



Business Unit:	Student Financial Services	Policy Contact:	Jarod Paulson
Topic:	Financial Aid Code of Conduct	Contact Email:	Jarod.paulson@capella.edu
Effective Date:	10/1/2021	Contact Phone#:	
Last Revised:	9/20/2021		

SUMMARY

This policy is applicable to Capella University officers, employees, and agents, and it prohibits a conflict of interest with their responsibilities with respect to Title IV loans. The policy is part of Capella University's commitment to the highest ethical standards and conduct by its employees. It supplements the Code of Conduct stated in the Employee Handbook and the Code of Business Conduct applicable to Capella University and applies specifically to conduct related to financial aid.

POLICY

Capella University expects the highest levels of professionalism and ethical behavior from all officers, employees, and agents whose responsibilities include student financial aid matters. These individuals must avoid even the appearance or perception of any conflict of interest regarding their student/learner aid responsibilities. They must refrain from taking any action they believe is contrary to law, regulation, or the best interest of the students they are serving, and must disclose all conflicts identified in this policy.

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:

1. 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.
2. 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 Federal Direct loan program, FFEL Program loans or private education loans to the University, if such training contributes to the professional development of the agent.



3. Favorable terms, conditions, and borrower benefits on a Federal Direct loan, 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.

4. 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.

5. Philanthropic contributions to a university from a lender, servicer, or guarantor of FFEL.

Program loans, Federal Direct loans, or private education loans that are unrelated to FFEL Program loans, Federal Direct 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, Federal Direct loans, or private education loans.

6. 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.

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

1. A lender provides or issues a FFEL Program loan, Federal Direct loan, or private education loan to students attending the University or to the families of such students; and

2. 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.

Capella University Responsibilities



As part of its commitment to the highest ethical standards in connection with its responsibilities regarding federal financial aid, **Capella University** will not:

1. Receive anything of value from any lender in exchange for any advantage sought by the lender in making educational loans available to enrolled or prospective students/Learners of Capella University.
2. Assign, through award packaging or other methods, a first-time borrower's loan to a particular lender, or refuse to certify or delay certification of any loan based on the borrower's selection of a particular lender or guaranty agency.
3. Enter into any revenue-sharing arrangement with any lender under which Capella University recommends a lender or its products in exchange for a fee or other material benefits from the lender, and the lender provides or issues a loan that is made, insured, or guaranteed under Title IV to students/Learners attending Capella University (or their families).
4. Request or accept from any lender any offer of funds to be used for private education loans, including funds for an opportunity pool loan, to students in exchange for concessions or promises to provide the lender with a specified number of loans made, insured, or guaranteed under Title IV; a specified loan volume of such loans; or a preferred lender arrangement for such loans.
5. Request or accept from any lender any assistance with call center staffing or financial aid office staffing.
6. Use federal funds received under federal financial aid programs to hire a registered lobbyist or pay any person or entity for securing an earmark to any legislation. Capella University will not use such funds to pay any person for influencing or attempting to influence an officer or employee of any Agency, Member of Congress, officer or employee of Congress, or employee of a Member of Congress in connection with the awarding of any federal contract, making of any federal grant or loan, entering into any federal cooperative agreement, or the extension, continuation, renewal, amendment or modification of any federal contract, grant, loan or cooperative agreement.

Responsibilities of Capella University Officers, Employees and Agents

Any **officer** or **employee**, or **agent** of Capella University who is employed in the financial aid office of Capella University, or who otherwise has responsibilities with respect to educational loans or other financial aid of Capella University, is **prohibited** from:



1. Soliciting or accepting any gift from a lender, guarantor, or servicer of educational loans for any item or service having more than a *de minimis* monetary value, other than standard materials (brochures, training aids) related to topics such as default prevention or financial literacy. Upon prior approval of the Vice President-Financial Aid, exceptions may be made with for reasonable expenses for professional development that will improve the efficiency and effectiveness of Capella University financial aid programs.
2. Accepting from a lender or its affiliate any fee, payment, or other financial benefit as compensation for any type of consulting arrangement or other contract to provide services to a lender relating to education loans.
3. Receiving anything of value from a lender, guarantor or group of lenders or guarantors if the employee serves on an advisory board, commission, or group established by a lender or group of lenders. An employee may be reimbursed for reasonable expenses incurred in serving on such advisory board, commission or group.
4. Employees within the financial aid office will not award aid to themselves or their immediate family members. Staff will reserve this task to an institutionally designated person, to avoid the appearance of a conflict of interest.
5. If a preferred lender list is provided, it will be compiled without prejudice and for the sole benefit of the students attending the institution. The information included about lenders and loan terms will be transparent, complete, and accurate. The complete process through which preferred lenders are selected will be fully and publicly disclosed. Borrowers will not be auto-assigned to any particular lender.

Reporting Violations of This Policy

Capella University expects officers and employees covered by this policy to report violations of this policy to the Vice President - Financial Aid. Failure to comply with this policy will result in disciplinary action, which may include termination of employment. Questions regarding this policy should be addressed to the Vice President - Financial Aid.