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NEW HAMPSHIRE HIGHER EDUCATION ASSISTANCE FOUNDATION
GRANITE STATE MANAGEMENT & RESOURCES
NEW HAMPSHIRE HIGHER EDUCATION LOAN CORPORATION
NHHEAF NETWORK EDUCATIONAL FOUNDATION

June 1, 2009

VIA ELECTRONIC MAIL

Chairman George Miller
Committee on Education and Labor
U.S. House of Representatives
2181 Rayburn House Office Building
Washington, DC 20515-6100

Dear Chairman Miller:

Thank you for the opportunity to testify before your committee and the opportunity to clarify my remarks regarding the NHHEAF Networks inability to bid for its own loans for servicing under the ECASLA program. I have responded to your question regarding NHHEAF's participation in bidding for a service contract below:

1. *In your testimony you mention that you were unable to compete under the previous RFP. What specifically prevented NHHEAF's participation in bidding for a servicing contract?*

**Constraints to NHHEAF Participating in
Title IV Student Loan Management/Servicing**

Background

NHHELCO, the lending arm of The NHHEAF Network Organizations, participated 2008/2009 school year loans under ECASLA. Participated loans must be redeemed or PUT by September 30, 2009. In the event of a PUT ED becomes the owner of the participated loans and servicing is transferred to ED's servicer. Granite State Management and Resources (GSM&R), the servicing arm of The NHHEAF Network Organizations, prepared to submit an RFP response for the Phase I Solicitation Number: FSA-Title IV-09, Title IV Student Loan Management/Servicing in order to continue servicing NH originated loans as well as other loan volumes deemed appropriate by ED. Based on ED's minimum loan volume servicing requirement in the initial WEB posting and Phase I RFP document, NHHEAF did not meet the Go/No-Go Factor eligibility requirement criteria for participation in Phase II of the solicitation process listed below:

2.1 Go/No-Go Factor

(1) Demonstrate experience in processing a minimum of 500,000 student loan sales conversions annually and servicing at least 2,000,000 student loans. Federal Student Aid reserves the right to utilize resources available to the Government to validate an offeror's proposed experience, as appropriate.

GSM&R currently services 422,000 loans. Additionally, annual new loan volume serviced by GSM&R is listed below:

FY '08	70,000
FY '07	166,000
FY '06	99,000

If you should need additional information or clarification please feel free to contact me.

Sincerely,

René A. Drouin
President & CEO
The NHHEAF Network Organizations

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