

Kuyper College

Code of Conduct for Financial Aid Professionals

Introduction

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.

This policy is in accordance with the Higher Education Opportunity Act of 2008 (HEOA) that requires institutions of higher education to establish and follow a Code of Conduct with respect to student loans that prohibits conflicts of interest for any financial aid professional [HEOA § 487(a)(25)]. Kuyper College is an eligible institution under the Federal Insured Student Loan Program.

In accordance with this requirement, the Financial Aid Office at Kuyper College has issued the following conflict of interest policy and code of conduct.

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.

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 education loans or other forms of student financial aid. Agents of the College with responsibility for education loans or other student financial aid are expected to abide by the terms of this policy.

Definitions

- A. 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 their responsibilities at the College.
- B. Gifts** - Any gratuity, favor, discount, entertainment, hospitality, loan, or other monetary value of more than a *de minimum* amount is considered a gift. The term includes a gift, services, transportation, lodging, or meals, whether provided in kind, by the 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:

- a. 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.
 - b. Training or information 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 education loan to the College, if such training contributes to the professional development of the College's employees.
 - c. 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.
 - d. Entrance and exit counseling services provided to the 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.
 - e. Philanthropic contributions to an institution from a lender, servicer, or guarantor of education loans that are unrelated to education loans or any contributions from any lender, guarantor, or servicer that is not made in exchange for any advantage related to education loans.
 - f. State education grants, scholarships, or financial aid funds administered by or on behalf of a State.
- C. 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.
- D. 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.

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** - Under no circumstance will the College assign a student's private student loan to a particular lender or refuse to certify or delay certification of any private loans, based upon the borrower's selection of lender or guarantee 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, including funds for an opportunity pool loan, to students in exchange for the College providing concessions or promise 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** - The College will not permit a private educational lender 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 education loans by that lender.
- E. Staffing Assistance** - The 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 assistance from a lender related to (i) professional development training for its staff; (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, non-recurring basis to assist the College with financial aid-related functions during emergencies, including State-declared or Federally-declared national disasters, and other localized disasters and emergencies identified by the Secretary of Education.

Code of Conduct

A. Conflicts of Interest

- a. 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.
- b. No employee may process any transaction related to their own personal financial aid eligibility or that of a relative.

B. Gifts - No employee may accept any gift from a lender, guarantor, or servicer of education loans. A gift to a family member or 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 benefits (including the opportunity

to purchase stock) as compensation for any type of consulting arrangement or other contacts 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 a 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 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 events are offered the meals or if the meals are included as a part of the registration fee.

Policy Violations

Violations of this Policy may result in disciplinary actions, up to and including dismissal.

Related Documents

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

The Higher Education Act of 1965, as amended

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History

This Policy has been developed based on the Statement of Ethical Principles and Code of Conduct adopted by the National Association of Student Financial Aid Administrators (NASFAA)

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