



To:

European Investment Fund  
EU Guarantee facilities  
37B, avenue J.F. Kennedy  
L - 2968 Luxembourg

## EXPRESSION OF INTEREST

For the (Counter-)Guarantee in the context of the Erasmus+ Master Loan  
Guarantee Facility

Applicant submitting the Expression of Interest:

\_\_\_\_\_, \_\_\_\_\_  
(company name,  
registration number)

Dear Sir or Madam,

Herewith we are submitting our Expression of Interest on behalf of [Applicant], (the "Applicant") in response to the Open Call for Expression of Interest in the framework of the Facility implemented by EIF. Capitalised expressions utilised herein shall have the meaning attributed to them in the above mentioned Call for Expression of Interest.

The undersigned duly authorised to represent the Applicant, by signing this form certifies and declares that the information contained in this Expression of Interest and its Appendices is complete and correct in all its elements.

The undersigned is duly authorised to represent the Applicant, by signing this form certifies and declares to have read the EIF Anti-Fraud Policy and declares not to have made nor to make any offer of any type whatsoever from which an advantage can be derived under the (Counter-)Guarantee Agreement and not to have granted nor to grant, not to have sought nor to seek, not to have attempted nor to attempt to obtain, and not to have accepted nor to accept, any advantage, financial or in kind, to or from any party whatsoever, constituting an illegal practice or involving corruption, either directly or indirectly, as an incentive or reward relating to signing of the (Counter-)Guarantee Agreement.

Furthermore, the undersigned represents that, as at the date of this Expression of Interest:

- (1) the Applicant is not in any of the situations below:
  - (a) it is bankrupt or being wound up, is having its affairs administered by the courts, in this context, is the subject of proceedings concerning those matters, or is in any analogous situation arising from a similar procedure provided for in national legislation or regulations or has suspended business activities;
  - (b) it is guilty of misrepresentation in supplying information required for selection as a Financial Intermediary; or fail to supply this information;
  - (c) it is, to its knowledge, listed in the central exclusion database established under Commission Regulation 1302/2008 of 17 December 2008;
  
- (2) the Applicant has not been in one of the following situations during the last five (5) years from the date of signature of this form:
  - (a) It has entered into an arrangement with creditors in the context of being bankrupt or being wound up, having its affairs administered by the courts;
  - (b) it or persons having powers of representation, decision-making or control over it have been convicted :
    - (i) of an offence concerning their professional conduct by a judgement which has the force of *res judicata* which would affect their ability to implement the Facility, or
    - (ii) for fraud, corruption, involvement in a criminal organisation, money laundering or any other illegal activity by a judgement which has the force of *res judicata*, where such illegal activity is detrimental to the Union's financial interests;Alternatively, where such judgments exist the undersigned declares that the Applicant can demonstrate that adequate measures have been adopted against the persons having powers of representation, decision making or control over it, who are subject to these judgments;
  
- (3) the Applicant is established and operating in one or more of the Programme Countries;
  
- (4) in respect of Guarantees provided under the Facility, the Applicant is duly authorised, if applicable, to carry out financing activities to Final Recipients according to the applicable legislation; or alternatively, in the case of Counter-guarantees provided under the Facility, the Applicant is duly authorised, if applicable, to issue guarantees according to the applicable legislation;
  
- (5) if the Applicant intends to lend directly to Final Recipients, the Applicant complies with the applicable laws or regulations implementing Directive 2008/48/EC of the European Parliament and of the Council of 23 April 2008 on credit agreements for consumers.

Yours sincerely,

Signature(s):

Name and position in capitals:

Applicant's name

Place:

Stamp of the Applicant (if applicable):

Date (day/month/year):

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Appendices

Appendix 1 Applicant Identification

Appendix 2 Information Requirements

Appendix 1 to the Expression of Interest.

APPLICANT IDENTIFICATION

INFORMATION REQUIRED	
APPLYING FOR:	<input type="checkbox"/> GUARANTEE <input type="checkbox"/> COUNTER-GUARANTEE
NAME	
LEGAL FORM	
CONTACT DETAILS	Title: Mr/Mrs/other (delete or complete as appropriate) Surname: Forename(s): Function: Address: Telephone: Email:

## Appendix 2 to the Expression of Interest.

### INFORMATION REQUIREMENTS

The points below list the headings for the minimum information needed.

Please add relevant information that might have an impact on your application (specific market environment, product related, specifics regarding your institution, etc.)

#### A. GENERAL INFORMATION

N.B.: The information required below concerning the activity of the applicant institution and its products should be provided in respect of its student loan activity. In case the applicant has not granted student loans in a meaningful volume in the past, the information should relate to an activity which are most similar to student loans (e.g. micro-credit loans or mid/long term consumer loans) to be detailed in the application.

If the applicant is a guarantee scheme, the information required relates to the guarantee products offered.

For entities which are not financial institutions please provide the corresponding information which is equivalent to the information requested below from financial entities.

#### 1. INTERMEDIARY'S ACTIVITY

1.1. General: description of the applying institution (date of establishment, brief history, number of employees, shareholders etc), legal status, regulatory framework and applicable regulations and rating, if applicable (please add reports of rating agencies to the Application, if available).

1.2. Description and standard terms of student loan products offered including maturity, maximum and average amount, etc. (or similar loan product as mentioned above in case student loan is not a standard product)

1.3. Geographical area of operation

1.4. Branch network: number, type and size of branches

1.5. Previous experience in cooperating with international financial institutions (IFI) such as EIB,

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EBRD, CoEB and/or national promotional institutions.

### 2. FINANCIAL STANDING

#### 2.1. Annual reports for the last available three years (to be annexed to the Application)

For institutions whose losses are covered in full or in part, directly or indirectly, by the State or other public entities (such as regional or local authorities), further information and statements are requested:

- State resources (budgetary resources) available for the student loan related activity (guarantee or lending activity, not limited to the product proposed under the EU Guarantee for cover) and how it's applied (e.g. to operating expenses, loss cover, etc.)
- Planned budgetary resources for student loan related activities (guarantee or lending activity, not limited to the product proposed under the EU Guarantee for cover)
- Are the budgetary resources allocated specifically to different products?
- How and when is the budget fixed?
- Are there budgetary/capacity limitations?

#### 2.2. Financial Intermediary rating and rating agencies' reports (if applicable)

### 3. OPERATING PRINCIPLES

#### 3.1. Credit policy: abstract of internal procedures and guidelines in relation to student loan activities

##### 3.1.1. Origination (including internal client segmentation, if any)

##### 3.1.2. Risk assessment procedures (including description of the rating models/scoring systems in place)

##### 3.1.3. Approval procedures

##### 3.1.4. Delegation system

##### 3.1.5. Collateral requirements

##### 3.1.6. Monitoring

##### 3.1.7. Recovery procedures (what steps are taken and when; which departments are involved)

#### 3.2. Risk management: methods utilised for loss forecasting, provisioning and credit risk management on portfolio level

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4. STUDENT LOAN VOLUMES over the most recent 5 year period by product/purpose, maturity range

4.1. Annual number and volume of finance granted.

4.2. Total number and volume of finance outstanding at year-end for the most recent 5 years.

5. POSITION IN THE MARKET

6. INTEREST RATES AND FEES

6.1. Pricing policy with regard to student loans to private individuals by product/purpose, maturity, segment (including student loans, if any), risk category, etc.

6.2. Types and Levels of Fees (including up-front fees, commitment fees etc)

7. IT SYSTEM

7.1 Ability to comply with the Reporting requirements linked to the EU Guarantee

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**B. PROPOSAL**

**1. PROPOSED PRODUCT TO BE COVERED UNDER THE LOAN GUARANTEE FACILITY:**

**1.1. General information:**

- Envisaged volumes with an EU Guarantee<sup>1</sup> over a period of three years; please provide the basis/assumptions for such estimate, including:
  - Will the offer extend to students moving to a Programme Country other than that of the Intermediary to undertake a Master's Degree at a Recognized Higher Education Institution;
  - Will the offer extend to students moving to the Applicant's Programme Country to undertake a Master's Degree at a Recognized Higher Education Institution;
- The envisaged pricing reduction (e.g. risk margin reduction for the new product should be detailed including how it fits in the current pricing policy).
- Implementation strategy: externally (liaising with partners, marketing, etc.) and internally (necessary procedures, systems, etc.). Please also provide an estimate of the expected time needed to prepare for implementation

**1.2. DEFAULT RATE / RECOVERY RATE (for the most recent five year period, if available) for student loans (or micro-loans to private individuals, with regard to the most comparable loan/guarantee product currently offered):**

**1.2.1 Non-performing loan/guarantee rates (defaulted loans or guarantees/outstanding loan or guarantee amount)**

**1.2.2. Average time lags between the granting, the payment default by the borrower and the establishment of the final loss.**

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<sup>1</sup> Financial Intermediaries, when proposing the currency of the Guarantee Cap Amount (either in EUR or in the relevant Tradable Currency), shall consider the foreign exchange risk for Final Recipients, in particular in countries with Tradable Currency.



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1.2.3. Detailed analysis of defaults incurred and recoveries made

- Default definition used
- Details on annual defaults (before recoveries) and recoveries
- Masterscale with associated probabilities of default
- Vintage year analysis: Net cumulative defaults and/or losses, with break-down by portfolio (year of loan granting): e.g. annual and cumulative losses incurred with regard to loans granted in the years 2011, 2012 etc.

EXAMPLE TABLES:

Default rate detail		defaults occurred after 0, 1, 2 ... years (total outstanding when defaulted)						Total default EUR
year of granting	Debt Finance granted in EUR	0	1	2	3	4	5	
Year N-6		%	%	%	%	%	%	
Year N-5		%	%	%	%	%		
Year N-4		%	%	%	%			
Year N-3		%	%	%				
Year N-2		%	%					
Year N-1		%						

Recovery rate detail	recoveries occurred after 0, 1, 2 ... years	Total recoveries in EUR

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year of default	Default Amount in EUR	0	1	2	3	4	5	
Year N-6		%	%	%	%	%	%	
Year N-5		%	%	%	%	%		
Year N-4		%	%	%	%			
Year N-3		%	%	%				
Year N-2		%	%					
Year N-1		%						

**2. MARKETING AND PROMOTION OF EU SUPPORT:**

- Please note that the Intermediary will be required to promote the products offered under the EU Erasmus+ Master LGF and that all information and promotional material of the product must clearly point to the support provided by the Erasmus+ Master LGF.
- Please note that the Intermediary will be required to explicitly inform Final Recipients that financing is made possible through the support of the Erasmus + Master LGF with the financial backing of the European Union under Erasmus+ Master Loan Guarantee Facility and that such information needs to be included in the contractual documentation with the Final Recipient.
- Please note that the European Commission wishes to receive information on case studies stories on borrowers under the Facility that will be published.