

# MONMOUTH UNIVERSITY POLICIES AND PROCEDURES

**Policy Name:** Financial Aid Office Code of Conduct

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**Issued by:** President's Cabinet

## I. PURPOSE

The primary goal of the University's Financial Aid Office is to help students achieve their educational potential by providing or directing students toward appropriate financial resources. In doing so, staff members of the Monmouth University Financial Aid Office shall continue to conduct themselves in an ethical and professional manner, in accordance with the "Statement of Ethical Principles" set forth by the National Association of Student Financial Aid Administrators and other requirements set forth in this policy.

## II. STATEMENT OF ETHICAL PRINCIPLES

A. The University's Financial Aid Office is a member of the National Association of Student Financial Aid Administrators ("NASFAA") which is the professional organization serving college and university financial aid officers. In furtherance of its organization and membership, NASFAA has adopted a Statement of Ethical Principles which governs the conduct of its members. That Statement of Ethical Principles is hereby incorporated into this policy and is applicable to employees of the University serving within the Financial Aid Office and their superiors.

B. National Association of Student Financial Aid Administrators Statement of Ethical Principles

The Financial Aid Professional shall:

1. Be committed to removing financial barriers for those who wish to pursue post secondary learning.
2. Make every effort to assist students with financial need.
3. Be aware of the issues affecting students and advocate for their interests at the institutional, state, and federal levels.
4. Support efforts to encourage students, as early as the elementary grades, to aspire to and plan for education beyond high school.
5. Educate students and families through quality consumer information.

6. Respect the dignity and protect the privacy of students, and ensure the confidentiality of student records and personal circumstances.
7. Ensure equity by applying all need analysis formulas consistently across the institution's full population of student financial aid applicants.
8. Provide services that do not discriminate on the basis of race, gender, ethnicity, sexual orientation, religion, disability, age, or economic status.
9. Recognize the need for professional development and continuing education opportunities.
10. Promote the free expression of ideas and opinions, and foster respect for diverse viewpoints within the profession.
11. Commit to the highest level of ethical behavior and refrain from conflict of interest or the perception thereof.
12. Maintain the highest level of professionalism, reflecting a commitment to the goals of the National Association of Student Financial Aid Administrators.

### III. CODE OF CONDUCT

- A. **Prohibited Activities.** In addition to the above statement of ethical principles, employees of the University's Financial Aid Office, as well as all other University employees and trustees, who serve as their superiors, shall also adhere to the following requirements:
1. The University shall prohibit any officer, trustee, director, employee, or agent of the University from accepting gifts of more than nominal value on his or her own behalf or on behalf of another from or on behalf of a lending institution. Gifts include any gratuity, favor, discount, entertainment, hospitality, loan, or other item of more than a de minimus amount. This also includes gifts of lodging or meals whether provided in kind, by purchase of a ticket, or payment in advance or reimbursement. This provision shall not be construed to prohibit any officer, trustee, director, employee, or agent of the University from conducting non-University business with any lending institution. As used in this policy, a lending institution shall be defined as:
    - (a) Any entity that itself or through an affiliate engages in the business of making loans to students, parents or others for purposes of financing higher education expenses or that securitizes such loans; or
    - (b) Any entity, or association of entities, that guarantees education loans; or
    - (c) Any industry, trade or professional association that receives money from any entity described above in subsections 1(a) and 1 (b).

Nothing in this policy shall prevent the University from holding membership in any nonprofit professional association. The prohibition

set forth in this section shall not prohibit any officer, trustee, director, employee or agent of a lending institution who is uninvolved in the day to day affairs of the lending institution's student loan business from serving as a member of the University's Board of Trustees.

2. The prohibition set forth in Paragraph III.A.1 above shall include, but not be limited to, a ban on any payment or reimbursement by a lending institution to a University employee for lodging, meals, or travel to conferences or training seminars.
3. The University shall prohibit any officer, trustee, director, employee, or agent of the University who is involved in the day to day affairs of student lending from receiving any remuneration for consulting, serving as a member or participant of an advisory board of a lending institution, or entering into some other contractual arrangement. This includes receiving any reimbursement of expenses for so serving; provided, however, that participation on advisory boards that are unrelated in any way to higher education loans shall not be prohibited.
4. The University may not accept on its own behalf anything of value from any lending institution in exchange for any advantage or consideration provided to the lending institution related to its education loan activity. This prohibition shall include, but not be limited to:
  - (a) "revenue sharing" by a lending institution with the University; and
  - (b) the University's receipt from any lending institution of any computer hardware for which the University pays below market prices; and
  - (c) printing costs or services.

