

UPP 1-34: University Code of Conduct on Student Loans and Lenders **University Policies & Procedures**

Direct all Inquiries to: Director, Office of Student Financial Aid

Replaces: New

Key Terms: student loan; lender; gift; consulting arrangement; revenue-sharing arrangement

Effective Date: 01/01/10

Policy Number: UPP 1-34

WHY DO WE HAVE THIS POLICY:

The university has established this policy to comply with the requirements of the 2009 amendments to the Higher Education Act and to establish a university-wide policy governing the relationship between the university and its personnel and non-governmental student loan providers.

WHAT IS THE POLICY:

Consulting Arrangement means any agreement or arrangement between the university or any university officer, employee, or agent and a Lender under which the Lender directly or indirectly pays a fee or provides other material benefits to the university or to any of its officers, employees, or agents in return for services to or on behalf of a Lender relating to Student Loans.

Gift means any gratuity, favor, discount, entertainment, hospitality, loan, or other item having monetary value of more than \$25. The term Gift does not include (1) a brochure, workshop, or training using standard materials relating to a loan, default aversion, or financial literacy; (2) food, training, or informational material provided as part of a training session designed to improve the service of a Lender, if the training contributes to the professional development of the university's officers, employees or agents; (3) favorable terms and benefits on a Student Loan to a student employed by the university, but only if those terms and benefits are comparable to those provided to all students at the university; (4) entrance and exit counseling, but only if such counseling is under the control and direction of the University's Office of Student Financial Aid and does not promote the services of a specific Lender; and (5) philanthropic contributions or any other promotional activities from a Lender that are unrelated to Student Loans and are not made in exchange for any advantage related to Student Loans.

Lender means any non-governmental entity that extends or offers to extend loans to students or families of students of the university to pay tuition, room and board, books, or other fees or charges paid by students to the university in return for educational services. For purposes of this UPP 1-34, a Lender also includes any non-governmental entity that guarantees a Student Loan; acquires ownership of a Student Loan from the original Lender; or provides payment or other processing services on behalf of a Lender, including amounts owed to governmental entities.

Opportunity Pool Loan means a Student Loan from a Lender to a borrower that involves a payment by the university to the Lender in return for extending the Student Loan; making, insuring, or guaranteeing a specific number of Student Loans; making, insuring, or guaranteeing a specified dollar volume of Students Loans; or entering into any type of preferred lender arrangement in connection with Student Loans.

Revenue-Sharing Arrangement means any agreement or arrangement between the university and a Lender under which the university recommends or promotes either the Lender or any Student Loan offered by the Lender and, in return or in consideration for such recommendation, the Lender directly or indirectly pays a fee or provides other material benefits, including but not limited to a fixed fee or a portion of the revenues received, to the university or to any of its officers, employees, or agents.

Student Loan means any loan offered to or obtained by students or families of students of the university to pay tuition, room and board, books, or other fees or charges paid by students to the university in return for educational services, except that “Federal Loan Programs,” “State Loan Programs,” and “Institutional Loan Programs” described in the most current “Award Information Guide” from the university’s Office of Student Financial Aid do not result in “Student Loans” within the meaning of this UPP, except with respect to such loans that have payment or processing services provided by non-governmental entities.

No officer, employee, or agent of the university may—

- Enter into a Revenue-Sharing Arrangement with any Lender.
- Solicit or accept a Gift from any Lender.
- Enter into a Consulting Arrangement with any Lender.
- Steer or assign through award packaging or other methods a Student Loan to a specific Lender, except as such assignment may be independently directed by the borrower.
- Refuse to certify, or to delay the certification of, any Student Loan based on the selection of a Lender by the borrower.
- Accept any offer to participate, or participate in any way, in an Opportunity Pool Loan.

- Request or accept from any Lender any assistance with call center staffing or Office of Student Financial Aid staffing, except that a Lender may provide professional development training, educational counseling materials (so long as such materials identify the Lender that assisted in preparing the materials), and staffing services on a short-term, nonrecurring basis during emergencies or disasters.
- Serve on any advisory board, commission, or similar group established by a Lender.

ADDITIONAL RESOURCES AND FORMS:

N/A