Student Loan Code of Conduct

The Higher Education Opportunity Act of 2008 legislated requirements which prohibits a conflict of interest with the responsibilities of an employee, or agent of Northern New Mexico College (Northern) regarding Title IV loans. This Code does not replace the provisions outlined in Northern’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 Northern employees associated with these loans.

The term “employees” refers to any of Northern New Mexico 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.

To ensure the highest ethical standards, the Department of Education requires that a “Student Loan Code of Conduct” be published and maintained by all financial offices. Following is the official policy at Northern.

The Code of Conduct establishes that:

- 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 Northern recommending the lender or the lender’s loan products in exchange for a fee or material benefit including profit or revenue sharing that benefits Northern or Northern’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.
- Northern 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 Northern 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”

- 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 Northern as an integral part to a training session designed to improve the service of a lender, guarantor, or servicer of education loans to Northern if the training contributes to the professional development of Northern’s staff.
- Favorable terms, conditions, and borrower benefits on an education loan provided to a student employed by Northern as long as they are comparable to those provided to all students at Northern.
- Entrance and exit counseling as long as Northern 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 Northern from a lender, servicer, or guarantor that are unrelated to education loans or any contribution from such entities that is 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”.

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

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