

The College of St. Scholastica

STUDENT LOAN CODE OF CONDUCT

Introduction

The College of St. Scholastica (CSS) works in conjunction with government and private lenders to help students finance the costs of education. Because of its position as a conduit between students and lenders, CSS has developed this set of standards to govern its student loan-related activities and prevent conflicts of interest between CSS and lenders.

The following people are bound by this Code of Conduct and are informed by CSS of its provisions annually: all CSS personnel (permanent employees, contract employees, officers and trustees) and all agents of CSS (organizations affiliated directly or indirectly with CSS; this does not include lenders) who have responsibilities with respect to education loans. All references to CSS personnel, employees or agents in this Code refer to these personnel and agents.

The term “lender” in this Code includes education loan lenders, guarantors, and servicers.

This Code meets the requirements of Section 487 (a)(25) and (e) of the Higher Education Act.

Statement regarding alternative loan lender list.

The alternative (private) loan lender list on CSS’s website is based solely on the best interests of students and parents who may wish to use the list, and is compiled without regard to any financial interests of CSS. Our lender list clearly and fully discloses the criteria and process used to select the lenders we have included on it. Our lender list clearly informs students and parents that they have the right and ability to select a lender that does not appear on our list, if they wish to do so.

CSS does not enter into revenue-sharing arrangements with lenders. A revenue-sharing arrangement is one in which a lender pays a fee, a share of its revenues or profits, or other material benefit to a school in exchange for the school’s recommendation of the lender’s loan products to students.

CSS prohibits gifts from lenders, with certain exceptions. This includes gifts of money, tangible items, and in-kind consideration such as gratuities, favors, discounts, entertainment, hospitality, loans, or any other benefit worth more than \$10. This ban also includes gifts to family members of CSS employees or agents, if the employee or agent knows about the gift and has reason to believe it was given because of his or her relationship with CSS.

Exceptions CSS and its employees or agents may accept the following from a lender:

- Training programs and materials related to financial literacy or education loan issues such as loan default prevention.
- Food or refreshments provided as part of such training programs.
- Favorable education loan terms provided to a student employed by CSS, if the same terms are offered to all CSS students.

- Loan entrance and exit counseling materials and assistance, as long as it does not promote the services or products of a specific lender, and CSS employees are in control of the counseling.
- Philanthropic gifts by a lender to CSS that are unrelated to education loans and are not made in exchange for any preferential treatment relating to education loans.
- Education grants, scholarships or loans administered by or on behalf of a State.
- Gifts of value higher than \$10 as long as the gift is also offered to the general public.

CSS employees/agents are prohibited from entering into contracting arrangements with lenders. A contracting arrangement is one in which consulting or other services relating to education loans is provided to or on behalf of a lender in exchange for compensation of any kind.

CSS prohibits preferential treatment of a lender. This includes any practice that favors a particular lender, such as assigning first-time borrowers' non-Title IV loans to a particular lender through award packaging, recommending or steering borrowers toward a certain lender, or refusing or delaying loan certification based on a student's choice of lender.

CSS does not enter into private loan fund arrangements with lenders. This means any arrangement in which a lender agrees to reserve a certain dollar amount for loans to students at a particular college, and in exchange, that college agrees to provide a benefit to the lender, such as inclusion on its lender list or the promise of a certain number of loan applications from its students.

CSS does not accept staffing assistance from a lender, with certain exceptions.

Exceptions CSS may request or accept assistance from a lender for:

- Professional development training for Financial Aid Office staff.
- Educational counseling materials, financial literacy materials, or debt management materials provided to borrowers, as long as the materials disclose the identity of the lender that assisted in preparing or providing them.

CSS prohibits its employees/agents from receiving compensation for serving on a lender's advisory board.

CSS permits its employees/agents to take part in the following activities relating to lenders:

CSS employees and agents who serve on a lender's official, standing advisory board may accept reimbursement for reasonable expenses that they incur while serving in this capacity.

In addition, CSS employees and agents may respond to any lender who seeks advice from CSS or groups of colleges about improving products or services for borrowers, but may not accept any gift or compensation for responding.

A CSS employee or agent who is not employed in the Financial Aid Office and is not responsible for the awarding or processing of education loans may perform paid or unpaid service on the board of directors of a lender.