

Code of Conduct for Financial Aid Professionals at Idaho State University

The Higher Education Opportunity Act of 2008 [HEOA § 487(a) (25)] requires every institution of higher education that participates in federal financial aid programs to develop and prominently display a code of conduct. The principles below are consistent with the requirements of that Act.

In addition to HEOA requirements, Idaho State University financial aid office employees also adhere to established Idaho State University policy – Conflict of Interest and the Idaho State Board of Education Conflict of Interest and Ethical Conduct Policy. As a member of the National Association of Student Financial Aid Administrators (NASFAA), Idaho State University financial aid office employees also abide by the NASFAA Statement of Ethical Principles and Code of Conduct, which contain principles specific to the financial aid profession.

All financial aid office employees at Idaho State University will receive and review the NASFAA Statement of Ethical Principles and Code of Conduct at time of hire, provide a written acknowledgement that they have received the information, and do so annually.

Code of Conduct Principles

A. Prohibition on Revenue Sharing

1. A revenue sharing agreement is defined as “any arrangement between an institution and a lender under which the lender makes Title IV loans to students attending the institution (or to the families of those students), the institution recommends the lender or loan products of the lender, and in exchange, the lender pays a fee or provides other material benefits, including revenue and profit-sharing, to the institution or to its officers, employees, or agents.”
2. Neither Idaho State University, nor any employee of Idaho State University who has responsibilities with respect to financial aid, shall enter into any revenue-sharing arrangement with any lender.

B. Prohibition on Gifts

1. Gift

- a. A gift is defined as any gratuity, favor, discount, entertainment, hospitality, loan or other item having monetary value of more than a de minimis amount.
 - b. A gift does not include:
 - 1) A brochure, workshop, or training using standard materials relating to loan, default aversion, or financial literacy, such as a brochure, workshop or training;
 - 2) Food, training, or informational material provided as part of a training session designed to improve the service of a lender, guarantor, or servicer if the training contributes to the professional development of the institution's officers, employees, or agents;
 - 3) Favorable terms and benefits on an educational loan provided to a student employed by the institution if those terms and benefits are comparable to those provided to all student at the institution;
 - 4) Entrance and exit counseling as long as the institution's staff are in control of the counseling and the counseling does not promote the services of a specific lender;
 - 5) Philanthropic contributions from a lender, guarantor, or servicer that are unrelated to educational loans or any contribution that is not made in exchange for advantage related to educational loans; and
 - 6) State educational grants, scholarships, or financial aid funds administered by, or on behalf of, a state.
 - 2. No employee of Idaho State University's financial aid office (or an employee or agent who otherwise has responsibilities with respect to educational loans), nor any family member of such, may solicit or accept any gift from a lender, guarantor, or servicer of educational loans.
 - 3. Idaho State University is not prohibited from accepting endowment gifts, capital contributions, scholarship funding, or other financial support from a lender, guarantor, or servicer of educational loans, so long as the University gives no competitive advantage or preferential treatment to the lender, guarantor, or servicer of educational loans related to its education loan activity in exchange for such support.
- C. Prohibition on Compensation for Consulting, Contracting or Advising.
- 1. No employee of Idaho State University's financial aid office (or an employee or agent who otherwise has responsibilities with respect to educational loans), nor any family

member of such, shall accept any fee, payment, or other financial benefit as compensation for any type of consulting agreement or contract to provide services to, or on behalf of, a lender in relation to educational loans.

2. No employee of Idaho State University's financial aid office (or an employee or agent who otherwise has responsibilities with respect to educational loans), nor any family member of such, shall accept any fee, payment, or other financial benefit as compensation for serving on an advisory board, commission, or group established by a lender or guarantor (or a group of lenders or guarantors), except for reimbursement of reasonable expenses incurred by the employee for serving on the board.
3. The Idaho State University financial aid office may hold membership in any nonprofit professional association, or an employee of the Idaho State University financial aid office may hold individual membership in any nonprofit professional association.
4. The Idaho State University financial aid office employees are not precluded from attending any educational or training program related to financial aid or higher education loans where no registration fee is charged to any attendee because of the lender, guarantor, or loan servicer's sponsorship or support of the program.
5. These prohibitions shall not apply to participation on advisory boards that are unrelated in any way to financial aid or higher educational loans.

D. Prohibition on Loan Awarding Process

1. The Idaho State University financial aid office, or an employee of the Idaho State University financial aid office, shall not, for any first-time borrower, assign, through award packaging or other methods, the borrower's loan to a particular lender, or refuse to certify, or delay certification of, any loan based on the borrower's selection of a particular lender or guaranty agency.
2. The Idaho State University financial aid office, or an employee of the Idaho State University financial aid office, shall not direct any borrower to a specific lender for the purpose of borrowing an educational loan. However, a list of lenders that Idaho State University students have previously selected for educational loans can be provided to prospective borrower.
3. The Idaho State University financial aid office shall not maintain any type of preferred lender list for any private educational loans. Lenders may be published as general

information, but the financial aid office shall not endorse or direct students and parents to any specific lender.

E. Prohibition on Contracting Arrangement for Private Educational Loans

1. Idaho State University may not request or accept from any lender any offer of funds to be used or private educational loans to student in exchange for providing concessions or promises to the lender regarding a number of loans, loan volume, or a preferred lender agreement for private educational loans.
2. This prohibition extends to “opportunity pool loans,” which are defined as a private educational loan made by a lender to a student (or the student’s family) that involves a payment by the institution to lender for extending credit to the student.

F. Prohibition of Lending Institutions Providing Staffing Assistance

1. No employee or other agent of a lending institution may staff the Idaho State University financial aid office at any time, either in-person or as part of a call center. The University shall ensure that no employee or other representative or a lending institution is ever identified to students or prospective students of the University or their parents as an employee or agent of the University.
2. Representatives of lenders may be allowed to conduct information sessions, such as exit interviews and presentations on loan payment and loan consolidation options, so long as:
 - a. Student attendance is voluntary;
 - b. A University representative explains that other lenders may provide similar services;
 - c. The affiliation of the lender representative is disclosed at the start of the presentation;
 - d. The lender representative does not promote the products or services of any lender;
 - and
 - e. The University takes reasonable steps to ensure compliance with the requirements of this paragraph.
3. In the event that the University permits a lender to conduct information sessions or exit interviews as explained above, the University must retain control of any interview or presentation offered by lenders. Control may be evidenced by:
 - a. A University employee attending such interview or presentation;
 - b. The University recording or videotaping the interview or presentation; or

- c. With respect to an exit interview conducted electronically via the Internet, the University creating or approving in advance the content of such electronic exit interview.
 4. Staffing assistance from a lending institution is permitted on a short-term, nonrecurring basis to assist with financial aid-related functions during emergencies, including state-declared or federally-declared natural disaster, and other localized disasters and emergencies identified by the Secretary.
 5. A lender may provide educational counseling materials, financial literacy materials, or debt management materials as long as the materials identify the lender that assisted in preparing the materials.
- G. In addition, Idaho State University financial aid office employees shall:
1. Avoid all conflicts of interest, potential conflicts of interest, and the appearance of conflicts of interest which could result in personal financial gain to the employee;
 2. Refrain from knowingly taking any action that is contrary to law, regulation, University policy, or contrary to the best interests of student and their families;
 3. Refrain from taking any action or decisions for a family member, friend, or business associate that would result in impacting financial aid eligibility, other than running automated processes in which the student is being processed along with many other student;
 4. Promote the core values and mission of the Idaho State University financial aid office;
 5. Notify their superior, or the Director of Financial Aid, of any observed potential conflict of interest by a financial aid office employee.