HR/CORPORATE POLICY – FINANCIAL AID CODE OF CONDUCT

Policy Name: Financial Aid Code of Conduct
Number: 4.03
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Financial Aid Code of Conduct

I. Purpose
The purpose of this policy is to align the University with regulations enacted by the Higher Education Opportunity Act of 2008. Each institution that participates in Title IV loan programs must initiate a Code of Conduct for employees or agents with responsibility for student financial aid.

II. Covered Individuals
The Financial Aid Code of Conduct applies to all officers, employees and agents of the University with responsibility related to student loans and other forms of financial aid.

III. Definitions

Gift: For purposes of this policy, the term gift means any gratuity, favor, discount, entertainment, hospitality, loan, or other item having a monetary value of more than a de minimus amount. The term includes a gift of services, transportation, lodging, or meals, whether provided in kind, by purchase of a ticket, payment in advance, or reimbursement after the expense has been incurred;

The term gift does not include any of the following:

(A) Standard material, activities, or programs on issues related to a loan, default aversion, default prevention, or financial literacy, such as a brochure, a workshop, or training.

(B) Food, refreshments, training, or informational material furnished to an agent as an integral part of a training session that is designed to improve the service of a lender, guarantor, or servicer of FFEL Program loans or private education loans to the University, if such training contributes to the professional development of the agent.

(C) Favorable terms, conditions, and borrower benefits on a FFEL Program loan or private education loan provided to a student employed by the University if such terms, conditions, or benefits are comparable to those provided to all students of the University.

(D) Entrance and exit counseling services provided to borrowers to meet the University's responsibilities for entrance and exit counseling as required by §§682.604(f) and 682.604(g), as long as the University's staff are in control of the counseling (whether in person or via electronic capabilities) and such counseling does not promote the products or services of any specific lender.
(E) Philanthropic contributions to an University from a lender, servicer, or guarantor of FFEL Program loans or private education loans that are unrelated to FFEL Program loans or private education loans or any contribution from any lender, servicer, or guarantor, that is not made in exchange for any advantage related to FFEL Program loans or private education loans.

(F) State education grants, scholarships, or financial aid funds administered by or on behalf of a State; and

For purposes of this policy, a gift to a family member of an agent, or to any other individual based on that individual's relationship with the agent, is considered a gift to the agent if—

(A) The gift is given with the knowledge and acquiescence of the agent; and

(B) The agent has reason to believe the gift was given because of the official position of the agent.

Opportunity Pool Loan: For purposes of this policy, the term opportunity pool loan means a private education loan made by a lender to a student attending the University or the family member of such a student that involves a payment, directly or indirectly, by such institution of points, premiums, additional interest, or financial support to such lender for the purpose of such lender extending credit to the student or the family.

Revenue Sharing Arrangement: For purposes of this policy, the term revenue-sharing arrangement means an arrangement between the University and a lender under which—

(A) A lender provides or issues a FFEL Program loan or private education loan to students attending the University or to the families of such students; and

(B) The University recommends the lender or the loan products of the lender and in exchange, the lender pays a fee or provides other material benefits, including revenue or profit sharing, to the University, or agent.

IV: Prohibited Activity

(A) The University must not enter into any revenue-sharing arrangement with any lender.

(B) Agents who are employed in the financial aid office of the University or who otherwise have responsibilities with respect to FFEL Program loans or private education loans, must not solicit or accept any gift from a lender, guarantor, or servicer of FFEL Program loans or private education loans

(C) An agent who is employed in the financial aid office of the University or who otherwise has responsibilities with respect to FFEL Program loans or private education loans must not accept from any lender or affiliate of any lender any fee, payment, or other financial benefit (including the opportunity to purchase stock) as compensation for any type of consulting arrangement or other contract to provide services to a lender or on behalf of a lender relating to FFEL Program loans or private education loans.
(D) The University must not -

(i) For any first-time borrower, assign, through award packaging or other methods, the borrower's loan to a particular lender; or

(ii) Refuse to certify, or delay certification of, any loan based on the borrower's selection of a particular lender or guaranty agency;

(E) The University must not—

(i) For any first-time borrower, assign, through award packaging or other methods, the borrower's loan to a particular lender; or

(ii) Refuse to certify, or delay certification of, any loan based on the borrower's selection of a particular lender or guaranty agency.

(F) The University must not request or accept from any lender any assistance with call center staffing or financial aid office staffing, except that nothing in this paragraph will be construed to prohibit the University from requesting or accepting assistance from a lender related to—

(i) Professional development training for financial aid administrators;

(ii) Providing educational counseling materials, financial literacy materials, or debt management materials to borrowers, provided that such materials disclose to borrowers the identification of any lender that assisted in preparing or providing such materials; or

(iii) Staffing services on a short-term, nonrecurring basis to assist the University with financial aid-related functions during emergencies, including State-declared or Federally declared natural disasters, Federally declared national disasters, and other localized disasters and emergencies identified by the Secretary of Education.

(G) Any employee who is employed in the financial aid office of the University, or who otherwise has responsibilities with respect to FFEL Program loans or private education loans or other student financial aid of the University, and who serves on an advisory board, commission, or group established by a lender, guarantor, or group of lenders or guarantors, must not receive anything of value from the lender, guarantor, or group of lenders or guarantors, except that the employee may be reimbursed for reasonable expenses, as that term is defined in §668.16(d)(2)(ii), incurred in serving on such advisory board, commission, or group.

Policy owner: