

<http://ifap.ed.gov/qadocs/ConsumerModule/ConsumerInfoAct10.doc>:

Code of Conduct for Education Loans 601.2; 601.21; 668.14(b)(27)

Each school must prominently publish on the school's website a code of conduct that prohibits a conflict of interest with the responsibilities of an agent of the school with respect to FFELP or private education loans. All agents with responsibility for loans must be informed annually of the provisions of the code. The code of conduct must prohibit:

- Revenue-sharing arrangements with any lender
- Receiving gifts from a lender, a guarantor, or a loan services
- Contracting arrangement providing financial benefit from any lender or affiliate of a lender
- Directing borrowers to particular lenders, or refusing or delaying loan certifications
- Offers of funds for private loans
- Call center or financial aid office staffing assistance
- Advisory board compensation

668.14(b)(27): *In the case of an institution participating in a Title IV, HEA loan program, the institution—*
(i) Will develop, publish, administer, and enforce a code of conduct with respect to loans made, insured or guaranteed under the Title IV, HEA loan programs in accordance with 34 CFR 601.21; and (ii) Must inform its officers, employees, and agents with responsibilities with respect to loans made, insured or guaranteed under the Title IV, HEA loan programs annually of the provisions of the code required under paragraph (b)(27) of this section;

601.21: <http://www.ecfr.gov/cgi-bin/text-idx?c=ecfr&SID=31e39a95a99010fac26d5f0a4c46e4df&rqn=div8&view=text&node=34:3.1.3.1.2.3.23.2&idno=34>

601.2: <http://www.ecfr.gov/cgi-bin/text-idx?c=ecfr&SID=31e39a95a99010fac26d5f0a4c46e4df&rqn=div8&view=text&node=34:3.1.3.1.2.1.23.2&idno=34>

2013-2014 FSA Handbook Volume 2, Chapter 3, page7

LTC will adhere to the required Code of Conduct for Student Loans as indicated in 668.14(b)(27), 601.21, and 601.2. These regulations include the following:

1. *LTC will not enter into any revenue-sharing arrangements with any lender* in which LTC receives a fee or other material benefits in exchange for recommending a lender.
2. Also, *employees of the LTC Financial Aid Office will not solicit or receive a gift from a lender, guarantor, or loan servicer of private education loans.* A gift is defined as any gratuity, favor, discount, entertainment, hospitality, loan, or other item having a monetary value of more than a de minimus amount and includes gifts 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. A gift does not include standard material, activities, or programs related to loans, default aversion, default prevention, or financial literacy, including a brochure, workshop, or training; food, refreshments, training, or informational material furnished as part of a training session designed to improve service; favorable terms, conditions, and borrower benefits if they are comparable to those provided to all students; entrance and exit counseling services provided LTC staff are in control of the counseling and does not promote products or services of a specific lender; contributions to LTC that are unrelated to private education loans or is not made in exchange for any advantage; or state education grants, scholarships, or financial aid funds administered by or on behalf of Wisconsin.

3. Any LTC Financial Aid staff member or person who has responsibilities with private education loans will *not accept consulting or other contracting arrangements* from any lender or affiliate of any lender a fee, payment, or other financial benefit (including opportunity to purchase stock) as compensation. However, it should not prohibit agents not employed in the LTC Financial Aid Office or otherwise not have responsibilities to private education loans from performing paid or unpaid services on a board of directors of a lender, guarantor, or servicer of education loans; an agent not employed in the LTC Financial Aid Office but does have responsibility to private education loans from performing paid or unpaid service on a board of directors of a lender, guarantor, or servicer of private education loans if LTC has a written conflict of interest policy that clearly states the agent must recuse themselves from participating in any board decision regarding private education loans at LTC; or an officer, employee, or contractor of a lender, guarantor, or servicer of private education loans from serving on a board of directors, or serving as a trustee of an institution if the institution has a written conflict of interest policy that the board member must recuse themselves from any decision regarding private education loans.
4. LTC will not *direct borrowers to particular lenders or delay loan certifications*. This prohibits assigning via packaging or packaging-related methods a private education loan using a particular lender; refusal or delay in certification of a loan based on a particular lender or guaranty agency.
5. LTC will not request or accept *offers of funds for private education loans* to students, including funds for an opportunity pool loan, in exchange for LTC providing concessions or promises in regards to private education loan information regarding a specified quantity, a specified loan volume, or a preferred lender arrangement.
6. LTC will not request or accept from any lender a form of *staffing assistance* or call center. This does not include professional development training for financial aid administrators; educational counseling materials, financial literacy materials, or debt management materials for borrowers provided they disclose the identification of the lender; or staffing services on a short-term, nonrecurring basis during emergencies (including State of Wisconsin-declared or federally declared natural disasters, federally declared national disasters, and other localized disasters and emergencies identified by the Secretary).
7. Any LTC Financial Aid Office employee or employee having responsibilities associated with private education loans or student financial aid at LTC and serves on an advisory board, commission, or group established by a lender, guarantor, or group of lenders or guarantors, will not receive *any compensation from such advisory board* except for reimbursement of reasonable expenses as defined in 668.16(d)2(ii).