

**REQUEST FOR QUALIFICATIONS
FOR
Special Counsel: Student Loan Collections
Higher Education Student Assistance Authority**

**Issued by:
New Jersey Higher Education Student Assistance Authority**

Date Issued:

August 17, 2026

Question Cut-off Date:

August 31, 2026

Proposals Due:

September 21, 2026

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1.0 PURPOSE AND INTENT

The Higher Education Student Assistance Authority (“HESAA”) administers State and Federal student loan programs, as well as other student financial aid programs, on behalf of the State. HESAA is seeking proposals from qualified law firms to create a list of up to four firms to serve as Special Counsel for Student Loan Collections, to which HESAA can assign defaulted student loans and other educational receivables for collection. Additionally, the firms on the list will represent HESAA in contesting the discharge of a debtor from bankruptcy, in Administrative Wage Garnishment hearings, and in collection-related litigation and appellate work.

1.1 Minimum Requirements

HESAA seeks proposals from law firms with attorneys who have a minimum of three years of experience in student loan collections. The firm must have attorney(s) admitted to practice in New Jersey. Failure to meet this minimum requirement will result in the immediate rejection of the proposal. This procurement is solely open to law firms. Proposals from other entities will be rejected.

Selected law firms must have the capability to encrypt all communications to HESAA that contains confidential information. Additionally, firms must follow the New Jersey Statewide Security Manual (https://www.nj.gov/it/docs/ps/2021-Statewide_Information_Security_Manual.pdf). The firms must provide HESAA with remote access to HESAA’s files that are maintained on their computer systems.

2.0 SCOPE OF SERVICES

HESAA will assign defaulted student loan accounts to the selected firms for collection. While HESAA cannot guarantee the number of loans that will be placed in the future, for reference purposes, between June 25, 2025 and May 26, 2026, HESAA assigned 1,404 loans with a principal balance of approximately \$22,315,363.41, plus interest of \$1,217,139.91, for a total amount of roughly \$23,532,503.32.

2.1 Policy and Procedures Manuals

The selected firms must comply with the attached Higher Education Student Assistance Authority NJCLASS Product Policy and Procedures Manual for Law Firms (“Attorney Manual”), which provides guidelines for the collections of all types of educational receivables administered by HESAA. The Attorney Manual also provides guidelines for the relationship between the Authority and the firm. The Attorney Manual may be updated from time to time. Such updates will be sent to the firms selected pursuant to this Request for Qualifications (RFQ). If your firm is selected, by submitting a proposal, you agree that your firm shall abide by the Attorney Manual as written.

Selected firms must comply with all local, State, and federal laws, rules, and regulations applicable to this engagement and to services performed thereunder. As a contractor to HESAA, firms will be subject to audits and reviews by State and Federal entities including, but not limited to, the Consumer Financial Protection Bureau, the U.S. Department of Education, and HESAA. Firms are expected to have up-to-date knowledge on all laws, regulations, and standards applicable to student loan debt collection, including but not limited to, the Higher Education Act, the Fair Debt

Collection Practices Act, the Gramm-Leach-Bliley Act, the Servicemembers Civil Relief Act (SCRA), Regulation F, the Telephone Consumer Protection Act (TCPA), and N.J.S.A. 18A:71C-31.8.

2.2 Collection Work

Selected firms will perform collection activity for matters assigned to the firm pursuant to the Attorney Manual and the retainer agreement. At least one collection activity must be performed every 180 days on each non-paying account. Collection activities include, but are not limited to, locating the borrower, corresponding with the borrower in writing, sending bill statements to the borrower, determining if the borrower has the means to repay the loan, entering good faith settlement negotiations, obtaining a judgment, collecting on the judgment, and providing timely reports to HESAA. Selected firms shall maintain accurate account balances, and payments must be applied accurately and timely. Firms must have systems in place to monitor and charge the correct interest rate for all accounts. Interest must be calculated using the simple interest method and be based on a 365/366-day year.

2.3 Bankruptcy

Selected firms will represent HESAA in matters where borrowers are contesting whether their student loans are dischargeable in bankruptcy. For matters not specifically assigned to a firm as a bankruptcy matter, prior written approval from HESAA is required before representing HESAA on any bankruptcy matters. When a law firm is notified of a debtor's bankruptcy filing, or any action filed through a bankruptcy court, the law firm is to immediately cease collections as required under the bankruptcy code, notify HESAA of the filing, provide HESAA with all relevant documentation and advise HESAA on how the firm recommends HESAA should proceed.

