
CHAPTER II: DEFINITIONS

A

ACCOUNT(S) – All the loans the borrower has with a given campus, both active and/or closed.

ACCOUNT NUMBER - A unique borrower identification number (currently a nine-digit number; in most cases, the account number is currently the same as the borrower's Social Security number).

ACH - Automated Clearing House (ACH) is a system established by the U.S. Federal Reserve Bank for electronic funds transfer (EFT) amongst and between participating institutions. The Code of Federal Regulation (CFR) Part 210 provides the regulatory foundation for use of the ACH system by agencies. It defines the rights and liabilities of agencies, Federal Reserve Banks, financial institutions, and the public, in connection with ACH credit entries, debit entries, and entry data originated or received by an agency through the ACH system.

ACH PAYMENTS - A method of payment by which funds are collected using an ACH debit transaction.

ACTIVE LOANS - Loans in one of the loan statuses listed in Items 1-4 under "Loan Status" of this Chapter.

ADD PAYMENTS – Automatic Direct Draft (ADD) is a method of loan repayment. The borrower enables the loan servicer to deduct regularly scheduled and pre-determined amounts of loan payments from the borrower's checking account. ADD transactions appear each month as a debit on the borrower's bank statement.

AMS SERVICING GROUP– The current loan servicer for the University.

B

BALANCING FIELD - A type of field, containing financial data, that provides the supporting detail to a general ledger account, e.g., the aggregate amounts in the principal balance field of loans in a particular campus/loan program should balance to the notes receivable account balance for that campus/loan program.

BASIC SERVICE - Refers to a particular service, as described in Chapter IV "Basic Services" of this RFP, that the University either requires or desires to have the loan servicer provide and the cost for which is included in the prices quoted by the loan servicer on the "Schedule of Basic Servicing Fees" (Price Sheet 2). The term "Basic Service" includes all of the specifications pertaining to a given service:

- The distinction as to which "Basic Services" are required from those that are desired is made by the use of the word "shall" (for required) or "should" (for desired) when used in the context of describing the loan servicer's performance; refer to the definitions of "Shall" and "Should" in this Chapter for more information.
- The University reserves the right during the period of negotiations to omit or add any required loan servicer's performance, if, in the University's sole discretion, such change is warranted.

BORROWER SERVICES REPRESENTATIVE (BSR) – Loan Servicer's representative available via telephone to answer calls from borrowers.

C

CAMPUS - Each campus has an office responsible for the administration and collection of student loans. The specific name of this office at each campus is as follows:

1. Billing and Payment Services, UCB
2. Accounting and Financial Services, UCD
3. Financial Services, UCI
4. Student Loan Services and Collections, UCLA
5. Financial Services, UCM
6. Student Business Services, UCR
7. Accounting Office, Student Accounts Division, UCSF
8. Student Business Services, UCSD
9. Loan Collections Office, UCSB
10. Student Business Services, UCSC

CAMPUS-BASED LOAN PROGRAMS - The Federal and institutional student loan programs that the campuses administer. The current campus-based loan programs are as follows:

1. Federal Perkins Loan Program, including National Direct Student Loans and National Defense Student Loans (all campuses)
2. Health Professions Student Loan (HPSL) Programs for:
 - a. Allopathic Medicine (UCD, UCI, UCLA, UCSD, and UCSF)
 - b. Dentistry (UCSF and UCLA)
 - c. Optometry (UCB)
 - d. Pharmacy (UCSF)
 - e. Veterinary Medicine (UCD)
3. Primary Care Loan (PCL) Program (UCD, UCI, UCLA, UCSD, and UCSF)
4. Loans for Disadvantaged Students (LDS) Program (UCD, UCI, UCLA, UCSD, and UCSF)
5. Nurse Faculty Loan (NFL) Program (UCSF)
6. Nursing Student Loan Program (NSL), including both undergraduate and graduate programs (UCLA and UCSF)

7. University Loan Program (all campuses)

CAMPUS LOCATION NUMBER – A two-digit identifier used within the University's accounting system to identify a particular UC campus. This identifier also is currently imbedded in the campus/loan program number to identify the campus to which the loan belongs. The two-digit campus code identifiers are as follows:

- 01 = UC Berkeley
- 02 = UC San Francisco
- 03 = UC Davis
- 04 = UC Los Angeles
- 05 = UC Riverside
- 06 = UC San Diego
- 07 = UC Santa Cruz
- 08 = UC Santa Barbara
- 09 = UC Irvine
- 10 = UC Merced

CAMPUS/LOAN PROGRAM - A generic term to reference a particular loan program administered by a specific campus; a five-digit number currently identifies the campus and loan program. All the University's campus/loan program numbers are currently in the 70000 series, starting with 70100 and ending with 70941. However UCM is not currently included in the campus/loan program numbering scheme. Loans affiliated with a particular campus/loan program may not have identical terms and conditions.

