

## **STUDENT LOAN CODE OF CONDUCT**

The Board of Trustees of Florida Gulf Coast University recognizes that ensuring the integrity of the student financial aid process is critical to providing fair and affordable access to higher education in Florida. Therefore it is the desire of the Board to adopt the principles and guidelines formalized by the Board of Governors. These guidelines are designed to avoid any potential for a conflict of interest between the University, its students or their parents in the student financial aid process. Accordingly, the University will take all reasonable steps to adhere to the following principles in the University's financial aid operations:

**1. University employees should receive no personal benefit.**

No officer, trustee or employee of the University will accept anything of more than nominal value on his or her behalf or on behalf of another person or entity from any Lending Institution.<sup>1</sup> For example, cash, stocks, gifts, entertainment, expense-paid trips, etc. should never be accepted from a Lending Institution. Likewise, an individual should never receive payment or reimbursement from a Lending Institution for lodging, meals or travel to conferences or training seminars. However, an officer, trustee or employee of the University may: (a) conduct non-University business with any Lending Institution and, subject to state law, receive value in connection with such non-University business, so long as such value is not intended to influence the officer, trustee or employee in conducting University business; (b) conduct University business and, subject to state law, receive value on behalf of the University that is unrelated to the

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<sup>1</sup> Lending Institution is any entity (other than an institution of higher education or a governmental entity such as the U.S. or Florida Department of Education) involved in the making, holding, consolidating or processing of any student loans.

student loan activities of the Lending Institution; (c) attend conferences and meetings of tax-exempt organizations that are funded or sponsored by more than one entity and, subject to state law, receive materials, refreshments, and other things of like value provided at such professional conferences and meetings; and, (d) hold membership in, serve on the board of or participate in the activities of any tax-exempt organization and, subject to state law, receive travel reimbursements and other things of like value from the tax-exempt organization for such activities.

**2. University employees should not serve on lender advisory boards for remuneration.**

No officer, trustee or employee of the University who makes financial aid decisions for the University or who is employed in, supervises or otherwise has responsibility or authority over the University's financial aid office will receive any remuneration for serving as a member or participant of an student loan advisory board of a Lending Institution or any reimbursement of expenses for such service. Any officer, trustee or employee of the University who serves as a member or participant of a Lending Institution board will recuse himself or herself from any board discussions regarding the University's financial aid operations.

**3. The University should not provide any advantage to a Lending Institution.**

The University will not accept anything of value from any Lending Institution in exchange for any advantage or consideration provided to the Lending Institution related to its student loan activities, including but not limited to revenue-sharing, printing costs or below-cost computer hardware or software.<sup>2</sup> Likewise, the

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<sup>2</sup> The University may accept any assistance that is authorized by 34 C.F.R. 682.200(b)(5)(i) (definition of "Lender").

University will not allow any Lending Institution to: (a) staff the University's financial aid office at any time; or (b) communicate with the University's students or their parents in such a manner as to create the impression that the Lending Institution is an employee or agent of the University in connection with the University's student financial aid operations, including through the use of mascots, logos, etc. Finally, the University will not enter into any agreement with a Lending Institution to provide alternative (*i.e.*, non-federal or "opportunity") student loan programs if the provision of such alternative loan programs prejudices other students or parents.<sup>3</sup>

**4. The University should make appropriate use of any Preferred Lender Lists.**

If the University decides to promulgate a list or lists of preferred or recommended lenders for student loans or similar ranking or designation ("Preferred Lender List"), the selection of Lending Institutions for inclusion on the Preferred Lender List will be based on the best interests of the University's students and their parents without regard to the financial interests of the University.<sup>4</sup> In addition, any Preferred Lender List will clearly explain:

- Students and their parents are free to select the Lending Institution of their choice and will suffer no penalty imposed by the University from using a Lending Institution that is not a "preferred lender";
- Students and their parents are not required to use any of the "preferred lenders";
- Where to find information on other Lending Institutions for student loans;

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<sup>3</sup> The University may offer loans to its international students, at fair market rates, when such students would otherwise be unable to secure a domestic loan.

<sup>4</sup> The University also will not place a Lending Institution on a Preferred Lender List for a particular type of student loan in exchange for benefits provided to the University, its students or their parents in connection with a different type of student loan.

- The University will promptly certify any loan from any Lending Institution selected by a borrower, in accordance with U.S. Department of Education regulations;
- The process the University utilized to select “preferred lenders,” including but not limited to the criteria used and the relative importance of such criteria;
- Where to find information on the competitive interest rates, terms, and conditions of federal loans;
- Where to find information on the interest rate, loan servicing or other benefits offered by “preferred lenders”; and,
- Where to find information on any agreements by “preferred lenders” to sell their loans to other Lending Institutions.

The University will review any Preferred Lender List on an annual basis to determine that the information appearing on the list is accurate and that any website links are still viable.