Code of Conduct for Education Loans

Student Lending Code of Conduct

To follow is our code of conduct that prohibits a conflict of interest with the responsibilities of an officer, employee, and agent of the institution with respect to Federal Direct Loans or private education loans.

The institution does not participate in revenue sharing arrangements with any lender. The HEOA defines "revenue-sharing arrangement" as any arrangement between an institution and a lender under which the lender makes Title IV loans to students attending the institution (or to families of those students), the institution 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 institution or to its officers, employees, or agents.

The institution prohibits employees of the Financial Services Office from receiving gifts from a lender, guaranty agency or loan servicer. No officer or employee of an institution's Financial Services Office (or an employee or agent who otherwise has responsibilities with respect to educational loans) may solicit or accept any gift from a lender, guarantor, or servicer of education loans. A "gift" is defined as any gratuity, favor, discount, entertainment, hospitality, loan, or other item having monetary value of more than a de minimis amount. However, a gift does not include (1) a brochure, workshop, or training using standard materials relating to a loan, default aversion, or financial literacy, such as a brochure, workshop or training; (2) food, training, or informational material provided as part of a training session designed to improve the service of a lender, guarantor, or servicer if the training contributes to the professional development of the institution's officer, employee or agent; (3) favorable terms and benefits on an education loan provided to a student employed by the institution if those terms and benefits are comparable to those provided to all students at the institution; (4) entrance and exit counseling as long as the institution's staff are in control of the counseling and the counseling does not promote the services of a specific lender; (5) philanthropic contributions from a lender, guarantor, or servicer that are unrelated to education loans or any contribution that is not made in exchange for advantage related to education loans, and; (6) State education grants, scholarships, or financial aid funds of a State.

No officer or employee of an institution's Financial Services Office (or employee or agent who otherwise has responsibilities with respect to educational loans) may accept from a lender, or an affiliate of any lender, any fee, payment, or other financial benefit (including a stock purchase option) as compensation for any type of consulting arrangement or contract to provide services to or on behalf of a lender relating to education loans.

The institution prohibits offers of funds for private loans. An institution may not request or accept from any lender any offer of funds for private loans, including funds for an opportunity pool loan, to students in exchange for providing concessions or promises to the lender for a specific number of Title IV loans made, insured, or guaranteed, a specific loan volume, or a preferred lender arrangement. An "opportunity pool loan" is defined as a private education loan made by a lender to a student (or the student's family) that involves a payment by the institution to the lender for extending credit to the student.

The institution may not request or accept from any lender any assistance with call center staffing or Financial Services Office staffing, except that a lender may provide professional development training, educational counseling materials (as long as the materials identify the lender that assisted in preparing the materials), or staffing services on a short-term, nonrecurring basis during emergencies or disasters.

An employee of an institution's Financial Services Office (or employee who otherwise has responsibilities with respect to education loans or financial aid) who serves on an advisory board, commission, or group established by a lender or guarantor (or a group of lenders or guarantors) is prohibited form receiving anything of value from the lender, guarantor, or group, except for reimbursement for reasonable expenses incurred by the employee for serving on the board.

Private Education Loans

Private education loans, sometimes called alternative loans, are available for students who have additional need to cover educational costs beyond what federal aid programs will offer. Private loans are offered by private lenders and there are no federal forms to complete. Eligibility for private student loans often depends on your credit score. Students are to consider federal aid sources prior to considering private lending as the terms of federal aid sources are typically more advantageous.

Upon applying for a private education loan, students are required to complete a self-certification form that includes the following information:

- Pursuant to Section 155 of the Higher Education Act of 1965, as amended, (HEA) and to satisfy the requirements of Section 128(e)(3) of the Truth in Lending Act, a lender must obtain a self-certification signed by the applicant before disbursing a private education loan. If a student declines federal loans, the institution is required on request to provide this form or the required information only for students admitted or enrolled at the institution. Throughout this Applicant Self-Certification, "you" and "your" refer to the applicant who is applying for the loan. The applicant and the student may be the same person.
- Free or lower-cost Title IV federal, state or institution student financial aid may be available in place of, or in addition to a private education loan.
- To apply for title IV federal grants, loans and work study, submit a Free Application for Federal Student Aid (FAFSA) available at www.fafsa.ed.gov, or by calling 1-800-4-FEDAID, or from the institution's Financial Services Office.
- A private education loan may reduce eligibility for free or lower-cost federal, state or institution student financial aid.
- You are strongly encouraged to pursue the availability of free or lower-cost financial aid with the institution's Financial Services Office.

Students should also be aware that although some forms of private lending appear to have a lower interest rate than a federal loan, there may be other terms and conditions of the loan that could be less advantageous. You should contact your institution's Financial Services Office for more information on private education loans or to discuss your financing options.

Private Education Loan Lenders

You may compare the benefits offered by lenders by going to the lender's website and searching for their loan information.

If you should find a private loan lender, please consult your Financial Services Officer to assist you with any relevant paperwork or processing.

When you borrow a private loan, you have the right to cancel your loan before it disburses as well as after your loan disburses. Interest rates and fees typically begin accruing after the first disbursement. You may be responsible to pay interest/fees after a loan has disbursed, even though you have returned funds. Again, each lender has their own terms and conditions, so it is important to know the return/cancel deadlines to avoid repayment of accrued fees. Please consult your Financial Services Officer should you have any questions.

Remember you are the responsible party signed to a private loan and have rights and responsibilities. As a borrower, you can also cancel or decrease present or future disbursements as well. If you have changed your mind as to how much you would like to borrow, please contact the lender and your Financial Services Office.

Borrowers are welcome to choose any participating lender.

As discussed in the Private Education Loan section of this guide, federal loans and grants may be more advantageous to you, if you qualify.