

Spoon River College

Student Loan Code of Conduct

November 7, 2008

All Spoon River College (SRC) employees who are in any way responsible for the administration of student educational loans will adhere to the Spoon River College Student Loan Code of Conduct. This includes all Financial Aid Staff, supervisors of Financial Aid Administrators, Business Office personnel who deal with loans and anyone who otherwise has responsibility, authority or is involved in decision making regarding student loans.

Prohibition against remuneration to SRC

- SRC will not solicit, accept or agree to accept anything of value from any Lending Institution, Guarantee Agency or Servicer in exchange for any advantage or consideration provided by the Lending Institution related to its student loan activity. This prohibition covers, but is not limited to:
 - Revenue Sharing Agreements
 - Any computer hardware which SRC pays below market prices
 - Any computer software used to manage loans unless the software can manage disbursements from all lenders
- This does not prevent SRC from soliciting, accepting or agreeing to favorable terms and conditions where the benefit is made directly to student borrowers.

Prohibition against remuneration to SRC Employees

- SRC will require and enforce that no officer, trustee, director, employee or agent of the college will accept anything more than nominal value on his or her own behalf or on behalf of another during any 12 month period from, or on behalf of any Lending Institution, Guarantee Agency or Servicer.
- This prohibition will include, but not be limited to a ban on any payment or reimbursement from any Lending Institution, Guarantee Agency or Servicer to college employees for lodging, meals or travel to conferences or training seminars.
- This does not preclude any officer, trustee, director, employee or agent of the college from receiving compensation for conducting non-college

business with a Lending Institution, Guarantee Agency or Servicer or from accepting compensation that is offered to the general public.

- This prohibition does not prevent the college from holding membership in any non-profit professional associations.

Ban on gifts

- No SRC employee involved in the affairs of the college's financial aid office shall solicit or accept any gift from a lender, guarantor or servicer of educational loans.
- 'Gifts' are defined, but not limited to:
 - Any type of gratuity, favor, discount, entertainment, hospitality, loan or other item having more than a token monetary value. The term 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 following items are not to be considered to be 'gifts'.

- Exit counseling services provided to borrowers to meet SRC's responsibility for exit counseling as required by law 'as long as':
 - SRC staff are in control of the counseling (and)
 - Such counseling does not promote the products or services of any specific lender.
- Philanthropic contributions that are unrelated to education loans or any contribution not made in exchange for any advantage related to education loans.
- State education grants, scholarships, or financial aid funds administered on behalf of a State.

Ban on gifts to family members

- Gifts to family members of any officer, trustee, director or SRC employee will be considered a gift to any officer, trustee, director or college employee if:
 - The gift is given with the knowledge and acquiescence of the officer, trustee, director or college employee (and)
 - The officer, trustee, director or college employee has reason to believe the gift was given because of the official position of said officer, trustee, director or college employee.

Limits of college employees participating on lender advisory boards

- SRC will require and enforce that no officer, trustee, director or employee of the college from receiving any remuneration for serving as a member or participant of an advisory board for any Lending Institution, Guarantee Agency, or Servicer of receiving any reimbursement of expenses from said participation.
- This does not preclude any officer, trustee, director or employee from participating on any lender advisory board that are unrelated to student loans.
- This does not preclude any SRC employee not involved in the affairs of the college's financial aid office from serving on the Board of Directors of a publicly traded or privately held company.

Contracting arrangements prohibited

- Any officer, trustee, director or employee is prohibited from accepting any payments of any kind from a lender in exchange for any type of consulting services related to educational loans.
 - This does not prevent anyone else in the college who has nothing to do with student loans from entering into these arrangements.
 - This does not prevent anyone not employed in the financial aid office who has 'some' responsibility for student loans from entering into these agreements if that individual, in writing, excuses him or herself from any decision regarding educational loans.

Revenue sharing agreements prohibited

- SRC will not enter into any revenue sharing agreement where:
 - A lender provides or issues a loan that is made, insured, or guaranteed under this title to students attending the institution or to the families of such students; and
 - Where SRC recommends the lender and in exchange the lender pays a fee or provides other material benefits.

Prohibition on offers of funds for private loans

- SRC will not request or accept any agreement or offer of funds for private loans in exchange for concessions or promises of:
 - A specified number of loans made, insured or guaranteed
 - A specified loan volume
 - A preferred lender arrangement

Ban on staffing assistance

- SRC will not request or accept from any lender any assistance with call center staffing or financial aid office staffing.
 - This does not include:
 - Professional development training for financial aid administrators
 - 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.
 - Staffing services on a short-term, nonrecurring basis to assist the institution with financial aid related functions during emergencies, including State declared or federally declared natural disasters.

Interaction with borrowers

- SRC participation in the Federal Family Educational Loan Program and all student and parent borrowers loans are processed under that program. As of Summer 2010, SRC now participates in the William D. Ford Federal Direct Loan Program. All federal student and parent loans processed for or after Summer 2010 are processed through the Direct Loan Program. In respect to alternative/private loans:
 - SRC will not, for any borrower, through award packaging or other methods, the borrower's loan to a particular lender.
 - SRC will not refuse to certify, or delay certification of, any loan based on the borrower's selection of a particular lender or guarantee agency.