2.4. Administrative Wage Garnishment

As permitted, student loan collection activities include administrative wage garnishments ("AWG"). HESAA may assign matters to selected firms for representation at AWG hearings held at the Office of Administrative Law ("OAL"). HESAA will assign AWG matters to firms based on the firm's performance in collection matters and representation in previous AWG hearings.

2.5 Collection Related Litigation and Appellate Work

Above and beyond obtaining a judgment for the amount of the student loan, HESAA may request that a firm represent HESAA in collection-related litigation and appellate matters. The determination to request representation in collection-related appellate matters will be based on the firm's performance in collection matters referred by HESAA, representation in previous AWG hearings and previous appellate matters, if applicable.

2.6 Out-of-State Attorneys and Third-Party Vendors

Selected firms have primary responsibility for compliance with all terms and conditions of their engagement. In the event it is necessary for a selected firm to utilize out-of-state attorneys or third-party vendors to perform the required services, the selected firm will be responsible for ensuring compliance with all applicable State and Federal statutory and regulatory requirements, as well as the agreement between the selected firm and HESAA. In addition, the selected firm will

be required to maintain a list of matters assigned to out-of-state attorneys and to provide that list to HESAA upon request.

2.7 Attorney Meeting and Training

At its discretion, HESAA may require all selected firms to attend a meeting at the HESAA offices once a year. Meetings may be conducted on a more frequent basis at the discretion of HESAA. Firms must complete the HESAA approved SCRA training and provide certifications of completion annually. Additionally, HESAA may provide and require firms to complete compliance training on a periodic basis.

2.8 Compliance

MONITORING, TESTING and AUDIT – Upon request, the firm shall provide compliance reporting to HESAA, including specific reporting on the efficacy of the firm’s internal controls which impact any of the work done for HESAA. The firm shall participate in periodic telephone calls scheduled at HESAA’s discretion to review contract and regulatory compliance performance. HESAA shall have the right to conduct a compliance audit, including onsite visits, at its discretion.

ENFORCEMENT – The firm will be subject to penalty for regulatory compliance failures and/or internal control failures, up to and including termination of the contract.

REMEDATION – The firm shall be responsible to report any regulatory compliance failure to HESAA within three business days of discovery. The firm shall be responsible for promptly remediating any compliance failure and shall provide daily written progress reports on remediation until the issue is resolved to HESAA’s satisfaction.

CFPB COMPLAINT PORTAL – The firm shall register and participate in the Consumer Financial Protection Bureau (“CFPB”) Complaint Portal system. Any complaints received by the firm related to HESAA or any work the firm is doing for HESAA shall be forwarded to HESAA within two business days of the date received.

3.0 TERM

The firms selected pursuant to this RFQ will receive file referrals between January 1, 2027, and December 31, 2028. The term of the Special Counsel designation made pursuant to this RFQ will be for the period of time required to close all files assigned to the firm pursuant to this RFQ.

4.0 REQUIRED COMPONENTS OF THE RFQ PROPOSAL

Proposals must respond to each of the following requests. Please provide the information requested below for all counsel who may perform any of the requested services.

4.1 Firm Profile and Experience

- A. Indicate the date your firm was established and whether you are a small firm. For the purposes of this RFQ, a small firm has less than twenty full- or part-time attorneys. Any firm with twenty or more full- or part-time attorneys will be deemed a medium/large firm.

- B. Describe the participation of women and minorities in your firm. Please note the number of partners and associates who are women, minorities or both, and indicate the percentage of your firm that is owned by women and by minorities.
- C. Indicate the percentage of your firm that is owned by disabled veterans.
- D. Describe any special training or experience members of your firm possess that may assist in providing the requested legal services.
- E. Provide a description of your firm's presence in New Jersey. Note the location of each office, the number of attorneys resident in each office, whether they are partners or associates, and whether attorneys not licensed in the State of New Jersey will be assigned to provide any of the requested legal services if your firm receives a designation pursuant to this RFQ.
- F. Identify the State agencies or departments represented by the firm during the last five years. For each matter, provide the name of the State agency or department, a description of the matter, the dates of the engagement and the name and contact information of the State employee responsible for overseeing the work of the firm on that matter.
- G. Identify each State agency or department before or against which the firm has regularly appeared on behalf of other clients. Please note that HESAA, as a public entity, is precluded by the Rules of Professional Conduct from waiving conflicts of interest. See RPC 1.7 (a)(2), RPC 1.7 (b)(2), and NJ RPC 1.8(l) provided:
<https://www.njcourts.gov/attorneys/rules-of-court?id=Part+1+Appendices+%28RPC%29&search=rules-of-professional-conduct§ion=All> .
- H. Describe the firm's approach to maintaining responsive communication with HESAA, and keeping HESAA informed of problems and progress.
- I. Provide a representative listing of the firm's major private and public sector clients.
- J. Provide the name, address, telephone number, and e-mail address for the contact person at your firm.

