



## WESTERN GOVERNORS UNIVERSITY

### *Conflict of Interest Policy and Code of Conduct for Financial Aid Professionals*

#### **I. 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 to student financial aid.

#### **II. Applicability**

This Policy applies to all employees who work in the Office of Student Financial Services and all other university employees who have responsibilities related to education loans or other forms of student financial aid. Agents of the university with responsibility for education loans or other student financial aid are also expected to abide by the terms of Policy.

#### **III. 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 his or her responsibilities at the university.

##### **B. Gift:**

Any gratuity, favor, discount, entertainment, hospitality, loan, or other item having monetary value of more than a *de minimus* amount. 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 term "gift" does not include any of the following:

1. 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.
2. Training or information material furnished to the university as an integral part of a training session that is designed to improve the service of a lender, guarantor, or servicer of educational loans to the university, if such training contributes to the professional development of the university's employees.
3. Favorable terms, conditions, and borrower benefits on an education loan provided to a student employed by the university or an employee who is the parent of a student if such terms, conditions, or benefits are comparable to those provided to all students of the university and are not provided because of the student's or parent's employment with the university.
4. Entrance and exit counseling services provided to borrowers to meet the university's responsibilities for entrance and exist counseling services under federal law, so long as the university's employees are in control of the counseling, and such counseling does not promote the products or services of any specific provider.

## **B. Gift (continued):**

5. Philanthropic contributions to an institution from a lender, servicer, or guarantor of education loans that are unrelated to education loans or any contribution from any lender, guarantor, or servicer that is not made in exchange for any advantage related to education loans.
6. 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 university or the family member of such a student that involves a payment, directly or indirectly, by the university 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 Arrangements:**

An arrangement between the university and a lender under which (a) a lender provides or issues a loan to students attending the university or to their families; and (b) the university recommends the lender or the loan products of the lender and in exchange, the lender pays a fee or provides other materials benefits, including revenue or profit sharing, to the university or its employees.

# **III. Institutional Policy Regarding Education Loans and Student Financial Aid**

## **A. Revenue-Sharing Arrangements:**

The university will not enter into any revenue-sharing arrangement with any lender.

## **B. Interaction with Borrowers:**

When participating in the Federal Family Education Loan Program (FFELP), the university will not assign a first-time borrower's federal loan, through award packaging or other methods, to a particular lender. The university will not refuse to certify, or delay certification of, any federal loan based on the borrower's selection or a particular lender or guaranty agency.

When participating in the Federal Direct Loan Program, the university may assign a first-time borrower's federal loan to the Federal Government as the lender.

Under no circumstances will the university assign a student's private student loan to a particular lender, or refuse to certify or delay certification of any private loan, based upon the borrower's selection of lender or guaranty agency.

## **C. Private Loans:**

The university will not request nor 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 university providing concessions or promises regarding providing the lender with (1) a specific number of federal loans; (2) a specified federal loan volume; or (3) a preferred lender arrangement for federal loans.

## **D. Co-Branding:**

The university will not permit a private educational lender to use the university's name, emblem, mascot, logo, or any other words, pictures, or symbols associated with the university to imply endorsement of private educational loans by that lender.

**E. Staffing Assistance:**

The university 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 university from accepting assistance from a lender related to (1) professional development training for its staff; (2) 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 (3) staffing services on a short-term, non-recurring basis to assist the university with financial aid-related functions during emergencies, including State-declared or federally declared natural disasters, federally declared national disasters, and other localized disasters and emergencies identified by the Secretary of Education.

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**V. Code of Conduct**

**A. Conflicts of Interest:**

1. 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.
2. No employee may process any transaction related to his or her own personal financial aid eligibility or that of a relative. For the purposes of this Policy, a “relative” is defined as an individual with whom an employee has a relationship by blood, marriage, adoption, domestic partnership, or other personal relationship in which objectivity might be impaired.

**B. Gift:**

No employee may accept any gift from a lender, guarantor, or servicer of education loans. A gift to a family member of 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 university.

Token awards from professional associations (state, regional, or national) that recognize professional milestones or extraordinary service to parents and students, or scholarships for conference attendance or other professional development opportunities, may be accepted.

**C. Prohibited Contracting Agreements:**

No employee shall accept from any lender or affiliate of any lender any fee, payment, or other financial benefit (including the opportunity to purchase stock) as compensation for any type of consulting arrangement or other contract 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 of value from the lender, guarantor, or group of lenders or guarantors in return for that service.

**E. Reimbursement:**

Expenses incurred while attending professional association meetings, conferences, or in connection with service on an advisory board or commission, must be paid by the university. 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 university in accordance with university policy.

**F. Meals:**

Employees may occasionally need to share meals with employees of lenders, guaranty agencies, state agencies, 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 event are offered the meals or if the meals are included as part of a registration fee.

**VI. Policy Violations**

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



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