CAMPUS/LOAN PROGRAM/LOAN IDENTIFIERS - A numbering system that, when used in conjunction with the account number, identifies a specific borrower's loan.

CASH PAYMENTS - Payments for which the funds were deposited by the servicer; this term is used to differentiate "cash payments" from "non-cash payments."

CLOSED LOANS - Loans for which the principal balance is equal to or less than zero and/or on which billing and collection action has been terminated due to one of the following reasons:

1. Paid in full (zero balance);
2. Cancelled in full (zero balance);
3. Written off (zero balance);
4. Assigned to and accepted by the Federal government.

COLLECTION AGENCY PAYMENTS - Borrower payments remitted directly to and deposited by collection agencies that, in turn, remit payment to the University; this term is used to differentiate "Collection Agency Payments" from "Regular Payments."

D

DEVIATION (in the context of a Basic Service) - Any aspect or feature of the loan servicer's proffered service that is not identical to the University's Basic Service specifications (refer to Item 3b "Deviations" in Section J "Proposal Format and Contents" of Chapter III of the RFP).

DIRECTORS OF STUDENT AND FINANCIAL SERVICES (DS&FS) – Individuals for whom student loan administration is one of several areas of responsibility; specific areas of responsibility vary campus to campus, but typically include student loan disbursement and collection as well as management of other campus receivables.

E

ENHANCEMENT (in the context of a Basic Service) - An augmentation or an improvement of a Basic Service that exceeds one or more aspects of the University's specifications, offers a benefit to the University or its borrowers, and the cost of the enhancement is included in the prices quoted on the "Schedule of Basic Servicing Fees" (Price Sheet 2).

EMAIL – Electronic mail is the transmission of memos and messages over a network and can include the transmission of an attached document, such as a document in a Word or Excel file. Within an enterprise, users can send email to a single recipient or broadcast it to multiple users. Email is sent to a simulated mailbox in the network mail server or host computer until it is interrogated and deleted.

E-PAYMENT – A payment made by the borrower on-line via the loan servicer's secure website. This form of payment allows the borrower to debit a designated bank account for a payment.

E-SIGNATURE – An electronic or digital signature that can be captured via a web page, web form, Portable Document Format (PDF), or text files. E-signatures must be accompanied by attribution technologies that authorize the person to sign the document based on what you know [Personal Identification Number (PIN), Date Of Birth (DOB), etc.], what you carry (smart card, digital certificate, etc.), or who you are (fingerprint, retinal scan, etc.). The standards for e-signature must conform to those established by the U. S. Department of Education for Federal Perkins Loans and, if different, to those established by the U. S. Department of Health and Human Services for "HHS loans."

F

FAMILY EDUCATIONAL RIGHTS AND PRIVACY ACT (FERPA) - The Family Educational Rights and Privacy Act is a Federal law that protects the privacy of student

education records. The law applies to all schools that receive funds under an applicable program of the U.S. Department of Education.

FILE TRANSFER PROTOCOL (FTP) - A standard Internet protocol that is the simplest way to exchange files between computers on the Internet.

FISCAL OPERATIONS REPORT and APPLICATION TO PARTICIPATE (FISAP) - A school applies for and receives campus-based program funds directly from the U.S. Department of Education by submitting the Fiscal Operations Report and Application to Participate (FISAP) application each award year. The programs are the Federal Perkins Loan Program (formerly National Direct Student Loan Program), the Federal Work-Study (FWS) Program (includes Job Location and Development Program), and the Federal Supplemental Educational Opportunity Grant (FSEOG) Program.

FUND ACCOUNTING – System of accounting based on the five-digit University-assigned number to identify the source of funds from which a particular loan was made.

FUND NUMBER - A five-digit University-assigned number to identify the source of the funds from which a particular loan was made.

G

H

HHS LOANS - Student loans that are under the jurisdiction of the U. S. Department of Health and Human Services:

- Health Professions Student Loan (HPSL)
- Primary Care Loan (PCL)
- Loans for Disadvantaged Students (LDS)
- Nurse Faculty Loan (NFL)
- Nursing Student Loan (NSL)

I

INFORMATION RESOURCES AND COMMUNICATIONS (IR&C) – The UCOP Information Technology (IT) service provider.