4.2 Qualifications and Experience

- A. Describe your firm's experience in educational receivables collections, including average time it takes the firm to liquidate the debt and your recovery rate. Describe the methodology used to calculate your recovery rate.
- B. Describe your firm's experience in student loan bankruptcy matters.
- C. Describe your firm's experience in Administrative Wage Garnishment hearings.
- D. Describe your firm's experience in collection-related litigation and appellate work.
- E. Describe your firm's approach to settlements with borrowers.

- F. All firms must use Collection-Master as the accounting software for HESAA's student loan collections and for billing HESAA for services provided. Confirm that the firm uses Collection-Master.
- G. Identify and give the office location of each attorney who you propose to work on HESAA's matters. For each attorney and professional employee of the firm that would be involved in handling HESAA's matters, provide a detailed resume including information as to:
 - 1. Education, including advanced degrees;
 - 2. Years and jurisdictions of admission to practice;
 - 3. Number of years involved in student loan collections, student loan bankruptcies, and Administrative Law hearings;
 - 4. General work experience;
 - 5. Any professional distinctions (e.g. certifications, teaching experience); and
 - 6. Areas of specialization.
- H. Describe the role each member listed in Response 4.2(G) will play in handling HESAA matters.
- I. Identify and provide the qualifications and general work experience for all firm personnel who will be responsible for providing accounting services for collections as well as preparing the invoices sent to HESAA for the firm's services. This response should include the firm's highest ranking financial officer and all personnel who will interact with HESAA on financial and billing issues.

4.3 Other Qualification Information

- A. Identify all adverse determinations against your firm or any of its partners, associates or employees or persons acting on its behalf, with respect to actions, proceedings, claims or complaints of any kind under any local, State or Federal laws, regulations, court rules, or Rules of Professional Conduct.
- B. Identify and describe in detail any indictments, convictions, or civil offenses arising directly or indirectly from the conduct of business by your firm or any of its partners.
- C. Identify any material arrangements, relationships, associations, employment or other contacts that may cause a conflict of interest or the appearance of a conflict of interest if your firm acts as counsel to HESAA.
- D. Identify all CFPB complaints filed against the firm during the last twelve months, including a summary of the complaint and the firm's response.

- E. Identify any investigations of the firm, including, but not limited to investigation by CFPB, the United States Attorney General or any State Attorney General, or any other state or federal agency.
- F. Identify your firm's malpractice insurer and describe the insurance limits. Provide proof of coverage with your proposal. Selected firms will be required to provide proof of coverage annually by October 1.
- G. Confirm that your firm covers all costs in advance of payment.
- H. Confirm that your firm agrees to comply with the Attorney Manual.
- I. List all policies, procedures, controls, and trainings, provided to employees or agents including the date of last update and/or last time training was conducted. All materials shall be made available for review by HESAA upon request. Full materials shall not be submitted with the firm's proposal. Selected firms will be required to complete the HESAA provided SCRA training for all staff annually and submit to HESAA Certifications of Completion.
- J. Provide the date and result of the last vulnerability scan on your network and computer systems pursuant to Regulation F in regards to Information Security.
- K. Confirm that your firm is compliant with the National Institute of Standards and Technology (NIST) Special Publication (SP) 800-53, NIST SP 800-161, NIST 800-171, and Executive Order 14028 (C-SCRM).

4.4 Financial Statements

Provide the latest audited financial statements, or financial comments if a privately held company, for the firm, or provide an explanation as to why such statements or comments are not provided.

4.5 Additional Requirements for Retention Agreements

The attached "Additional Requirements for All HESAA Retention Agreements" are material terms of any retention resulting from this RFQ. To facilitate proposal evaluation and contract award process, all forms required by the Additional Requirements shall be submitted with the proposal. In addition, all firms retained by HESAA must register with NJSTART at njstart.gov. If your firm is currently registered with NJSTART please provide your vendor ID number.

5.0 FEES

5.1 Collection Work

All Collection accounts will be handled on a contingent fee basis. The fee will be calculated on the basis of monies collected by the firm from debtors referred to the firm by HESAA for handling. The amount of the contingency fee for accounts assigned pursuant to this RFQ will be as follows:

- A. HESAA will pay a contingency fee for collection/litigation services for NJCLASS and all other educational receivable collections at a rate of 20% for in-state matters and 22% for out-of-state matters. A matter is defined as out-of-state when all parties to the loan reside outside

of New Jersey at the time HESAA places the file with the firm. All other matters are defined as in-state.

