

**CODE OF CONDUCT FOR UNIVERSITY OF NEBRASKA
STUDENT FINANCIAL AID WORKERS**

(January 6, 2010)

A. Definitions

1. *Student Financial Aid Workers.* This code of conduct applies to any officer or employee of the University of Nebraska (hereinafter “University”) who is employed in a financial aid office of this University or who otherwise has responsibilities with respect to education loans, or agent of the University who has responsibilities with respect to education loans. See 20 U.S.C. § 1094 (a)(25). All categories of University employees, including student employees, office and service staff, and professional employees are subject to this code.

2. *Education Loans.* For purposes of this code of conduct, “education loans” means all loans to students attending the University or to the families of such students which are made, insured or guaranteed under a federal financial aid program. See 20 U.S.C. § 1094 (e)(B)(i).

3. *Gift.* 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. See 20 U.S.C. § 1094(e)(2)(B) (i).

Exceptions. The term “gift” shall not include any of the following:

(I) 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. See 20 U.S.C. § 1094(e)(2)(B) (ii) (I).

(II) Food, refreshments, training, or informational material furnished to an officer or employee of the University, or 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 education loans to the University if such training contributes to the professional development of the officer, employee, or agent. See 20 U.S.C. § 1094(e)(2)(B) (ii) (II).

(III) Favorable terms, conditions, and borrower benefits on an education loan provided to a student employed by the University if

such terms, conditions, or benefits are comparable to those provided to all students of the University. *See* 20 U.S.C. § 1094(e)(2)(B) (ii) (III)

(IV) Entrance and exit counseling services provided to borrowers to meet the University's responsibilities for entrance and exit counseling as required by 20 U.S.C. § 1092 (b)(1), as long as--

(aa) the University's staff are in control of the counseling, (whether in person or via electronic capabilities); and

(bb) such counseling does not promote the products or services of any specific lender. *See* 20 U.S.C. § 1094(e)(2)(B) (ii) (IV).

(V) Philanthropic contributions to the University 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. *See* 20 U.S.C. § 1094(e)(2)(B) (ii) (V).

(VI) State education grants, scholarships, or financial aid funds administered by or on behalf of a State. *See* 20 U.S.C. § 1094(e)(2)(B) (ii) (VI).

(VII) A gift received from a relative, a breakfast, luncheon, dinner or other refreshment consisting of food and beverage provided for immediate consumption, occasional provision of transportation within the State of Nebraska, or item with an estimated retail value of less than ten dollars. *See* Neb. Rev. Stat. § 49-1423 (Reissue 2004), and National Association of Student Financial Aid Administrators (NASFAA), "Statement of Ethical Principles and Code of Conduct for Institutional Financial Aid Professionals" (May, 2007) ¶5, p. 6.

4. *Opportunity Pool Loan.* The term "opportunity pool loan" means a private education loan made by a lender to a student attending the institution 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. *See* 20 U.S.C. § 1094(e)(5)(B).

5. *Revenue Sharing Arrangement.* The term “revenue-sharing arrangement” means an arrangement between the University and a lender under which--

(i) a lender provides or issues a loan that is made, insured, or guaranteed under a federally funded loan program to students attending the University or to the families of such students; and

(ii) the University recommends the lender or the loan products of the lender and in exchange, the lender pays a fee or provides other material benefits, including revenue or profit sharing, to the University, an officer or employee of the University, or an agent. *See* 20 U.S.C. § 1094 (e)(1)(B).

6. *University.* All institutions which compose the University of Nebraska, or other institutions which are under the control and management of the Board of Regents of the University of Nebraska. *See* Neb. Rev. Stat. §§ 85-102.01 and 85-121 (Reissue 2008).

B. Dissemination

1. This code of conduct shall be published prominently on the University of Nebraska website and the website of the Nebraska College of Technical Agriculture at Curtis, the University of Nebraska at Kearney, University of Nebraska-Lincoln, University of Nebraska Medical Center, and University of Nebraska at Omaha. *See* 20 U.S.C. § 1094(a)(25) (B).

2. All University student financial aid workers shall be annually informed of the provisions of this code of conduct. *See* 20 U.S.C. § 1094(a)(25) (C).