Notwithstanding anything else in this policy, the University may accept assistance as contemplated in regulations promulgated by the United States Department of Education under Title IV of the Higher Education Act as amended.

5. The University shall not direct borrowers to particular lenders or refuse to certify or delay certifying loans based on the borrower's choice of lender. This includes assigning first-time borrowers through award packaging or other methods to a particular lender.
6. The University shall not honor requests for or accept lender offers of funds for private education loans, including funds for opportunity pool loans, in exchange for institutional concessions or promises for a preferred lender arrangement or a specified number or volume of FFEL or private education loans.
7. The University must inform its officers, trustees, directors, employees and agents with responsibilities with respect to loans made, insured or

guaranteed under the Title IV, HEA loan programs annually of these provisions.

**B. Self-Certification Form.** The following procedures shall be followed with regard to providing the self-certification form to students who request it. The self-certification form will be made available to the University by the United States Department of Education by February 14, 2010.

- i) The University will, upon request of an enrolled or admitted student who is an applicant for a private education loan, provide to the applicant the self-certification form and the information required to complete the form, to the extent the University possesses such information. This includes:
  - (a) The applicant's cost of attendance at the institution, as determined by the institution under part F of Title IV of the HEA;
  - (b) The applicant's estimated financial assistance, including amounts of financial assistance used to replace the expected family contribution as determined by the institution in accordance with Title IV, for students who have completed the Free Application for Federal Student Aid;
  - (c) The difference between the amounts in (a) and (b) above, as applicable.
  - (d) Upon the request of the applicant, the Financial Aid Office will discuss with the applicant the availability of Federal, State and institutional student financial aid.

**C. Lender Staffing of the Financial Aid Office.** The following procedures shall be followed with regard to the staffing of the Financial Aid Office by employees of lending institutions:

1. The University shall prohibit any employee or other agent of a lending institution from being identified to students or prospective students of the University or their parents as an employee or agent of the University.
2. No employee or other agent of a lending institution may staff, or provide staffing services to, the University's Financial Aid Office at any time.
3. This section shall not be construed to prohibit any lender from providing "entrance" and "exit" interviews allowed by regulations promulgated by the United States Department of Education under Title IV of the Higher Education Act as amended; provided, however, that the University shall provide that any such employee, representative or agent of a lending institution conducting such interview identifies himself or herself as a representative of the lending institution and does not promote the lending institution's products during such interview.

**D. Electronic Loan Documents and Processing.** The following procedures shall be followed with regard to electronic loan documents and processing:

1. With the exception of loans made under the William D. Ford Federal Direct Loan Program, the University shall not link or otherwise direct potential borrowers to any electronic loan applications, electronic master promissory notes or other loan agreements that do not provide a reasonable and convenient alternative for the borrower to complete such a document with any federally approved lending institution offering the relevant loan in this State.
2. The University shall provide a reasonable and convenient alternative for loan certification and processing of student loans from lending institutions that do not participate in an electronic processing system used by the University.
3. The University shall not refuse to provide loan eligibility certification to a lending institution because the lending institution does not participate in an electronic processing system used by the University.

#### **E. REPORTING OF POLICY VIOLATIONS**

Any employee who believes that any provision of this policy has been violated shall report such possible violation to the Office of the General Counsel.

#### **IV. DEFINITIONS**

- A. “Borrower” or “Applicant” means a student attending the University, or a parent or guardian of the student, who obtains a Student Loan from a Lending Institution to pay for or finance higher education expenses.
- B. “Lending Institution” means any entity that directly or through an affiliate engages in the business of making or securitizing Student Loans, or any entity or association of entities that guarantees Student Loans.
- C. “Opportunity Pool Loans” means a private education loan made by a lender to a student attending the institution or the student’s family that involves a direct or indirect payment by the institution of points, premiums, additional interest, or financial support to the lender for the purpose of extending credit to the student or student’s family.
- D. “Preferred Lender Arrangement” means an arrangement or agreement between a lender and a covered institution or institution-affiliated organization under which (1) the lender provides education loans to students (or their families) attending the covered institution, and (2) the covered institution or the institution-affiliated organization recommends, promotes, or endorses the lender’s education loan products.

- E. “Revenue Sharing” means any arrangement in which a Lending Institution pays the University or an affiliated entity or organization of the University a percentage of the principle of each loan directed towards the University from a Borrower at the University or any form of commission related to the loan.
  
- F. “Student Loan” means any loan that is made, insured, or guaranteed under “Part B of Title IV of the federal “Higher Education Act of 1965” or any private loan issued by a Lending Institution or any loan issued pursuant to a New Jersey statutorily established loan program for the purposes of paying for or financing higher education expenses but not including credit cards or home equity loans.