- B. There will be no fee paid on funds received under Federal Treasury Offset Payment (“TOP”) programs, the New Jersey Set-off of Individual Liability (“SOIL”) program or Lottery Offset program, Federal or State loan forgiveness or redemptions, or via Administrative Wage Garnishment.
- C. HESAA pays fees in accordance with the New Jersey Prompt Payment Act, which permits State entities to pay vendors for services within 60 days of receipt of services; however, HESAA will make best efforts to pay fees on a monthly or more frequent basis. All collections should be deposited in gross dollars with payments made subsequently by HESAA to the selected firms.
- D. Contingency fees shall be paid for actual amounts received only, not for future expected payments. Firms will not be entitled to contingency fees for any monies recovered after the firm’s contract with HESAA ends or is terminated for any reason.

5.2 Bankruptcy Matters

The fee for handling bankruptcy matters, specifically contesting the dischargeability of a debtor from bankruptcy, shall be calculated at a rate of \$250.00 per hour. The total costs expended in handling a bankruptcy matter shall not exceed one third of the outstanding balance at the time the matter is referred unless expressly approved by HESAA in writing. HESAA is to be billed separately for collection matters and bankruptcy matters. HESAA is to be provided an itemized invoice for the work and/or costs incurred in handling bankruptcy matters on a monthly basis, or upon HESAA’s request.

5.3 Administrative Wage Garnishment Hearings

The rate for representation in administrative wage garnishment hearings will be \$250.00 per hour. The total costs expended in handling an administrative wage garnishment hearing shall not exceed one third of the outstanding balance at the time the matter is referred to you unless expressly approved by HESAA in writing. HESAA is to be provided an itemized invoice for the work and/or costs incurred in handling administrative wage garnishment hearings on a monthly basis or upon HESAA’s request.

5.4 Collection Related Appellate Work

The rate for representation in collection related litigation and appellate work will be \$250.00 per hour. The total costs expended in handling a collection related appellate matter shall not exceed one third of the outstanding balance at the time the matter is referred to you unless expressly approved by HESAA in writing. HESAA is to be provided an itemized invoice for the work and/or costs incurred in handling these matters on a monthly basis or upon HESAA’s request.

6.0 ADDITIONAL TERMS

- A. No endorsement: Designation as Special Counsel does not constitute an endorsement by the State of New Jersey or HESAA.

- B. Effect of RFQ response: A response to this RFQ will not bind or otherwise obligate HESAA to include the responding firm on the list of Special Counsel.
- C. Effect of Inclusion on List: Inclusion of a firm on the list of designated counsel will not bind or otherwise obligate HESAA to retain the listed firm for legal services. Inclusion on the list of designated counsel will not guarantee any other form of employment or engagement.

7.0 PROPOSAL SUBMISSION

7.1 Delivery

Proposals must be emailed to Procurements@hesaa.org by 4:00 pm Eastern Standard Time (EST) on September 21, 2026. Please type "Collection Counsel" in the subject line.

7.2 Questions

HESAA will accept questions pertaining to this RFQ from all potential bidders electronically. Questions shall be directed to Procurements@hesaa.org.

Questions will be accepted until 4:00 pm EST on August 31, 2026. In the event that it becomes necessary to clarify or revise this RFQ, such clarifications or revisions will be by addendum. Any addendum to this RFQ will become part of this RFQ and part of any designation of a firm as Special Counsel as a result of this RFQ.

ALL RFQ ADDENDA WILL BE POSTED ON THE HESAA WEBSITE.

It is the sole responsibility of the bidder to be knowledgeable of all addenda related to this RFQ.

HESAA reserves the right to reject any and all proposals received in response to this RFQ, when determined to be in HESAA's best interest, and to waive any minor noncompliance in a proposal. HESAA further reserves the right to make such investigations as it deems necessary as to the qualifications of any and all firms submitting proposals in response to this RFQ. In the event that all proposals are rejected or if HESAA at any time deems the number of qualified firms receiving designations as the result of this RFQ to be insufficient to meet its potential needs, HESAA reserves the right to re-solicit proposals.

HESAA will not be responsible for any expenses in the preparation and/or presentation of the proposals and oral interviews, if any, or for the disclosure of any information or material received in connection with the solicitation, whether by negligence or otherwise.