IN-HOUSE COLLECTION STAFF – The use of campus staff, as opposed to a collection agency, to conduct more aggressive collection follow-up with delinquent/defaulted borrowers who failed to respond to the required due diligence dunning notices.

INSTANTANEOUS UPDATING - Immediate, "on-the-spot" updating of an on-line transaction to the data base (refer to Chapter IV, Section M, Item 2 "Online Response Time" for response time standards).

INTERACTIVE VOICE RESPONSE (IVR) – Automated voice scripts that provide pertinent information based on menu selections to borrowers calling on a telephone.

J

K

L

LATE CHARGES - A fee imposed when full payment of the due amounts is not received on time. Unless otherwise noted, includes late charges and penalty charges. (Penalty charges collected on National Defense/Direct Student Loans disbursed prior to July 1, 1987 and on HHS loans must be returned to the respective loan fund; late charges collected on Federal Perkins/NDSL loans disbursed on or after July 1, 1987 may be used by the institution to offset the cost of billing.)

LENDING CAMPUS - The campus to which the borrower owes a loan; used interchangeably with "campus."

LOAN COLLECTION MANAGERS (LCMs) - Individuals who report to their respective DS&FS and who have direct responsibility over the day-to-day student loan collection operation.

LOAN SERVICER - A generic reference to the company with whom the University contracts for the provision of student loan services for its campus-based student loan programs.

LOAN STATUS - Each loan is categorized into one of the following statuses, based on the condition of the loan:

1. Enrolled - a loan of a borrower who is enrolled on at least a half-time basis.
2. Grace (includes the following loan statuses):
 - a. Initial Grace: a period of time from the end of enrollment until the beginning of repayment during which no interest accrues.
 - b. Post-Deferment Grace: a six-month grace period that begins upon the expiration of the deferment.

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3. Interrupted Grace - a loan on which a deferment was processed that interrupted the initial grace period.
 4. In Repayment (includes the following loan statuses):
 - a. Deferred/Postponed - a loan for which repayments are currently deferred or forbore, as a result of the application of an approved deferment or forbearance, or postponed in anticipation of a partial loan cancellation.
 - b. Cancellation – a loan on which a service cancellation was processed but the end date of the cancellation period is 30 calendar days or less into the future.
 - c. Current – a loan for which the initial grace period has expired but on which no past due amounts are owed; in addition, it is a loan for which no temporary payment arrangements are currently in effect, is not currently deferred nor forbore nor coded as a litigation loan, is not involved in a bankruptcy proceeding, and is not in the process of being assigned to the Federal government.
 - d. Temporary Payment Arrangement - a loan for which a temporary payment arrangement has been negotiated and currently is in effect; includes Federal Perkins Loans currently in the process of being rehabilitated.
 - e. Past Due - a loan that is past due one or more days and for which no temporary payment arrangement has been negotiated, is not currently deferred nor forbore nor coded as a litigation loan, is not involved in a bankruptcy proceeding, and is not in the process of being assigned to the Federal government. It includes loans that are at a collection agency or are being worked by the campus's in-house collection staff.
 - f. Litigation - a loan the campus has coded to identify that litigation action has been initiated or that judgment on the loan has been received.
 - g. Assignment Pending - a Federal Perkins Loan assigned to but not yet accepted by the Federal government.
 - h. Bankruptcy Pending - a loan owed by a borrower who has been adjudicated bankrupt (includes Chapter 7, 11, and 13) but for whom a discharge or dismissal notice has not been received.
 - i. To be Closed – a loan that was closed (e.g., paid in full, written off, etc.) within the last 31 days.
 5. Closed – a loan that was paid in full, cancelled in full, or written off more than 31 days ago.
 6. Assigned – A Federal Perkins Loan assigned to and accepted by the Federal government.

LOAN TYPE - A categorization of loans from loan programs of a similar type, i.e., Federal Perkins would be one type, all of the various HPSL, PCL, and LDS loans would be a second type, the nursing loans would be a third type, and institutional loans would be a fourth type.

M

N

NATIONAL STUDENT LOAN DATA SYSTEM (NSLDS) is the U.S. Department of Education's central database for Title IV student loans and grant overawards. It receives data from schools, agencies that guaranty loans, the William D. Ford Direct Loan program, the Pell Grant program, and other U.S. Department of Education programs. NSLDS provides a centralized, integrated view of Title IV loans that are tracked through their entire cycle: from aid approval through closure.