C. Prohibitions

1. *Ban on revenue-sharing arrangements.* The University shall not enter into any revenue-sharing arrangement with any lender. *See* 20 U.S.C. § 1094 (e)(1)(A).

2. *Gift ban.* Student financial aid workers shall not solicit or accept any gift from a lender, guarantor, or servicer of education loans. *See* 20 U.S.C. § 1094(e)(2)(A).

Rule banning gifts to immediate family members. *See* Regents Policy 3.2.8 on Conflict of Interest and Conflict of Commitment, § 2 for “immediate family” definition.

For purposes of this paragraph, a gift to a family member of student financial aid worker, or to any other individual based on

that individual's relationship with the student financial aid worker, shall be considered a gift to the student financial aid worker if--

(I) the gift is given with the knowledge and acquiescence of the student financial aid worker; and

(II) the student financial aid worker has reason to believe the gift was given because of the official position of the student financial aid worker. *See* 20 U.S.C. § 1094(e)(2)(B) (iii).

3. *Contracting arrangements prohibited.* A student financial aid worker shall not 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. *See* 20 U.S.C. § 1094(e)(3)(A).

Exceptions. Nothing in this subsection shall be construed as prohibiting--

(i) an officer or employee of the University who is not employed in the University's financial aid office and who does not otherwise have responsibilities with respect to education loans, or an agent who does not have responsibilities with respect to education loans, from performing paid or unpaid service on a board of directors of a lender, guarantor, or servicer of education loans;

(ii) an officer or employee of the University who is not employed in the University's financial aid office but who has responsibility with respect to education loans as a result of a position held at the University, or an agent who has responsibility with respect to education loans, from performing paid or unpaid service on a board of directors of a lender, guarantor, or servicer of education loans, if the major administrative unit of the University has a written conflict of interest policy that clearly sets forth that officers, employees, or agents must recuse themselves from participating in any decision of the board regarding education loans at the University; or

(iii) an officer, employee, or contractor of a lender, guarantor, or servicer of education loans from serving on a board of directors, or serving as a trustee, of a body at a major administrative unit of the University, if the University major administrative unit has a written

conflict of interest policy that the board member or trustee must recuse themselves from any decision regarding education loans at the University. See 20 U.S.C. § 1094 (e)(3)(B).

4. *Interaction with borrowers.* The University shall not--

(A) for any first-time borrower, assign, through award packaging or other methods, the borrower's loan to a particular lender; or

(B) refuse to certify, or delay certification of, any loan based on the borrower's selection of a particular lender or guaranty agency. See 20 U.S.C. § 1094(e)(4).

5. *Ban on offers of private loans.* The University shall not request or accept from any lender any offer of funds to be used for private education loans (as defined in 15 U.S.C. § 1650), including funds for an opportunity pool loan, to students in exchange for the University providing concessions or promises regarding providing the lender with--

(i) a specified number of loans made, insured, or guaranteed under federally funded loan programs;

(ii) a specified loan volume of such loans; or

(iii) a preferred lender arrangement for such loans. See 20 U.S.C. § 1094 (e)(5)(A).

6. *Ban on staffing assistance.* The University shall not request or accept from any lender any assistance with call center staffing or financial aid office staffing. See 20 U.S.C. § 1094(e)(6) (A).

Exceptions. Nothing in the paragraph above shall be construed to prohibit the University from requesting or accepting assistance from a lender related to--

(i) professional development training for financial aid administrators;

(ii) 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

(iii) staffing services on a short-term, nonrecurring 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. *See* 20 U.S.C. § 1094 (e)(6)(B).

7. *Advisory board compensation.* Any employee who is employed in a financial aid office of the University, or who otherwise has responsibilities with respect to education loans or other student financial aid of the University, and who serves 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, or group of lenders or guarantors, except that the employee may be reimbursed for reasonable expenses incurred in serving on such advisory board, commission, or group. *See* 20 U.S.C. § 1094 (3)(7).

E. Enforcement

1. The President and Chancellor of each major administrative unit are responsible for assuring compliance with this code.

2. Student financial aid workers who are found to have violated provisions of this code may be subjected to disciplinary action, up to and including termination of employment.

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