8.0 SELECTION PROCESS

- A. All proposals will be reviewed for responsiveness. HESAA reserves the right to reject non-responsive proposals without evaluation, but may waive minor non-compliance. An Evaluation Committee, made up of no less than three HESAA employees, will evaluate responsive proposals.

- B. The following evaluation criteria will be used to evaluate proposals received in response to this RFQ:
- (a) **15 Percent:** Knowledge and experience of attorneys in educational receivables, collections, bankruptcy, Administrative hearings and appellate work;
 - (b) **15 Percent:** The firm's recovery performance/average time it takes the firm to liquidate debt;
 - (c) **15 Percent:** Resources of the firm;
 - (d) **15 Percent:** Approach to, and effective results of, settlements with borrowers;
 - (e) **15 Percent:** Timely and accurate reporting;
 - (f) **15 Percent:** Approach to communication with HESAA/responsiveness to HESAA directives and other initiatives; and
 - (g) **10 Percent:** Past experience of HESAA with the firm and/or attorneys, if applicable.
- C. Proposals will be ranked on technical merit. Of the firms that meet the Evaluation Committee's minimum threshold, the four firms with the highest scores will be recommended to the HESAA Board for conditional placement on the list of attorneys to which HESAA assigns educational receivable files, contingent on a recommended firm passing the site visit (see section 8.0(D)) from HESAA staff, if a site visit has not previously taken place.
- D. HESAA staff will perform at least one physical site visit of each recommended firm that has not previously provided similar services for HESAA. The site visit will allow HESAA to evaluate the firm's ability to comply with the Attorney Manual, observe the firm's security and data systems, and evaluate historical student loan collections recovery and activity data. On the site visit, at a minimum, HESAA staff will review:
- a. Office Organization
 - b. Facilities
 - c. Computer System
 - i. System Security
 - d. Disaster Recovery
 - e. How the law firm plans to handle the initial placement of files.
- At the conclusion of the visit, the HESAA staff members that perform the visit will prepare a document that summarizes the visit. The document will be circulated to the evaluation committee with a pass/fail recommendation. A copy of the visit notes will become a part of the law firm's operational file maintained by HESAA.
- E. Firms recommended by the Evaluation Committee and, if applicable, receiving favorable site visit recommendations, will be selected for designation as Special Counsel.

9.0 OUTSIDE COUNSEL DESIGNATIONS

A firm selected pursuant to this RFQ for designation as Special Counsel, with the approval of the HESAA Board, will be the subject of a Special Counsel designation. In selecting a firm to be assigned a particular receivable, HESAA will choose a firm from the list based on the following factors, not necessarily listed in order of significance:

- The background, qualifications, skills, and experience of the firm and its staff with specific reference to educational receivables collections practice;
- The firm's adherence to laws, regulations, and legal duties, including any past or historical violations or issues;
- The quality of the firm's policies, procedures, training and compliance materials;
- The firm's degree of expertise in all facets of providing legal services relating to educational receivables collections;
- The Authority's prior experiences with the firm, if applicable;
- The firm's recovery performance;
- The average time it takes the firm to liquidate debt;
- The firm's handling of customer service issues, including settlement agreements;
- The firm's familiarity with the work, requirements, and systems of New Jersey State Authorities and those of HESAA; and
- Geographical location of the firm's offices.

10.0 EVALUATIONS

During the course of the engagement, HESAA will conduct evaluations of each firm's performance. The evaluation will focus on responsiveness, quality of work, adequacy and appropriate utilization of resources, State and Federal compliance, implementation of HESAA directives, reporting, and recovery performance. HESAA will advise each firm of any problem areas. It is the firm's responsibility to correct all problems at the firm's expense. If, as a result of one or more evaluations with uncorrected problems, HESAA determines that a firm should be removed from the list of designated counsel, the firm may be removed from the list after written notice is provided to the firm. Other than this written notice, nothing in the RFQ creates any rights, entitlements, privileges, or presumptions in favor of a law firm that would constrain HESAA's authority to remove a firm from the list of designated counsel.

Should a firm be removed from the list, or terminated for any reasons, a fee is only payable upon collection and deposit of outstanding monies prior to the removal and/or termination.

No attorney's lien shall attach to a file exceeding the corresponding contingency fee otherwise provided for in this RFQ. No contingency fee will be paid for monies collected or received after the termination of the agreement between HESAA and firm. The firm shall return all referred files to HESAA upon removal or termination within 30 days, at the firm's expense.

Attachments: Additional Requirements for All HESAA Retention Agreements
Attorney Manual