

Action/Information Item

California Student Aid Commission

Consent Item - Approval of April 17-18, 2008 Minutes

Recommended Action: The Commission is asked to approve the minutes.

**CALIFORNIA STUDENT AID COMMISSION
MEETING MINUTES
APRIL 17-18, 2008**

A meeting of the California Student Aid Commission was held on Thursday, April 17, 2008 and Friday, April 18, 2008, at 3300 Zinfandel Drive, Board Room in Rancho Cordova, CA.

Chair Dennis Galligani called the meeting to order at 8:30 a.m.

The following Commission Members were present:

Dennis Galligani, Chair
Daniel Friedlander, Vice Chair
Yasmin Delahoussaye, Secretary
Tomás Arciniega
Lynne de Bie
Peter Hankwitz
Lorena Hernandez
Patricia Fong Kushida
Bonaparte Liu
Enrique Murillo
Israel Rodriguez
Antonio Solórzano, Jr.

Roll Call was taken and a quorum was recognized.

PUBLIC COMMENT

Chair Galligani called for public comment and, hearing none, proceeded with the next agenda item.

CHAIR'S REPORT

Chair Galligani welcomed the new Commissioner, Israel Rodriguez, to the meeting and then provided an overview of the agenda and the Commission's process for taking public comment. In addition, he asked the Commissioners to review Tab 11.a, which outlines the 2000-2005 Strategic Plan goals and objectives and the status of accomplishment in preparation for discussion of the strategic plan. He expects to provide the results of the discussion to the Programs, Planning and Budget Committee and possibly develop an ad hoc Strategic Planning Committee to work with management.

Chair Galligani announced that the Commission has a Resolution for Ms. Marci Manning, former Cal-SOAP Project Director. In addition, he read for the record the Resolution for Ms. Stephanie Britschgi, former Management Services Technician for the Commission.

Chair Galligani decided to discuss the agenda items out of sequence.

AGENDA ITEM 3 – APPROVAL OF FEBRUARY 28-29, 2008 MINUTES

On **MOTION** by Commissioner Hankwitz, **SECONDED** and **CARRIED**, the Commission approved the minutes of the February 28-29, 2008 meeting, as amended with the technical and non-substantive edits suggested by Commissioner Friedlander.

AGENDA ITEM 4 – CONSIDERATION OF THE ADOPTION OF AMENDMENTS TO TITLE 5, CALIFORNIA CODE OF REGULATIONS, DIVISION 4, CHAPTER 1, SECTIONS 30910, 30911, 30912, 30913, 30914 AND 30916 TO IMPLEMENT, INTERPRET, AND MAKE SPECIFIC SECTIONS 70100-10110 OF THE EDUCATION CODE, ESTABLISHING THE STATE NURSING ASSUMPTION PROGRAM OF LOANS FOR EDUCATION FOR NURSING FACULTY (SNAPLE NF)

Ms. Keri Tippins, General Counsel, provided a brief overview of the rule-making process under the Administrative Procedures Act. Ms. Catalina Mistler, Chief of the Program Administration & Services Division, provided a summary of the State Nursing Assumption Program of Loans for Education for Nursing Faculty (SNAPLE NF), Senate Bill 139 requiring amendments to the SNAPLE NF regulations, the language of the proposed amendments and the chronology of events.

Executive Director Diana Fuentes-Michel reported that in meetings with Senator Denise Ducheny, the California Medical Association and other health advocates, a desire has been expressed to place more health loan assumption programs in the Commission because there is a sense that the Commission performs well in local outreach, partnerships and in addressing diversity, which is of extreme concern to the Legislature. She urged the Commission to take this opportunity in the budget process to create a platform to continue the work that the Commission has been doing.

General Counsel Tippins clarified that the proposed amendments are technical changes to conform to the change in the Education Code, which now allows students who have graduated within 12 months with either a baccalaureate or a graduate degree to enter into agreements.

On **MOTION** by Commissioner Hernandez, **SECONDED** and **CARRIED**, the Commission adopted the proposed SNAPLE NF regulations and accompanying documents, requested that the effective date of the regulations be the date of filing and authorized Commission staff to take the necessary steps to complete the regulatory process.

