

Student Loan Code of Conduct

BACKGROUND

Fairmont State University participates in the Federal Direct Loan Program and receives Title IV federal loans for its students. As a condition of this participation and to comply with the Higher Education Opportunity Act of 2008 (“HEOA”), Fairmont State University has instituted this Student Loan Code of Conduct (“Code”) to ensure the integrity and compliance of its administration of student loan programs. The Student Loan Code of Conduct applies to all employees who work in the Financial Aid Office and all other University employees, including agents of the University, who have responsibilities related to educational loans or other forms of student financial aid. The Student Loan Code of Conduct has been established to meet the requirements contained in the 2008 Higher Education Opportunity Act. Items in this Code of Conduct provide additional standards of conduct for employees with responsibility for student financial aid and do not replace any existing or future requirements imposed by the State of West Virginia, the Board of Governors of Fairmont State University, or related to codes of conduct, conflict of interest policies, ethics training, or other such requirements. Though Fairmont State University as a direct lender may not be subject to every circumstance detailed below, the University nonetheless prefers to take an expansive approach to combat any actual or appearance of a conflict of interest with respect to student loans.

PROCEDURES

All Fairmont State University officers, employees, and agents with responsibilities for Financial Assistance or student loans must comply with this Code. Such officers, employees, and agents must be initially trained on the Code’s requirements.

The Student Loan Code of Conduct is based upon Section 493 of the HEOA and shall be interpreted consistently with its provisions and any regulations promulgated there under. The determination of whether conduct of a Fairmont State University officer, employee, or agent falls within this Code shall be made by the Financial Aid Office, in consultation with Legal Counsel. All questions regarding this Code should be directed to the Director of Financial Aid & Scholarships 304-367-4826.

If there is uncertainty as to whether conduct falls within the restrictions of this Code, officers, employees, and agents must consult with the Director of Financial Aid & Scholarships in advance of proceeding with the conduct. Officers, employees, and agents subject to this Code who receive any of the “gift” exceptions identified in paragraph 2 must also report them in writing to the Director of Financial Aid & Scholarships.

PROVISIONS

1. Ban on Revenue Sharing

Fairmont State University shall not enter into any revenue-sharing arrangements with any lender. This includes any arrangement between Fairmont State University and a lender that

results in the lender paying a fee or other benefits (such as a share of the profits) to Fairmont State University, its officers, employees or agents, as a result of the University recommending the lender to students or their families.

2. Ban on Gifts

No Fairmont State University officer, employee, or agent employed by the Financial Aid Office or otherwise responsible for education loans shall solicit or accept any gift from a lender, guarantor, or servicer of education loans. For the purposes of this Code, the term “gifts” includes but is not limited to any cash, gratuity, favor, discount, entertainment, hospitality, loan, or other item having a monetary value of more than a *de minimus* amount. The term as used herein includes a gift of services, transportation, lodging, or meals, whether provided or paid for directly or reimbursed after the expense has been incurred. A gift from a lender, guarantor, or servicer of education loans to a family member or other acquaintance of an individual subject to this code is prohibited if (1) given with the individual’s knowledge and acquiescence, (2) with reason to believe it was given because of his or her official University position.

3. Ban on Contracting Arrangements

No Fairmont University officer, employee, or agent employed in the Office of Financial Aid or otherwise responsible for education loans shall accept from any lender or its affiliate 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 or on behalf of a lender, guarantor, or servicer of education loans.

4. Ban on Certain Interactions with Borrowers

For any private student loan borrower, Fairmont State University will not assign the borrower’s loan to a particular lender or refuse to certify, or delay certification of, any loan based on the borrower’s selection of a particular lender or guaranty agency.

5. Ban on Offers of Funds for Private Loans

Fairmont State University shall not request or accept from any lender any offer of funds to be used for private education loans, including an opportunity pool loan, to students in exchange for the institution providing concessions or promises regarding providing the lender with a specified number of loans or loan volume, or a preferred lender arrangement for such loans.

6. Ban on Staffing Assistance

Fairmont State University shall not request or accept from any lender any assistance with call center staffing or Office of Financial Aid staffing. However, this Code shall not be construed to prohibit Fairmont State University from requesting or accepting assistance from a lender related to professional development training, financial counseling materials (provided they disclose the identity of any lender that assisted in their preparation), or short-term, non-recurring staffing during local, state, or federal emergencies.

7. Ban on Advisory Board Compensation

No Fairmont State University officer, employee, or agent employed in the Financial Aid Office or otherwise responsible for education loans, who serves on an advisory board, commission, or group established by lenders or guarantors, shall receive anything of value from the lenders or guarantors except for reimbursement of reasonable expenses incurred in serving on such board, commission, or group.

8. Ban on Other Conflicts of Interest

Fairmont State University follows Policy No. 7 by the Authority West Virginia Code § 18B-1-6, 6B-2-5(L). In addition to this state Ethics Policy, all Fairmont State University officers, employees, and agents employed in the Financial Aid Office or otherwise responsible for education loans are prohibited from having any conflicts of interest with respect to their responsibilities for Title IV education loans.

In addition to the items above, as a member of the National Association of Student Financial Assistance Administrators (NASFAA), Fairmont State University also follows the standards established in NASFAA's Statement of Ethical Principles and Code of Conduct for Institutional Financial Assistance Professionals.

See http://www.nasfaa.org/mkt/about/Statement_of_Ethical_Principles.aspx.