

# MSU Billings Financial Aid Code of Conduct

## April 2009

With the passage of the 2008 Higher Education Opportunity Act (HEOA), postsecondary schools that participate in the loan programs under Title IV of the Higher Education Act (Federal Family Education Loan Program or Federal Direct Loan Programs) are required to develop a code of conduct to which the school's officers, employees and agents shall comply.

Montana State University Billings Code of Conduct prohibits conflicts of interest with the responsibilities of an officer, employee or agent with respect to federal loans.

**Ban of Revenue Sharing Arrangements:** MSUB shall not enter into a revenue-sharing arrangement, which is any arrangement between a school and a Title IV lender where the lender pays a fee or provides other material benefits to the school or its officers, employees or agents in the exchange for the school recommending the lender to its students, with any lender.

**Gift Ban:** Any MSUB officer, employee or agent with responsibilities with respect to education loans or financial aid is prohibited from requesting or receiving gifts from lenders, guarantors, or loan servicers. A gift is any item or service having a monetary value of more than a de minimus amount.

Exceptions include the following:

- materials or services related to loan issues, default aversion and prevention, or financial literacy;
- expenses integrally related to training designed to improve service to the school and contribute to professional development;
- favorable loan conditions provided to students employed by the school if the same conditions are provided to all other students at the school;
- entrance and exit counseling services controlled by school staff and that do not promote a specific lender;
- contributions from a lender, guarantor or servicer made to a school that are philanthropic, unrelated to education loans or are not made in exchange for an advantage related to education loans;
- education grants, scholarships or financial aid administered by or on behalf of a State.

**Gifts to Family Members:** Gifts to family members and others with relationship to MSUB employees, officers and agents shall be considered gifts to said officers, employees and agents if they know about the gift and believe the gift was based on their position of employee, officer or agent.

**Contracting Arrangements Prohibited:** A MSUB officer, employee or agent with responsibilities with respect to education loans or financial aid is prohibited from

receiving financial benefit from a lender or lender affiliate as compensation for any consulting or services provided to or for a lender.

**Interaction with Borrowers:** MSUB shall not assign a loan from a first-time-borrower to a particular lender or delay or refuse to certify a loan based on the borrower's choice of lender or guarantor.

**Prohibition on Offers of Funds for Private Loans:** MSUB shall not request or receive an offer of funds from a lender for private education loans including funds for opportunity pool loans to its students in exchange for concessions or promises to the lender regarding the number or volume of Title IV loans made by said lender or a preferred lender status for such loans.

**Ban on Staffing Assistance:** MSUB shall not request or accept assistance from a lender for call center or financial aid office staffing. MSUB can, however, receive assistance for financial aid training, lender identified educational materials for borrowers, and short-term non-recurring staffing assistance during emergencies.

**Advisory Board Compensation:** Any MSUB employee with responsibilities with respect to education loans or financial aid who serves on an advisory group established by a lender, guarantor, or group of lenders or guarantors, may only receive reimbursement for reasonable expenses related to serving in the group.