AGENDA ITEM 5 – CONSIDERATION OF THE ADOPTION OF AMENDMENTS TO TITLE 5, CALIFORNIA CODE OF REGULATIONS, DIVISION 4, CHAPTER 1, SECTIONS 30920, 30921, 30922, 30923, 30924, 30925 AND 30927 TO IMPLEMENT, INTERPRET, AND MAKE SPECIFIC SECTIONS 70120-70129 OF THE EDUCATION CODE, ESTABLISHING THE STATE NURSING ASSUMPTION PROGRAM OF LOANS FOR EDUCATION FOR NURSES IN STATE FACILITIES (SNAPLE NSF)

Ms. Catalina Mistler, Chief of the Program Administration & Services Division, provided a summary of the State Nursing Assumption Program of Loans for Education for Nurses in State Facilities (SNAPLE NSF) program and the language of the proposed amendments, which excludes individuals who are employed as registered nurses in State-operated healthcare facilities from entering into the SNAPLE NSF program. She indicated that the revisions were made to conform to the changes in the Education Code based on Senate Bill 139. She noted that the chronology of events is the same as that for the SNAPLE NF program regulations. There was a general consensus that staff should develop statutory language that addresses the

problem of applicants who may be unable to find employment or whose positions may be eliminated.

On **MOTION** by Commissioner Fong Kushida, **SECONDED** and **CARRIED**, the Commission adopted the proposed SNAPLE NSF regulations and accompanying documents, requested that the effective date of the regulations be the date of filing, and authorized staff to take the necessary steps to complete the regulatory process.

Commissioner Murillo ABSTAINED.

AGENDA ITEM 7 – REPORT OF THE GOVERNANCE AND MONITORING COMMITTEE

Item 7.a – Update on State Issues and Legislation and Consideration of Positions on Bills Affecting the Commission

Committee Chair Hernandez presented the Governance and Monitoring Committee Report (See Attachment 1) and reported that the Committee met on April 15, 2008 to consider nine legislative bills.

Ms. Lori Nezhura, Financial Aid Analyst, Governmental Affairs Unit, explained the legislative process and provided a summary of each bill under consideration.

On **MOTION** by Commissioner Hankwitz, **SECONDED** and **CARRIED**, the Commission adopted the following position on Assembly Bill 2082 (Salas) – Student Financial Aid: Military Services: SUPPORT in Policy Committee and NO POSITION in Appropriations Committee.

Commissioner Murillo OPPOSED.

On **MOTION** by Commissioner Murillo, **SECONDED** and **CARRIED**, the Commission adopted the following position on Senate Bill 1158 (Scott) – Student Financial Aid: Assumption Program: SUPPORT in Policy Committee and SUPPORT in Appropriations Committee.

On **MOTION** by Commissioner De Bie, **SECONDED** and **CARRIED**, the Commission adopted the following position on Senate Bill 1656 (Romero) – Assumption Program of Loans for Education: SUPPORT in Policy Committee and SUPPORT in Appropriations Committee.

Commissioner Rodriguez ABSTAINED.

On **MOTION** by Commissioner Friedlander, **SECONDED** and **CARRIED**, the Commission adopted the following position on Assembly Bill 2365 (De La Torre) – Cal Grant B Awards: Award Amount: SUPPORT in Policy Committee and SUPPORT in Appropriations Committee.

On **MOTION** by Commissioner Murillo, **SECONDED** and **CARRIED**, the Commission adopted the following position on Senate Bill 1219 (Cedillo) – Student Financial Aid: Member of the Armed Forces: SUPPORT in Policy Committee and NO POSITION in Appropriations Committee.

On **MOTION** by Commissioner Murillo, **SECONDED** and **CARRIED**, the Commission adopted the following position on Assembly Bill 2083 (Nuñez) – Student Financial Aid: Institutional Financial Aid Eligibility: SUPPORT in Policy Committee and SUPPORT in Appropriations Committee.

Commissioner Hankwitz ABSTAINED.

On **MOTION** by Commissioner Friedlander, **SECONDED** and **CARRIED**, the Commission adopted the following position on Senate Bill 1301 (Cedillo) – Student Financial Aid: Institutional Financial Aid Eligibility: SUPPORT in Policy Committee and SUPPORT in Appropriations Committee.

Commissioner Hankwitz ABSTAINED.

There was some discussion regarding the proposed language to amend to Senate Bill 1355, which is included in Appendix 1 of the Governance and Monitoring Committee report. See Attachment 1.

