u>\$ 7,497,306.00</u>
YEAR 2	<u>\$ 7,628,463.00</u>	<u>\$ 1,431,701.60</u>	<u>\$ 9,060,164.60</u>
YEAR 3	<u>\$ 9,002,706.60</u>	<u>\$ 1,847,087.40</u>	<u>\$10,849,794.00</u>
YEAR 4	<u>\$10,225,042.80</u>	<u>\$ 2,406,055.25</u>	<u>\$12,631,098.05</u>
YEAR 5	<u>\$12,528,070.20</u>	<u>\$ 3,145,415.36</u>	<u>\$15,673,485.56</u>
Totals	<u>\$45,771,928.20</u>	<u>\$ 9,939,920.01</u>	<u>\$55,711,848.21</u>



FFELP Servicer Questionnaire

The FFELP Servicer Questionnaire is composed of two parts.

Part I includes questions 1-13 and requires a "yes/no" answer. **Bidders must be able to answer "yes" and provide necessary documentation for questions 1-13 on the questionnaire to be qualified to bid. Those bidders who cannot answer "yes" are not eligible to bid.**

Part II includes questions 14-24 and also requires a "yes/no" answer. However, bidders who cannot answer "yes" to questions 14-24 are still eligible to bid.

Please complete the questionnaire and include it and your supporting documentation with your bid response.

FFELP Servicer Questionnaire Part I	Answer (Y/N)
<p>1. Does your organization have experience and history in FFELP student loan servicing? (Please describe organizational history.)</p> <p>UNIPAC, a leader and premier servicer for over 20 years in the student loan industry, provides dedicated customer service and innovative, quality products to its clients nationwide. Headquartered in Aurora, Colorado, the company began operations in January 1978 with a staff of less than 20 people. Today UNIPAC employs over 1,100, servicing over \$12 billion nationwide.</p> <p>In the 1980s, the number of UNIPAC clients and corresponding loan volume increased significantly. Anticipating further growth, a second office location was established in Lincoln, Nebraska. In November 1997, UNIPAC opened a third office in St. Paul, Minnesota, to accommodate the added volume resulting from changes within the industry. These two satellite offices allow UNIPAC to further expand in a controlled, methodical manner, and enable it to be well positioned to meet any servicing challenges posed by the student loan industry.</p> <p>UNIPAC provides one of the most comprehensive, sophisticated lender servicing system in the industry. Through extensive research, development, and testing, UNIPAC effectively maintains a state-of-the-art system which enables it to aggressively respond to its clients' dynamic business needs. It is UNIPAC's commitment to continued investment that yield the quality, flexibility, and integrity that its clients have come to expect in all UNIPAC products.</p>	<p>Y</p>