

Code of Conduct

Financial Aid employees at Saint Mary's College of California follow the NASFAA Code of Conduct. The Code of Conduct is intended to assist financial aid professionals in carrying out their obligations, particularly in ensuring transparency in the administration of the student financial aid programs, and to avoid the harm that may arise from actual, potential or perceived conflict of interest.

The Higher Education Opportunity Act of 2008 legislated requirements, which prohibit a conflict of interest with the responsibilities of an officer, employee or agent of the university regarding Title IV loans. This code does not replace the provisions outlined in the University's Conflict of Interest Policy, applicable to all employees, but rather expands on this policy as it specifically relates to Title IV loans and any specific employees associated with these loans.

The term "employees" refers to any of the university's officers, employees and agents who are employed in the financial aid office or who have responsibilities with respect to student loans or who have responsibilities with respect to student loans related to Title IV education loans or private loans for educational purposes.

The Code of Conduct establishes that:

1. Employees shall not enter into any revenue-sharing arrangement with any lender where the lender provides or issues a Title IV loan to the student or student's family in exchange for the university recommending the lender or the lender's loan products in exchange for a fee or material benefit, including profit or revenue sharing that benefits the university or a university's employee or agent. Employees shall not solicit or accept any gift in the form of a gratuity, favor, discount, entertainment, hospitality, loan, service, transportation, lodging, meals, reimbursement or other item having a monetary value of more than a nominal amount from a lender, guarantor or servicer. Certain items and services are exempt from the definition of "gift" as outlined in Addendum A. Employees must not accept any fee, payment or other financial benefit (including the opportunity to purchase stock) from a lender as compensation for any type of consulting arrangement or other contract to provide services to a lender or on behalf of a lender. Exceptions may include service as outlined in Addendum B. The university shall not

request or accept funds from any lender for private education loans, including funds for an opportunity pool loan to its students in exchange for the university providing promises of a specified loan number or volume or a preferred lender arrangement for educational loans. Employees shall not assign, through award packaging or other methods, a first-time borrower's loan to a particular lender or refuse to delay processing of a loan based on the borrower's selection of a lender or guarantor. Employees shall not accept or request any assistance with call center or financial aid office staffing from any lender except as allowed by law. Employees who serve on an advisory board, commission or group established by a lender, guarantor or group of lenders or guarantors, shall be prohibited from receiving anything of value from the lender, guarantor, group of lenders or guarantors. However, the employee may be reimbursed for reasonable expenses incurred in serving on the advisory board, commission or group.

Addendum A: Exceptions to the term "gift."

1. Standard materials activities or programs related to loan issues, default aversion, default prevention or financial literacy, such as a brochure, a workshop or training. Food, refreshments, training or informational material furnished to an employee of the university as an integral part to a training session designed to improve the service of a lender, guarantor or servicer of education loans to the university if the training contributes to the professional development of the university's staff. Favorable terms, conditions and borrower benefits on an education loan provided to a student employed by the university as long as they are comparable to those provided to all students at the university. Entrance and exit counseling as long as the university's staff are in control of the counseling (whether in person or via electronic capabilities) and the counseling does not promote the products or services of any specific lender. Philanthropic contributions to the university from a lender, servicer or guarantor that are unrelated to education loans or any contribution from such entities that are not made in exchange for any advantage related to education loans. Education grants, scholarships or financial aid funds administered by or on behalf of a state.

Addendum B: Exceptions to "contracting arrangements."

1. Paid or unpaid service on a Board of Directors of a lender, guarantor or servicer of education loans by an employee of the university who is not employed in the financial aid office and who does not have responsibilities with respect to education loans or an agent who does not have responsibilities with respect to education loans. Paid or unpaid service on a Board of Directors of a lender, guarantor or servicer of education loans by an employee of the university who is not employed in the financial aid office, but who does have responsibilities with respect to education loans as a result of a position held at the university or an agent who has responsibilities with respect to education loans if the university has a written conflict of interest policy that requires the individual's recusal from participating in any decision with the board regarding education loans at the university.