



## **FEDERAL EDUCATION LOAN AND PRIVATE EDUCATION LOAN**

### **CODE OF CONDUCT**

#### **I. Purpose**

Oakland University's ("University") Student Financial Services Office complies with all University policies, including without limitation those policies with respect to conflicts of interest. In addition, the University has adopted this Code of Conduct ("Code") to comply with the Higher Education Opportunity Act (the "Act") code of conduct requirements for relevant University officers, employees and agents. The University also complies with the National Association for Student Financial Aid Administrators ("NASFAA") Statement of Ethical Principles and Guidelines as well as the Code of Conduct for Institutional Financial Aid Professionals (collectively, the "NASFAA Statement and Guidelines").

#### **II. Applicability**

This Code applies to all University officers and employees who work in Student Financial Services and all other University officers, employees and agents who have responsibilities related to Education Loans or other forms of student financial aid (collectively, "Employees").

#### **III. Definitions**

- ***Conflict of Interest:*** Conflicts of interest are those personal and financial interests, whether actual, apparent or possible, that could lead someone to: (a) compromise or lose their own independence, impartiality or judgment in connection with an arrangement with the university; (b) propose or support an arrangement with the university that is not in the university's best interest; (c) results in personal or financial gain to that person; (d)



involves preferential treatment to the person's family or business associates; or (e) would damage the university's reputation or erode the public's confidence in the university.

- **Gift:** For the purpose of this Code, 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 "de minimus" means non-cash awards, prizes or gifts valued under the amount established in the University's Administrative Policy and Procedure No. 207 for Awards and Gift Recognition. The term "Gift" 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 Employee as an integral part of a training session that is designed to improve the service of a lender, guarantor or servicer of Educational Loans to the University, if such training contributes to the professional development of the Employee.

3. Favorable terms, conditions and borrower benefits on an Educational Loan and/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 and are not provided because of the student's employment with the University.

4. Entrance and exit counseling services provided to borrowers to meet the University's responsibilities for entrance and exit counseling under federal law, so long as the University's Employees 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 an institution from a lender, servicer or guarantor of Education Loans that are unrelated to Educational Loans or any contribution from any lender, guarantor or servicer that is not made in exchange for any advantage related to Education Loans.

6. State education grants, scholarships, or financial aid funds administered by or on behalf of a State.

- ***Opportunity pool loan:*** For purposes of this Code, the term “Opportunity Pool Loan” means a Private Education Loan made by a lender to a student attending the University or the family member of such a student that involves a payment, directly or indirectly, by the University of points, premiums, additional interest or financial support to such lender for the purpose of such lender extending credit to the student or the family.
- ***Revenue-sharing arrangement:*** For purposes of this Code, the term “Revenue-Sharing Arrangement” means an arrangement between the University and a lender under which (a) a lender provides or issues a Private Education Loan to students attending the University or to their families; and (b) the University recommends the lender or the Private Education Loan products of the lender and in exchange, the lender pays a fee or provides other materials benefits, including revenue or profit sharing, to the University or its Employees.

***Educational Loan:*** For purposes of this Code, the term “Educational Loan” means a loan provided by the Department of Education as a part of the William D. Ford Federal Direct Loan Program. ***Private Education Loan and Lender:*** The definitions of the terms “Private Education Loan” and “lender” have those meanings as set forth in the federal Truth in Lending Act, 5 UCSA §1631 et seq.



#### **IV. Code Regarding Educational Loans and Student Financial Aid**

Except as otherwise permitted by law, as determined and approved in advance by an authorized University representative, the following Code requirements apply to Employees:

##### **A. Revenue-Sharing Arrangements**

The University will not enter into any Revenue-Sharing Arrangement with any lender.

##### **B. Interaction with Borrowers**

The University will not, for any first-time borrower, assign, through award packaging or other methods, the borrower's Educational Loan to a particular lender or refuse to certify, or delay certification of, any Educational Loan based upon the borrower's selection of lender or guaranty agency.

##### **C. Private Education Loans**

The University will not request or accept from any lender any offer of funds to be used for Private Education Loans (as defined in section 140 of the Truth in Lending Act), including funds for an Opportunity Pool Loan, to students in exchange for the University providing concessions or promises regarding providing the lender with (i) a specified number of loans made, insured, or guaranteed under this title; (ii) a specified loan volume; or (iii) a preferred lender arrangement for such loans.

##### **E. Staffing Assistance**

The University will not request or accept from any lender any assistance with call center staffing or office staffing. Nothing in this section, however, prevents the University from accepting assistance from a lender related to (i) professional development training for its Employees; (ii)



providing educational counseling materials, financial literacy materials, or debt management materials to borrowers, provided that such materials disclose to borrowers the identification of

any lender that assisted in preparing or providing such materials; or (iii) staffing services on a short-term, nonrecurring basis to assist the University with financial aid-related functions during emergencies, including State-declared or federally declared natural disasters, federally declared national disasters, and other localized disasters and emergencies identified by the Secretary of Education.

## **V. Additional Provisions**

### **A. Conflicts of Interest**

- Employees shall immediately disclose to the Director of Financial Aid & Scholarships any actual or perceived conflict of interest with respect to any Educational Loans and/or Private Education Loans or other student financial aid for which the Employee has responsibility. The Director of Financial Aid & Scholarships will work with other appropriate University representatives to determine if such actual or perceived conflict of interest is prohibited under this any University policies, this Code and/or the NASFAA Statement and Guidelines and, if necessary, what steps must be taken in response to the disclosure and facts in the particular case at hand.
- No Employee may process any transaction related to his/her own personal financial aid eligibility or that of a family member. For the purposes of this Code, a “family member” is defined as an individual with whom an Employee has a relationship by blood, marriage, adoption, designated other individual, or other personal relationship in which objectivity might be impaired or be perceived to be impaired.

### **B. Gifts**



No Employee may accept any gift from a lender, guarantor or servicer of Educational Loans and/or Private Education Loans. A gift to a family member of an Employee or to any other individual based on that individual's relationship with the Employee shall be considered a gift to the Employee if the gift is given with the

knowledge and acquiescence of the Employee and the Employee has reason to believe the gift was given because of the Employee's position at the University.

### **C. Prohibited Contracting Arrangements**

No Employee shall accept from any lender or affiliate of any lender any fee, payment or other financial benefit (including the opportunity to purchase stock) as compensation for any type of consulting arrangement or other contract to provide services to a lender or on behalf of a lender relating to Educational Loans and/or Private Education Loans. The exceptions to this prohibition, as set forth in the Act, will apply.

### **D. Advisory Board Compensation**

No Employee who serves on an advisory board, commission or group established by a lender, guarantor or group of lenders or guarantors may receive anything of value from the lender, guarantor or group of lenders or guarantors; provided, however, that an Employee may be reimbursed for reasonable expenses incurred in serving on such advisory board, commission, or group.

### **F. Meals**

Employees may occasionally need to share meals with employees of lenders, guarantee agencies, the State of Michigan or other colleges or universities in the course of business. Meals offered as a part of meetings, conferences or other events may be accepted if all participants in the meeting or event are offered the meals or if the meals are included as a part of a registration fee.



## **VI. Code Violations**

Violations of this Code may result in disciplinary action, up to and including dismissal, and/or other legal charges, actions and consequences.