



**Financial Aid Ethics Policy  
Administrative Policy F1.2  
August, 2009**

**Policy Statement**

This code of conduct applies to all College divisions and to all trustees, employees and agents of the College, including without limitation individuals who are employed in a financial aid office or who otherwise have responsibilities with respect to education loans. This code reflects the College's commitment to conducting financial aid practices with integrity, free from conflicts of interest, in the interest of students, and in compliance with applicable law.

For purpose of this code of conduct, financial aid lending institution means:

- (a) Any entity that itself or through an affiliate engages in the business of making loans to students, parents or others for purposes of financing higher education expenses or that securitizes such loans; or
- (b) Any entity, or association of entities, that guarantees or services education loans; or
- (c) Any industry, trade or professional association that receives money from any entity described above in subsections (a) and (b).

**Prohibition on Revenue Sharing with Financial Aid Lending institutions and on Solicitation or Acceptance of Remuneration or Assistance from a Financial Aid Lending institution**

The College prohibits any revenue-sharing arrangement with any financial aid lending institution. Revenue sharing is any arrangement by which a lender pays the College a percentage of the principal loan taken by a borrower or otherwise compensates the College as a result of a borrower taking a loan.

The College may not accept or solicit anything of value from any financial aid lending institution related to its education loan activity. This prohibition shall include, but not be limited to, (i) revenue sharing by a financial aid lending institution with the College, (ii) the College's receipt from any financial aid lending institution of any computer hardware for which the College pays below-market prices and (iii) printing costs or services.

The College also may not accept or solicit staffing assistance from a financial aid lending institution, including but not limited to call center staffing or financial aid office staffing. The College shall

ensure that it does not identify any employee or other agent of a financial aid lending institution to students or prospective students of the College or their parents as an employee or agent of the College.

### **Ban on “Opportunity Loans”**

The College shall not arrange with a financial aid lending institution to provide any “opportunity loans”, if the provision of such “opportunity loans” prejudices any other borrower.

The College also may not accept or solicit any funds to be used for private educational loans or “opportunity pool loans” in exchange for providing a financial aid lending institution with a specified number of federal loans, a specified loan volume or a preferred lender arrangement.

For purpose of this code, an “opportunity loan” agreement is an arrangement whereby a financial aid lending institution agrees to make loans up to a specified aggregate amount to students with poor or no credit history, or to international students whom the financial aid lending institution claims would not otherwise be eligible for its loan programs, in exchange for concessions or promises by a College that may prejudice other borrowers.

### **Ban on Actions that Limit a Borrower's Choice of Financial Aid Lending institutions**

The College shall not assign a first-time borrower to a particular lender, or refuse to certify, or delay certification, of any loan based on the borrower's selection of a financial aid lending institution.

### **Prohibition on Gifts and Remuneration to College Employees**

The College shall inquire and ensure that no employee, trustee, or agent of the College solicits or accepts gifts or anything of more than de minimus (in this case, less than \$25) value on his or her own behalf or on behalf of another from or on behalf of a financial aid lending institution, except that this provision shall not be construed to prohibit any employee, trustee, or agent of the College from conducting non-College business with any financial aid lending institution. Nothing in this provision or otherwise shall prevent the College from holding membership in any nonprofit professional association. This prohibition shall include, but not be limited to, a ban on any payment or reimbursement by a financial aid lending institution to a College employee for lodging, meals, or travel to conferences or training seminars.

For purpose of this code, "gifts" include any gratuity, favor, discount, entertainment, hospitality, loan, or other item having a monetary value of more than a de minimus amount, including services, transportation, lodging, and meals. A gift does not include standard materials, activities or programs related to a loan being provided; favorable terms, conditions or borrower benefits provided to a student employed by the College if comparable terms are provided to all students of the College; philanthropic contributions to an institution unrelated to education loans; or state education grants, scholarships or financial aid funds.

### **Limitations on College Employees Participating on Lender Advisory Boards**

The College prohibits any employee, trustee, or agent of the College from receiving any remuneration for serving as a member or participant of an advisory board of a financial aid lending institution, or receiving any reimbursement of expenses for so serving, provided, however, that participation on advisory boards that are unrelated in any way to higher education loans shall not be

prohibited by the code. Notwithstanding the above this code of conduct shall not prohibit any employee, trustee or agent of the College, who is uninvolved in the affairs of the College's financial aid activities, from serving on a board of directors of a publicly traded or privately held company.

**Prohibition on Consulting for Financial Aid Lending Institutions by Employees**

Employees who have student lending responsibilities are prohibited from consulting or providing other contract services for a financial aid lending institution.

**Prohibition on Stock Ownership in Financial Aid Lending Institutions by Financial Aid Officers**

An employee with significant work responsibilities related to financial aid shall not own stock or hold any other financial interest in a financial aid lending institution, other than through ownership of shares in a publicly traded mutual fund or similar investment vehicle in which the person does not exercise any discretion regarding the investment of the assets of the investment vehicle.