



HARTWICK COLLEGE

est. 1797

Code of Conduct for Financial Aid

Introduction: The Higher Education Opportunity Act (“HEOA”) passed by Congress in 2008 requires that all schools that participate in the Title IV loan program have a code of conduct pertaining to student lending practices which generally prohibits conflicts of interest for employees involved with financial aid. A year earlier, in 2007, New York State adopted the Student Lending, Accountability, Transparency and Enforcement Act (“SLATE”) which imposed obligations similar to those under HEOA relating to student loans. The following is Hartwick College’s (the “College”) Code of Conduct for Financial Aid (the “Code of Conduct”) which is intended to fulfill the requirements of HEOA and which also incorporates the obligations under SLATE. This Code of Conduct is in addition to, and does not replace or supersede, any other policies, rules, or codes of conduct which apply to the College and its trustees, officers, employees, agents and contractors.

Individuals Covered: This Code of Conduct applies to all trustees, officers, employees, agents or contractors of the College (each a “Covered Person”).

- 1. Ban on Revenue-Sharing Arrangements.** Neither the College, nor any Covered Person, shall enter into any Revenue-Sharing Arrangement (defined below) with (a) any entity that itself or through an affiliate makes educational loans to pay for or finance higher education expenses or that securitizes such loans; (b) any entity, or association of entities, that guarantees educational loans; or (c) any industry, trade or professional association or other entity that receives money, related to educational loan activities, from any of the aforementioned entities (each, a “Lending Institution”).

A “Revenue-Sharing Arrangement” means an arrangement with a Lending Institution under which: (a) the Lending Institution provides or issues one or more loans to students attending the College or to the families of such students; and (b) the Lending Institution pays a fee or provides other material benefits, including revenue or profit sharing or a percentage of the principal of each loan, to the College, an affiliated entity or organization of the College, or a Covered Person, based upon the making of the loan(s) and/or the College’s recommendation of the Lending Institution or the loan products of the Lending Institution.

- 2. Gifts.** Neither the College nor any Covered Person shall, on his or her own behalf or on behalf of another, directly or indirectly, solicit, accept or receive any Gift from or on behalf of a Lending Institution or servicer of education loans; provided, however, that the foregoing shall not restrict a Covered Person who is not employed in the College’s financial aid office and who does not otherwise have responsibilities with respect to education loans in his/her conduct of business with a Lending Institution that is unrelated in any manner to the College.

A “Gift” includes any gratuity, favor, inducement, discount, fee, money, stock, loan, forbearance, promise, or other item having a monetary value of more than \$25.00. A Gift includes, but is not limited to, any services, entertainment, hospitality, transportation, lodging, meals, honoraria, registration fees, computer hardware at prices below market value, or printing costs or services.

The following are not Gifts:

- (a) standard Lending Institution materials, activities, or programs on issues related to a loan, default aversion, default prevention, or financial literacy, such as a brochure or other promotional literature, a workshop, or training;
- (b) reasonable food, refreshments, training, or informational material furnished to a Covered Person as an integral part of a training session that is designed to improve the service of a Lending Institution or servicer of education loans to the College, if such training contributes to the professional development of the Covered Person;
- (c) favorable terms, conditions, and borrower benefits on an education loan provided to a student employed by the College if such terms, conditions, or benefits are comparable to those provided to all students of the College;
- (d) entrance and exit counseling services provided to borrowers to meet the College's responsibilities for entrance and exit counseling as required by 20 U.S.C. 1092(b) and (l), as long as (i) the College's staff are in control of the counseling, (whether in person or via electronic capabilities); and (ii) such counseling does not promote the products or services of any specific Lending Institution;
- (e) philanthropic contributions to the College from a Lending Institution or servicer of education loans that are unrelated to education loans and are not made in exchange for any advantage related to education loans; and
- (f) state education grants, scholarships, or financial aid funds administered by or on behalf of the State.

A Gift to a family member of a Covered Person or to any other individual based on that individual's relationship with the Covered Person shall be considered a Gift to the Covered Person if: (a) the gift is given with the knowledge and acquiescence of the Covered Person; and (b) the Covered Person has reason to believe the gift was given because of the official position of the Covered Person.

Covered Persons shall report to the College, and to the New York State Education Department (the "Department") as required by law, any instance of a Lending Institution attempting to give a Gift.

3. **Ban on Contracting Arrangements**. A Covered Person who is employed in the College's financial aid office or who otherwise has responsibilities with respect to education loans, or an agent who has responsibilities with respect to education loans, may not accept from a Lending Institution, or an affiliate of any Lending Institution, any fee, payment, or other financial benefit as compensation for any type of consulting arrangement or contract to provide services to or on behalf of a Lending Institution relating to education loans. This ban does not prohibit service on advisory boards or boards of directors to the extent otherwise permitted by this Code of Conduct.

Covered Persons who are directly involved with or benefit from the functions of the College's financial aid office shall report to the College, and to the Department as required by law, all participation or financial interests related to any Lending Institution.

4. **Interaction with Borrowers.** The College prohibits steering borrowers to particular Lending Institutions or delaying loan certifications. The College may not, for any first-time borrower, assign, through the award packaging or other methods, the borrower's loan to a particular Lending Institution. In addition, the College may not refuse to certify, or delay the certification, of any loan based on the borrower's selection of a particular Lending Institution.

The College shall ensure that no employee or agent of a Lending Institution is identified to borrowers or potential borrowers as an employee, representative or agent of the College.

5. **Ban on Acceptance of Funds for Private Loans.** The College shall not enter into any arrangement with a Lending Institution pursuant to which the Lending Institution provides funds for loans to certain College students in exchange for concessions or promises to the Lending Institution that may prejudice other borrowers or potential borrowers. Without limiting the preceding sentence, the College may not request or accept from any Lending Institution any offer of funds for private education loans, including funds for an opportunity pool loan, to students in exchange for providing concessions or promises to the Lending Institution for a specific number of loans made, insured, or guaranteed; a specified loan volume of loans; or a preferred lender arrangement for loans.
6. **Ban on Staffing Assistance.** The College may not request or accept from any Lending Institution any assistance with call center staffing or financial aid office staffing. However, the College shall not be prohibited from requesting or accepting assistance from a Lending Institution related to professional development training for financial aid administrators; providing educational counseling materials, financial literacy materials, or debt management materials to borrowers, provided that such materials disclose to borrowers the identification of any Lending Institution that assisted in preparing or providing such materials; or staffing services on a short-term, nonrecurring basis to assist the College with financial aid-related functions during emergencies.
7. **Board Service.** Any Covered Person who serves as a member or participant on an advisory board, commission, or group established by a Lending Institution is prohibited from receiving remuneration or anything of value (including reimbursement of expenses for serving) from the Lending Institution or group of Lending Institutions. The foregoing shall not prohibit a Covered Person who is not employed or involved in, and does not benefit from the functions of, the College's financial aid office, and who does not otherwise have responsibility over education loans, from receiving remuneration for serving on the board of directors of a publicly traded or privately held company or on an advisory board that is unrelated in any manner whatsoever to educational loans.