On **MOTION** by Commissioner Friedlander, **SECONDED** and **CARRIED**, the Commission adopted the following position on Senate Bill 1355 (Corbett) – Postsecondary Education: Private Student Loans: SUPPORT IF AMENDED in Policy Committee and SUPPORT in Appropriations Committee.

AGENDA ITEM 1 – EXECUTIVE DIRECTOR’S REPORT, INCLUDING UPDATE ON BUDGET AND OPERATIONS

Executive Director Michel provided a brief overview of the State budget process. She reported that the Commission received an April Letter indicating that the Governor has proposed to fund the Cal-SOAP and Cash for College programs, \$6.3 million and \$330,000 respectively, through the College Access Challenge Grant, a new Federal grant program. The Governor also proposed to designate an additional \$1 million in Federal grant funds within Cal-SOAP and for the Commission to work with the Superintendent of Public Instruction and the California Community Colleges to achieve a public awareness campaign for career and technical education. Executive Director Michel noted that the College Access Foundation of California has committed \$1.2 million in scholarships for the Commission’s Cash for College Program over the next two years. Commission staff is also working with the Los Angeles Chamber of Commerce and the Gates Foundation on a proposal for an expanded scholarship program and study. Commission staff is also pursuing other partnerships for additional private scholarship monies.

Executive Director Michel presented a power point on the issues that are currently affecting the Commission’s operations and those that will potentially affect operations at the beginning of the new fiscal year on July 1, 2008. Discussion focused on the Governor’s Executive Order to achieve a 1.5% savings in the current 2007-08 fiscal year and the Governor’s proposed 10% budget reduction in 2008-09. Executive Director Michel pointed out that the budget proposal does not include funding for the Commission’s two location moves, which will cost approximately \$150,000 in 2007-08 and \$2 million to \$3 million in 2008-09. The Department of Finance (DOF) does not want the Commission to submit a transition plan until EDFUND is sold; however, it is the Commission staff’s view that the Commission should consider submitting a transition plan soon. Executive Director Michel mentioned that the Senate is in support of the Legislative Analyst’s recommendation to reduce the Commission’s budget by only \$600,000 instead of \$1.6 million, but there has been no final action in that regard.

Mr. Robert Illa, Acting Chief of the Management Services Division, discussed the impact of the budget reductions on employees and positions, including the Commission's layoff plan as shown in the power-point timeline and chart.

AGENDA ITEM 6 – REPORT OF THE PROGRAMS, PLANNING AND BUDGET COMMITTEE

Item 6.a – Consideration of Proposed California Student Opportunity Access Program (Cal-SOAP) Annual Program Plan Process and Method of Funding Cal-SOAP Projects for Fiscal Year 2008-09

Committee Chair Friedlander provided background information on Cal-SOAP funding, noting that funding levels have always been based on the amount of funds that were available when the programs were first implemented rather than evaluation criteria and relative success. The 2007-08 budget sustained a \$2.2 million reduction in Cal-SOAP and the Commission established a maximum budget cut of 26% to provide a \$330,000 minimum level of funding. After staff consulted with the Cal-SOAP Advisory Committee and project directors, the Programs, Planning and Budget (PPB) Committee met on March 28, 2008 and developed two recommendations: 1) the funding decisions regarding the allocations for 2008-09 should not be based on new criteria; and 2) the decisions for 2009-10 should be based on a collaborative process in developing criteria.

Ms. Janet McDuffie, Chief of Federal Policy & Programs and Acting Chief of Public Affairs, Research and Policy Analysis, reported that the project directors were asked to 1) review the allocations in light of the Governor's proposed 10% reduction and recommend reallocations; and 2) recommend a minimum funding level for the newly approved Solano Consortium. The project director's recommendations were provided to the Commission in addition to the staff's recommendations.

Ms. McDuffie noted that the Department of Finance's April Letter, which shifted Cal-SOAP funding from the General Fund to the new Federal grant, raised questions that remain unresolved, such as when funds will be available. Commission staff is working with the Office of the Secretary for Education to seek guidance from the U.S. Department of Education. Another issue of concern is the Federal law, which requires that the state can only sub-grant to an entity that was in existence since the day before the enactment of the Federal legislation, occurring in September 2007. Therefore, the Commission could not issue funds to the recently established Solano Consortium through the Federal grant. Options to address this issue include seeking gap funding in 2008-09 or having another consortium expand its services to cover the Solano area. She added that the April Letter set aside up to \$1 million for career technical education (CTE) awareness activities, but it is unclear exactly what activity must be done.

