

# Kuyper College

## Code of Conduct for Financial Aid Professionals

Rev. June, 2015

### **Purpose**

The purpose of this policy is to prohibit conflicts of interest in situations involving student financial aid and to establish standards of conduct for employees with responsibility for student financial aid.<sup>1</sup>

### **Applicability**

This policy applies to all employees who work in the Office of Financial Aid and all other Kuyper College employees who have responsibilities related to educational loans or other forms of student financial aid.

### **Institutional Policy Regarding Educational Loans and Student Financial Aid**

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

The College will not enter into any revenue-sharing arrangement with any lender.

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

When participating in the Federal Direct Loan Program, the college may assign a first-time borrower's federal loan to the Federal Government as the lender. Under no circumstances will the college assign a student's private student loan to a particular lender, or refuse to certify or delay certification of any private loan, based upon the borrower's selection of lender or guaranty agency.

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

The College will not request or accept from any lender any offer of funds to be used for private education loans<sup>2</sup>, including funds for an opportunity pool loan, to students in exchange for the college providing concessions or promises regarding providing the lender with (i) a specified number of federal loans, (ii) a specified federal loan volume, or (iii) a preferred lender arrangement for federal loans.

#### **D. Co-Branding**

Kuyper College will not permit a private educational lender<sup>3</sup> to use the college's name, emblem, mascot, logo, or any other words, pictures or symbols associated with the college to imply endorsement of private educational loans by that lender.

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

Kuyper College will not request or accept from any lender any assistance with call center staffing or financial aid office staffing. Nothing in this section, however, prevents the college from accepting

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<sup>1</sup> Agents of Kuyper College with responsibility for education loans or other student financial aid are also expected to abide by the terms of this policy.

<sup>2</sup> As defined in the federal Truth in Lending Act, 15 USCA § 1631 et seq.

<sup>3</sup> As defined in the federal Truth in Lending Act, 15 USCA § 1631 et seq.

assistance from a lender related to (i) professional development training for its staff; (ii) providing educational counseling materials, financial literacy material, or debt management material 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, non-recurring basis to assist the college 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.

## **Code of Conduct**

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

1. No employee shall have a conflict of interest with respect to any education loan or other student financial aid for which the employee has responsibility.
2. No employee may process any transaction related to his/her own personal financial aid eligibility or that of a relative.<sup>4</sup>

### **B. Gifts**

No employee may accept any gift from a lender, guarantor, or servicer of 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 college.

### **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 education loans.

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

No employee who serves on an advisory board, commission, or group established by lender, guarantor, or group of lenders or guarantors may receive anything in return for that service.

### **E. Reimbursement of Expenses**

Expenses incurred while attending professional association meetings, conferences or in connection with service on an advisory board, commission, or group described in this policy must be paid by the college. Entertainment expenses such as concert or sports tickets or greens fees may not be accepted. Employees are expected to personally pay for such expenses or request reimbursement from the college in accordance with college policy.

### **F. Meals**

Employees may occasionally need to share meals with employees of lenders, guaranty agencies, the State of Michigan, or other college 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 events are offered the meals or if the meals are included as a part of a registration fee.

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<sup>4</sup> For the purpose of this Policy, a "relative" is defined as an individual with whom an employee has a relationship by blood, marriage, adoption, domestic partnership, or other personal relationship in which objectivity might be impaired.

### **Reason for this Policy**

The purpose of this policy is to prohibit conflicts of interest in situations involving student financial aid and to establish standards of conduct for employees with responsibility for student financial aid. A financial aid code of conduct policy is also required by the Higher Education Opportunity Act of 2008.

### **Who should read this Policy?**

Students

All of the institution's officers, employees, and agents with responsibilities with respect to Title IV and alternative/private loans.

### **Related Documents**

The Higher Education Opportunity Act (Public Law 110-315)

The Higher Education Act of 1965, as amended

### **Contacts**

Director of Financial Aid – Agnes Russell, 616.988.3656, arussell@kuyper.edu

### **Definitions**

**Conflict of Interest:** A conflict of interest exists when an employee's financial interests or other opportunities for personal benefit may compromise, or reasonably appear to compromise, the independence of judgment with which the employee performs his/her responsibilities at the college.

**Gift:** Any gratuity, favor, discount, entertainment, hospitality, loan, or other monetary value of more than a *de minimum* amount. The term includes a gift or 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 materials, 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. Training or informational material furnished to the college as an integral part of training session that is designed to improve the service of a lender, guarantor, or servicer of educational loans to the college, if such training contributes to the professional development of the college's employees.
3. Favorable terms, conditions, and borrower benefits on an education loan provided to a student employed by the college or an employee who is that parent of a student if such terms, conditions, or benefits are comparable to those provided to all students of the college and are not provided because of the student's or parent's employment with the college.
4. Entrance and exit counseling services provided to borrowers to meet the college's responsibilities for entrance and exit counseling under federal law, so long as the college's employees are in control of the counseling, 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 education 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:** A private education loan made by a lender to a student attending the college or the family member of such a student that involves a payment, directly or indirectly, by the college 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:** An arrangement between the college and a lender under which (a) a lender provides or issues a loan to students attending the college or to their families; and (b) the college 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 college or to its employees.