



COHEAO

2015 Mid-Year Conference

CFPB Overview
July 29, 2015

Panel Members



- **Norma Carmona – University of Chicago**
Director of Student Loan Administration/ ncaromona@uchicago.edu
- **Paola Di Domenico – Northwestern University**
Director of Student Loan Office/ P-didomenico@northwestern.edu
- **Dino Tsibouris – Tsibouris & Associates**
Counsel specializing in student loan program development/ dino.tsibouris.com
- **Mike Weber – Credit Union Student Choice**
Chief Marketing Officer | SVP/ mweber@studentchoice.org
- **Bob Frick – University Accounting Service/ TSI**
Vice President – Education Services/ Bob.Frick@tsico.com

Campus Perspective – Norma Carmona/University of Chicago



- The University of Chicago has approximately 400 institutional loan funds used for both short term and long term lending to students
- The institutional loan funds have been established from donations to the school
- The Development Office generally handles the donations and will establish the loan funds based on the bequest from the donor
- Many times the bequest establishes the loan terms.
- Restrictive loan terms prevent us from using donated funds
- The Business office coordinates with the Development Office and Financial Services to establish loan terms at the time of the donation
- The Legal Office is also consulted when needed, when establishing new funds

Campus Perspective – Paola Di Domenico/Northwestern University



- Northwestern's private loan application was completely revised in 2003 and credit worthiness methodology changed from calculated debt to income ratios to a FICO credit score.
- The application was custom designed for on-line use.
- Students/Parents who do not qualify due to FICO score may still qualify through other analysis of income and debt.
- As part of the application process the 3 TILA disclosures are presented.
- In 2009 Northwestern introduced the ability to e-sign the promissory notes.
 - Students/Co-makers must be US citizens or permanent residents.
 - Students/Co-makers have the option to wet sign.
 - Authentication is verified through a quiz.
 - NU does not allow a hybrid of e-sign and wet-sign.
- NU also has international student options.
 - Business school options for International student/International co-maker
 - All others have option for International student/US Domestic co-maker
 - NO option for International student signature only
 - All prom notes must be wet signed



Preparing the Organization

1. Draft agreements for funding (grants, outside lenders);
2. Obtain state licenses to make or broker loans;
3. Negotiate contracts with a loan origination service provider;
4. Negotiate contracts with a loan servicer,



Preparing the Documents

- Website terms of use and privacy statement
- ESIGN notice and consent
- CIP/Know Your Customer/AML
- Loan application
- Credit agreement
- Cosigner process
- Notice of adverse action



What really matters

- Straightforward advice from a trusted source – free, cheap, gap
- Helpful educational tools and resources – partner with an expert
- “Fair value” interest rates – transparency
- Full deferment
- Strong/Experienced borrower support call center
- Repayment benefit – discount for auto, electronic payment
- Longer repayment terms (20 or 25 years) – affordability
- Experienced loan servicing



Repayment made easy

- Provide web based tools for easy borrower access to account information
- Customer service accessibility
- Compliance focused solution
- Reporting and program management
- Early stage delinquency solution that fits your borrowers
- Flexibility to support program modifications

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