Mr. Jorge Ortega, Director of the Los Angeles Consortium, expressed appreciation to the Commission and its staff for their efforts in supporting the Cal-SOAP programs. Ms. Regina Coletto, Lead Project Director and Project Director of the Merced County Consortium, provided comments on behalf of the project directors.

Further discussion ensued and there was a general consensus to send a letter to the Administration outlining the severity of the situation and the impact on the Cal-SOAP programs. The Commission urged staff to continue working with the project directors and Cal-SOAP Advisory Committee, and continue to seek clarification from the Department of Finance.

Item 6.b – Consideration of a Process for Developing the Criteria and a Procedure to Evaluate the Performance of Cal-SOAP Projects and a Method for Funding Cal-SOAP Projects in Future Fiscal Years

Ms. Janet McDuffie, Chief of Federal Policy & Programs and Acting Chief of Public Affairs, Research and Policy Analysis, provided an overview of the process and the issues regarding the proposal to evaluate the Cal-SOAP projects and develop a funding method for future years.

On **MOTION** by Commissioner Galligani, **SECONDED** and **CARRIED**, the Commission approved a process for developing the criteria and a procedure to evaluate the performance of Cal-SOAP projects and a method for funding Cal-SOAP projects in future fiscal years based on the following guidelines:

- 1) that the Annual Program Plans (APPs) include the projects' plans for meeting the staff's proposed evaluation criteria;
- 2) that the evaluation criteria and process for scoring and allocating funds be developed through a collaborative process with the Cal-SOAP Advisory Committee, Project Directors and external evaluators; and
- 3) that the APPs go through a practice scoring process during the year (after the criteria, weighting, and scoring process are finalized) with an understanding that 2009-10 funding will be based on performance.

AGENDA ITEM 8 – REPORT OF THE PERSONNEL, EVALUATION AND NOMINATIONS (PEN) COMMITTEE

Committee Chair Delahoussaye reported that the Personnel, Evaluation and Nominations (PEN) Committee met on April 15, 2008 to consider and take possible action on the following items:

Item 8.a – Consideration of Nominations to Advisory Bodies

Loan Advisory Council (LAC)

On **MOTION** by the Committee, **SECONDED** and **CARRIED**, the Commission approved the appointment of Mr. Craig Anderson to the Loan Advisory Council as the Participating Lending Community Representative to serve the remainder of Mr. Kurt Schneiber's unfinished term, effective April 17, 2008 until September 9, 2009.

On **MOTION** by the Committee, **SECONDED** and **CARRIED**, the Commission approved the appointment of Mr. Juan Gutierrez to the Loan Advisory Council as the Private (Non-Profit) Postsecondary Education Institution Representative for the term April 17, 2008 to April 17, 2010.

Grant Advisory Committee (GAC)

On **MOTION** by the Committee, **SECONDED** and **CARRIED**, the Commission approved the following appointments to the Grant Advisory Committee:

- Mr. Rick L. Diffenderfer as the California Community Colleges Student Representative for the term April 17, 2008 to April 17, 2010; and

- Ms. Coleeta E. McElroy as the California Association of Student Financial Aid Administrators (CASFAA) Executive Council Representative for the term April 17, 2008 to April 17, 2010.

Item 8.b – Consideration of Whether the Commission Should Designate a Commissioner as a Director of the EDFUND Board

On **MOTION** by the Committee, **SECONDED** and **CARRIED**, the Commission approved the Committee's recommendation to take no action to appoint a Commissioner to the EDFUND Board.

Item 8.c – Consideration of the Designation of a Director of the EDFUND Board

Chair Galligani requested that the Commission table the agenda item and revisit it at the next Commission meeting.

AGENDA ITEM 10 – GRANT ADVISORY COMMITTEE CHAIR'S REPORT

Ms. Mary Lindsey, Chair of the Grant Advisory Committee (GAC), provided an overview of the Committee and presented its recommendations pertaining to the following items for informational purposes:

- Student expense budgets and the preliminary awarding of Cal Grants;
- Audit finding identifying that different grade point average requirements pertain to Cal Grant A Program versus the Cal Grant B Program;
- Governor's proposed elimination of the Competitive Program and the effects of the Governor's proposal on the administration of the Cal Grant Competitive Program; and
- GAC workgroup priorities for the 2008-09 year.

