



Private Lender Code of Conduct

Policy Overview:

This code of conduct, overseen by the Office of Financial Aid, aligns with the requirements set forth by the Higher Education Opportunity Act (HEOA). It aims to prevent conflicts of interest between higher education institutions and lenders of private education loans. All representatives of the University of Saint Mary (USM)—including officers, employees, agents, and affiliates—must adhere to this policy. Annual training on these provisions will be provided, and the code will be accessible on the university's website.

References/resources for this policy: [34 CFR 601.2](#), [34 CFR 601.21](#), [34 CFR 668.14\(b\)\(29\)](#)

Key Provisions:

1. Prohibitions on Recommendations and Agreement:

- USM representatives are not permitted to recommend, promote, or endorse any private education loans.
- They may not enter into revenue-sharing agreements with private lenders, which involve arrangements where lenders provide loans in exchange for recommendations or financial benefits.

2. Acceptance of Compensation:

- Representatives must not accept any fees, payments, or monetary items from lenders or their affiliates as compensation for services related to private education loans.

3. Consulting and Contracting Restrictions:

- Consulting agreements or contracts between USM representatives and lenders are not allowed. However, representatives not affiliated with the financial aid office may serve on the boards of lenders or servicers under specific conditions.

4. Guidance on Borrower Lender Choices:

- USM representatives cannot direct student or parent borrowers to specific lenders or alter how awards are packaged based on lender selection. Additionally, delays in processing loans based on a borrower's lender choice are prohibited.

5. Restrictions on Fund Offers:

- The university does not allow offers for private loans linked to the promise of a certain loan volume or preferred lending arrangements, including opportunity pool loans, which involve financial incentives for lenders.

6. Call Center and Staffing Support:

- Assistance with staffing from private education lenders is not permitted. However, USM can accept professional development training and resources related to counseling and financial literacy, provided that it is clearly disclosed that these materials are lender-prepared.

7. Advisory Board Participation:

- Employees in the financial aid office who serve on advisory boards of lenders may only receive reimbursements for reasonable expenses, which must be reported to the Department of Education annually.

8. Gift Acceptance Guidelines:

- USM representatives may not solicit or accept gifts from lenders or servicers. The definition of 'gift' includes any item valued above a minimal amount and extends to services such as meals, entertainment, or travel. However, exceptions exist for standard materials associated with training or benefits provided to student employees that are comparable to those offered to all employees.

9. Self-Certification Form:

The school must, upon request provide in written or electronic form to an enrolled or admitted student applicant for a private education loan the self-certification form for private education loans required under Section 128(e)(3) of the Truth in Lending Act (15 U.S.C. 1638(e)(3)), and the information required to complete the form, to the extent the school possesses the information. The U.S. Department of Education is required to develop the form. The self-certification form for private education loans is published in DCL-GEN-10-01

Conclusion:

USM maintains transparency concerning its lending choices and does not have a preferred lender agreement with any private education lender. The lenders listed on USM's financial aid website serve as potential options for students seeking private education loans of lending options.