



Private Lender Code of Conduct

Department(s) responsible for this policy: Office of Financial Aid

References/resources for this policy: Code of Federal Regulations [601.2](#); [601.21](#); [668.14\(b\)\(27\)](#); [FAA Assessments Activity 10](#).

The Higher Education Opportunity Act (HEOA) requires higher education institutions to develop a code of conduct that prohibits conflicts of interest with lenders of private education loans. All University of Saint Mary (USM) representatives (officers, employees, agents and affiliates) are required to comply with this code of conduct. HEOA requires that the institution's representatives be annually informed of the code's provisions and to publish their code of conduct on their website.

1. USM representatives will not:
 - a. Recommend, promote or endorse any private education loan.
 - b. Enter into any revenue-sharing agreements with a private education lender. (Revenue sharing is an arrangement under which a lender provides or issues a private education loan to students at the school; and the school recommends the lender or 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 institution).
2. USM representatives will not accept from any lender (or its affiliates) any fee, payment, or anything of monetary value as compensation for any type of services to a private education lender.
3. USM prohibits consulting, or other contracting arrangements, between the institution's representatives and lenders. Exception – a USM representative, not employed in the institution's financial aid office and not responsible for private education loans, may perform paid or unpaid service on a board of directors of a lender or servicer.
4. USM representatives will not:
 - a. Direct student/parent borrowers to a particular lender.
 - b. Assign lenders through award packaging.
 - c. Delay the certification or disbursement of a private loan based on the borrower's selection of a particular lender.
5. USM prohibits offers of funds for private loans, including funds for opportunity pool loans, in exchange for a promise of a specified number of private education loans, a specified loan volume or a preferred lender arrangement for such loans. An "opportunity pool loan" is a private education loan that involves direct or indirect payments by the implementation of points, premiums, additional interest or financial support to the lender for the purpose of the lender extending credit to the student.

6. USM prohibits assistance with call center, financial aid office staffing, staffing on a short-term, nonrecurring basis from private education lenders. USM is not prohibited from requesting/accepting professional development training for aid officers nor prohibited from requesting/accepting counseling, financial literacy, or debt management materials for borrowers if materials disclose that lender prepared or provided the materials.
7. USM prohibits any employee of the financial aid office, or who has responsibilities with respect to private education loans, and who serves on an advisory board, commission, or group established by a lender or group of lenders from receiving anything of value from such entities, except the employee may be reimbursed for reasonable expenses. **Any and all reimbursements received for any service on advisory boards, commissions, or other groups by lenders, servicers or guarantors must be reported annually to the Department of Education.**
8. USM representatives will not solicit or accept any gift from a lender, guarantor, or servicer of private education loans. The term “gift”...
 - a. Means any gratuity, favor, discount, entertainment, hospitality, loan, or other item valued at more than a de minimums amount.
 - b. Includes services, transportation, lodging, or meals, whether provided in kind, by purchase of a ticket, payment in advance, or by reimbursement.
 - c. Does **not** include standard material, activities, or programs on issues related to a loan, food, refreshments, or training that are part of a training session to improve service if training contributes to professional development of agent.
 - d. Does not include favorable terms, conditions, and borrower benefits on a private education loan provided to a student employed in the financial aid office if terms are comparable to those provided to all student employees.
 - e. Does not include philanthropic contributions from a lender, servicer or guarantor not related to or made in exchange for any advantage related to private education loans, state education grants, scholarships, or financial aid funds administered on behalf of a state.

The University of Saint Mary **does not have a preferred lending agreement** with any private education lender. The lenders on USM’s financial aid website are listed to provide sources of lending options.