

**HESAA 2025 Request for Proposals
Arbitrage Compliance (RFP)
Potential Contractor's Questions & HESAA's Answers**

Below are the responses to questions received which were relevant to the present procurement:

1. Who is your current rebate consultant? How long have they served in that capacity?

HESAA's current rebate consultant is BLX Group LLC. They have served as HESAA's rebate consultant since 2010.

2. Will the Authority consider the following language as the Indemnification provision included in Attachment 2 as Section 4.1 as the scope of professional malpractice coverage?

"With respect to professional negligence, the Firm shall indemnify the Authority from any damage proximately caused by the professional negligence of the Firm, except where such damage is the result of the negligence or willful misconduct of the Authority."

HESAA will not consider replacing Section 4.1 of the Higher Education Student Assistance Authority Standard Terms and Conditions with the suggested language.

3. When was the last arbitrage calculation performed for each of the outstanding bond issues?

For bond issues with investors, the last arbitrage calculation was performed in July 2024. The Authority starts the reports the second year after the bonds are issued, but does so using the information provided from the time the bonds are initially issued.

4. What's the cost of a report?

Each bidder must propose the amount they will charge for each report. HESAA requires two reports, Rebate and API per bond issue annually.

5. Does the Authority spend the proceeds from a bond issue within 6 months?

The proceeds from a bond issue are disbursed in the form of student loans over approximately one year, with the carry-forward normally being disbursed within 6 months afterward. HESAA issues new bond annually.

6. Does the Authority provide trustee statements or internal investment and expenditures schedules?

The Authority provides direct access to bank statements in regards to the Rebate calculation. In regards to the API calculation, the Authority provides separate worksheets to their consultant of internal statements reflecting various other data including, but not limited to, monthly outstanding balances, principal and interest, and defaults.

7. Are purpose investments for student loans for each bond issue held in separate accounts or are they commingled in one account?

They are held separately.

8. Are the reserve funds held in separate accounts or are they commingled in one account?

There are held separately.

9. Does the Authority recycle loan repayments for lending?

Yes.

10. How often does Authority do universal cap allocation reports?

The Authority does cap allocation reports annually.