AGENDA ITEM 2 – EDFUND PRESIDENT'S REPORT, INCLUDING UPDATE ON LENDER-OF-LAST RESORT PROGRAM AND VOLUNTARY FLEXIBLE AGREEMENT (VFA)

EDFUND President Sam Kipp provided a status update on the Voluntary Flexible Agreement (VFA) negotiations, noting that the U.S. Department of Education concluded that the Commission's VFA proposal is cost-neutral and staff continues to work with the Department to finalize the agreement. In addition, he provided an overview of the Lender-of-Last Resort (LLR) Program and distributed a non-confidential written summary of key LLR issues.

AGENDA ITEM 9 – CLOSED SESSION

At 5:14 p.m., Chair Galligani recessed the OPEN SESSION of the meeting of the California Student Aid Commission and announced that the Commission would meet in CLOSED SESSION to discuss and possibly take action on business matters of a proprietary nature pursuant to California Education Code Section 69525(g)(3). The scheduled topics include the following items:

- Item 9.a – Consideration of Policies and Procedures for the Lender-of-Last Resort Program of the Federal Family Education Loan (FFEL) Program***
- Item 9.b – Update on Voluntary Flexible Agreement (VFA)***

At 6:08 p.m., Chair Galligani adjourned the CLOSED SESSION meeting of the California Student Aid Commission.

RECONVENE TO OPEN SESSION

At 6:08 p.m., Chair Galligani reconvened the OPEN SESSION meeting of the California Student Aid Commission and reported that the Commission met in closed session and has nothing to report.

Chair Dennis Galligani re-convened the OPEN SESSION meeting of the California Student Aid Commission at 8:30 a.m. on Friday, April 18, 2008.

The following Commission Members were present:

- Dennis Galligani, Chair
- Daniel Friedlander, Vice Chair
- Tomás Arciniega
- Lynne de Bie
- Peter Hankwitz
- Lorena Hernandez
- Patricia Fong Kushida
- Bonaparte Liu
- Enrique Murillo
- Israel Rodriguez
- Antonio Solórzano, Jr.

Roll Call was taken and a quorum was recognized.

AGENDA ITEM 11 – REVIEW OF MARCH 27, 2008 COMMISSION MEETING ON STRATEGIC PLANNING AND CONSIDERATION OF NEXT STEPS IN THE STRATEGIC PLANNING PROCESS

The Commissioners shared their thoughts and concerns about the 2000-2005 Strategic Plan goals and objectives and discussed a framework for a new strategic plan based on the following elements: the Commission’s core and specialized products, its delivery system and its marketing and outreach strategy. Extensive discussion ensued regarding outreach, partnerships and desired outcomes. In addition, Executive Director Michel provided an overview of the Commission’s statutory requirements.

There was a general consensus that, at the next meeting, the Commission should begin to identify key Legislators, segmental heads and college student representatives to speak directly to the Commission on policy issues and include this dialogue in the Commission meeting agendas as an ongoing item.

Ms. Monica Roberts, Director of the Sacramento Cal-SOAP Consortium, provided information on how Cal-SOAP coordinates efforts with the community colleges, California State University and University of California. Further discussion ensued and there was a general consensus that the staff and project directors should work to ensure consistency in outreach material and provide updates to the Commission.

There being no further business, the meeting of the California Student Aid Commission was adjourned at 11:42 a.m.

YASMIN DELAHOUSAYE
SECRETARY

DRAFT

During the April 17, 2008 Commission meeting, Commissioner Lorena Hernandez, Chair of the Governance and Monitoring Committee, presented the following report under Agenda Item 7.a—Update on State Issues and Legislation and Consideration of Positions on Bills Affecting the Commission.

GOVERNANCE AND MONITORING COMMITTEE REPORT

The Governance and Monitoring Committee (GM) of the Student Aid Commission convened for a meeting on Tuesday, April 15, 2008 to consider nine bills presented by Commission staff in the Governmental Affairs Unit. These bills were recommended for GM's consideration because they meet the Commission's Legislative Objectives, which states:

Due to an economic downturn and scarce General Fund resources, the Commission's programs, and the students we serve are vulnerable to General Fund reductions. The Commission will continue work to increase and expand the support of the Legislature and the Executive branch for the following:

- The Cal Grant Entitlement and Competitive Programs;
- All Specialized aid programs;
- Cal-SOAP, Public Awareness, and Cash for College programs as a State General Fund priority; and
- Continued evaluation of the opportunities offered through, and the potential impact to, the Commission and EDFUND model in light of the potential sale of EDFUND.

