

## Code of Conduct for Financial Aid Administration

McLennan Community College is committed to observing and promoting the highest ethical conduct in the performance of responsibilities and duties as they relate to all programs of financial aid. This Code of Conduct establishes a set of principles and practices that will set parameters and provide guidance for compliance with all federal and state laws and regulations governing the relationship between college personnel and lenders of public and private educational loan products.

The College:

- ensures that its employees maintain the highest level of professionalism, reflecting a commitment to the mission of the College and to compliance with the terms of participation in federal Title IV student assistance programs.
- requires its employees to agree to adhere to this Code of Conduct as defined in this policy.
- commits to providing, in accordance with federal administrative capability requirements, sufficient staff to serve students and families, and shall not enter into third-party servicer agreements with educational lenders for additional staff except in extreme, mitigating circumstances (e.g., natural disaster).
- prohibits College employees from entering into revenue-sharing agreements pertaining to student loans with any student loan provider.
- prohibits all College employees from accepting anything of value from any student loan provider that could give the provider any advantage in order to be placed into a preferred lender arrangement.
- discloses to borrowers the process and criteria by which lenders are selected to participate in a preferred lender arrangement.
- discloses, if known, any lenders in preferred lender arrangements that have agreements to sell their loans to other parties.
- promotes collaboration and cooperation among offices involved directly or indirectly in any aspect of student financial aid administration.
- supports the efforts of the Office of Financial Aid to maintain exemplary standards of professional conduct and provide exemplary service to the families and students served by the college.
- prohibits all employees of the College involved in administering financial aid from owning stock or holding any other ownership interest in a student loan lender, other than through ownership of shares in a publicly traded mutual fund or similar investment vehicle in which the employee does not exercise any

discretion regarding the investment of the assets of the fund or other investment vehicle, or from soliciting or accepting any gift from a student loan lender.

- prohibits all employees of the College involved in administering financial aid from receiving or soliciting gifts from a lender, a guarantor or a loan servicer. The term gift means any gratuity, favor, discount, entertainment, hospitality, loan or other item having a 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 other than: 1) standard material, 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) food, refreshments, training or informational material furnished to an agent as an integral part of a training session that is designed to improve the service of a lender, guarantor or servicer of Federal Family Education Loan (FFEL) Program loans or private education loans to the institution, if such training contributes to the professional development of the employee.
- prohibits any employee who is employed in the Financial Aid Office of the College, or who otherwise has responsibilities with respect to FFEL Program loans or private education loans or other student financial aid, and who serves on an advisory board, commission or group established by a lender, guarantor or group of lenders or guarantors, from receiving anything of value from the lender, guarantor or group of lenders or guarantors, except that the employee may be reimbursed for reasonable expenses, as that term is defined in 34 CFR §668.16(d)(2)(ii), incurred in serving on such advisory board, commission or group.
- requires all College employees to disclose to the College, in such manner as the president may prescribe, any involvement with or interest in any entity involved in any aspect of student financial aid that would constitute a conflict of interest with this Code of Conduct or the ability of the college to comply with federal and state financial aid regulations.