

# Bay State College Student Loan Code of Conduct

Bay State College participates in the William D. Ford Federal Direct Loan Program which include the Direct Subsidized and Direct Unsubsidized Student Loans, and the Direct Parent PLUS Loans.

To a much lesser extent, private loans are also processed for students on an as needed basis. To comply with the 2008 Higher Education Opportunity Act (enacted August 14, 2008) Bay State adopts the following Student Loan Code of Conduct to serve as the formal guiding principles in insuring the integrity of the student aid process and ethical conduct of Bay State employees in regard to student loan practices.

## Revenue Sharing

The term “revenue-sharing arrangement” means an arrangement between an institution and a lender which – (i) a lender provides or issues a loan that is made, insured, or guaranteed to students under the Higher Education Act attending the institution or to the families of such students; and (ii) the institution 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 institution, an officer or employee of the institution. Bay State College and its employees will not enter into any type of revenue-sharing arrangement with any lender, guarantor or servicer. Bay State College does not provide students a preferred lender list from which to select a lender for a private student loan. All loans are processed without regard to lender or mode of transmission (i.e., electronic or paper). Bay State College will neither recommend a private loan lender nor accept material benefits including revenue or profit sharing to the institution, an officer, or an employee of the institution or an agent.

## Gifts

Employees of the Offices of Student Financial Aid and the Bursar’s Office and Student Accounts are prohibited from soliciting or accepting any gift from a lender, guarantor, or servicer of education loans.

- Food, training or informational materials as part of training as long as the training contributes to the professional development of those individuals attending the training.
- Favorable terms and benefits to the student employed by the institution as long as those same terms are provided to all students at the institution.
- Entrance and exit counseling as long as the institution's staff are in control and they do not promote the services of a specific lender.
- Philanthropic contributions from a lender, guaranty agency or servicer unrelated to education loans.

- State education, grants, scholarships or financial aid funds administered by or on behalf of the State.

## **Contracting Arrangements**

Employees of the Offices of Student Financial Aid and the Bursar's Office and Student Accounts shall not accept from any lender or affiliate of any lender any fee, payment, or other financial benefit (including opportunity to purchase stock) as compensation for any consulting arrangement or other contract to provide services to a lender or on behalf of a lender relating to education loans.

## **Preferred Lender Status**

Bay State College participates in the William D. Ford Federal Direct Loan Program which provides student and parent loans through the U.S. Department of Education. Lenders in the private student loan industry will not be given a preferred status. Bay State will not produce a preferred lender list that gives any lender an advantage in securing business from Bay State College students.

## **Interaction with Borrowers**

Bay State College will not assign a borrower's private student loan to a particular lender; all decisions will be made by the borrower in his/her independent review of borrower benefits and lender services. Further, Bay State will not refuse to certify, or delay certification of, any loan based on the borrower's selection of a particular lender or guaranty agency.

## **Opportunity Pool Loan**

Bay State College will not request or accept from any lender any offer of funds to be used for private education loans (defined in section 140 of the Truth in Lending Act) including funds for an opportunity pool loan in exchange for Bay State College providing concessions or promises regarding providing the lender with a specified number of loans made, insured or guaranteed; a specified loan volume of such loans; or a preferred lender arrangement for such loans.

## **Staffing Assistance**

Bay State College will not request or accept from any lender, guarantor, or servicer of student loans any assistance with call center staffing or financial aid office staffing.

## **Advisory Board Compensation**

Employees of the Offices of Student Financial Aid and the Bursar's Office and Student Accounts who serve on an advisory board, commission, or group established by a lender, guarantor, or

group of lenders or guarantors, are 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.