Furthermore, each of the nine bills supports the Commission's Legislative Principles, which states:

Recognizing the critical need to maintain Legislative and Executive support for postsecondary educational opportunities, the Commission adopts the following general statement of principles to guide staff in consideration of legislation and related policy issues:

- Foster Educational Access and Affordability;
- Ensure the Availability of Information on Educational Opportunities;
- Preserve the Flow of Financial Aid; and
- Ensure Adequate Support and Flexibility for Commission Operations and its programs.

Commission staff suggested that for each bill, GM would take two separate bill positions:

1. A position when the bill is in policy committee; and
2. A position when the bill is in appropriations committee.

For each of the above mentioned committees, GM may take one of the following bill positions as defined by the Commission's 2007-2008 Legislative Principles: No Position, Neutral, Support, Neutral if Amended, Support if Amended, Oppose unless Amended, Oppose, or Sponsor.

Below is a chart identifying the bill positions taken by GM on each of the nine bills.

Bill	Bill Committee	GM Position
AB 1059 ¹ (De Leon) Child Development Teacher and Supervisor Grants	Policy	No Position
	Appropriations	No Position
SB 1158 (Scott) Student Financial Aid: Assumption Program	Policy	Support
	Appropriations	Support
SB 1656 (Romero) Assumption Program of Loans for Education	Policy	Support
	Appropriations	Support
AB 2082 (Salas) Student Financial Aid: Military Service	Policy	Support
	Appropriations	No Position
AB 2365 (De La Torre) Cal Grant B Awards: Award Amounts	Policy	Support
	Appropriations	Support
SB 1219 (Cedillo) Student Financial Aid: Member of the Armed Forces	Policy	Support
	Appropriations	No Position
AB 2083 (Nunez) Student Financial Aid: Institutional Eligibility	Policy	Support
	Appropriations	Support
SB 1301 (Cedillo) Student Financial Aid (California Dream Act)	Policy	Support
	Appropriations	Support
SB 1355 (Corbett) Private Student Loans	Policy	Support if Amended ²
	Appropriations	Support

APPENDIX 1

¹ At the request of the Author, GM took a No Position on AB 1059. The Author will not move the bill this year as amended on June 1, 2007.

² See Appendix 1 for proposed amended bill language supported by GM.

On SB 1355 (Corbett), GM took a position of "support if amended." Commission staff and EDFUND recommend the following proposed amended bill language to SB 1355.

SB 1355 (Corbett) Private Student Loans

69800. A public or private postsecondary educational institution shall do the following:

- (a) State in all financial aid materials issued or made available to students all of the following:
 - 1. Private loans are not guaranteed by the federal government.
 - 2. Private loans may cost more than federal loans.
 - 3. Federal Stafford loans are available to students regardless of income.
- (b) Clearly distinguish private loans from federal loans in individual financial aid awards by stating, for any private loans offered by the institution:
 - 1. The range of interest rates that may be charged on the private loan.
 - 2. Whether the rate is fixed or variable.
 - 3. If the interest rate on the loan is variable, the frequency of interest rate changes, the explanation for that rate change, and if applicable, the maximum interest rate increase.
 - 4. Any and all fees associated with the assumption of loan.
 - 5. An explanation that the interest rate on a private loan may depend on the borrower's credit rating.
- ~~(c) For any private loan lender list that it provides, provide general information on the terms of the loan available through the lender and disclosure of the reason for each lender's inclusion. The institution shall also inform the student of their right to choose other lenders.~~
- (c) If a public or private postsecondary educational institution recommends or suggests a lender to the institution's students or their parents, such institution shall provide, in writing, a lender list containing:*
 - 1. No fewer than three lenders that are not affiliated with each other.*
 - 2. Disclosures to prospective borrowers the method and criteria used by the institution in selecting any lender that it recommends or suggests.*
 - 3. Comparative information to prospective borrowers about interest rates and other benefits offered by the lenders.*
 - 4. A prominent statement advising prospective borrowers that they are not required to use one of the institution's recommended or suggested lenders.*