NON-BALANCING FIELD - A type of field that contains financial data but is not linked to a general ledger account, e.g., principal deferred, accrued interest, etc.

NON-CASH PAYMENTS - Payments for which the funds were deposited locally by the University and not by the servicer; this term is used to differentiate "non-cash payments" from "cash payments."

NOTE DATE - The date the loan was made; controls the set of terms and conditions that correspond to a given loan (other systems may have other ways to identify the set of terms and conditions that correspond to a given loan).

NOTE NUMBER - A six-digit alpha-numeric University-assigned identifier that ties a specific loan record to a specific borrower's promissory note; most campuses utilize a note numbering system.

O

OFFICE OF THE PRESIDENT (see University of California, Office of the President)

OFFSET PROGRAM - The State of California's Interagency Offset Program allows state agencies and educational institutions to request all or a portion of a taxpayer's state personal income tax refund and/or lottery winnings if the taxpayer owes a debt to that agency or educational institution.

P

PAYOFF AMOUNT - The amount required to pay a loan in full; represents the sum of the principal balance, accrued interest, late charges, collection costs, and litigation fees.

PST – Pacific Standard Time

Q

R

REGULAR PAYMENTS - Borrower payments remitted directly to the servicer or to the school and have not been collected by a collection agency; this term is used to differentiate "regular payments" from "collection agency payments."

REQUEST FOR PROPOSAL (RFP) - An invitation for qualified providers of a product or service to bid on the opportunity to supply that product or service to the individual or entity that issued the RFP.

S

SECURE FTP – A file transfer protocol used in conjunction with Secure Socket Layer (SSL) to provide an encrypted FTP. SSL is the most commonly used encryption method used with web browsers.

SHALL (when used in the context of describing the loan servicer's performance) - The University requires that the loan servicer comply fully; failure on the part of the loan servicer to comply, including, but not limited to, failure to comply with the RFP instructions or with a required Basic Service, will render the loan servicer's proposal non-responsive, and the loan servicer will be disqualified from further consideration.

SHOULD (when used in the context of describing the loan servicer's performance) - The University requests that the loan servicer comply. With regard to a desired Basic Service, failure on the part of the loan servicer to comply fully will not necessarily render the loan servicer's proposal non-responsive; the ramifications to the University as a result of the loan servicer's failure to comply fully will be considered when the loan servicer's proposal is evaluated as to responsiveness to the University's needs and when "base" points are awarded (refer to Chapter III, Section O "Basis of Award").

SOCIAL SECURITY NUMBER (SSN) - The unique nine-digit number assigned to an individual by the Social Security Administration (SSA).

STUDENT ID NUMBER - A University-assigned numeric or alpha/numeric identifier used to identify a particular student in the campus's local system. There is no centralized system for assigning student ID numbers, and there is no standard length for the student ID number; each campus has its own, unique numbering system.

STUDENT FINANCIAL SUPPORT (SFS) – Is the unit within the University of California, Office of the President with whom the servicer will communicate and

coordinate all services pursuant to the Agreement. Also referred to as “Office of the President.”

T

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA – The official name of the University of California.

U

UNITED STATES POSTAL SERVICE (USPS) – U.S. governmental agency whose responsibility is the delivery of letters, packages, and other postal materials to the addressed recipient.

UNIVERSITY - The University of California is comprised of ten campuses and the Office of the President (refer to Attachment 1 for approximate location of each campus in the State of California). The ten campuses are as follows:

1. University of California, Berkeley (UCB)
2. University of California, Davis (UCD)
3. University of California, Irvine (UCI)
4. University of California, Los Angeles (UCLA)
5. University of California, Merced (UCM)
6. University of California, Riverside (UCR)
7. University of California, San Diego (UCSD)
8. University of California, San Francisco (UCSF)
9. University of California, Santa Barbara (UCSB)
10. University of California, Santa Cruz (UCSC)

UNIVERSITY OF CALIFORNIA, OFFICE OF THE PRESIDENT (UCOP) – Located in Oakland, California, the central organization for the University of California system. Within the context of the RFP, typically refers to the specific unit, Student Financial Support, within the Office of the President, with whom the loan servicer contracts for the provision of student loan services.

UNIVERSITY LOANS - Student loans from several University-funded programs, e.g., Educational Fee Deferment Loan and Regents Loan Programs, and, at some campuses, from a variety of privately-funded loan programs.

V

W

X

Y

Z