

## **CODE OF CONDUCT FOR EDUCATION LOANS**

Colleges participating in any of the Title IV loan programs are required by the Department of Education to develop, publish and enforce a code of conduct. The below code of conduct applies to all officers, employees and agents of Western Oklahoma State College.

**BAN ON REVENUE SHARING AGREEMENTS:** Neither Western Oklahoma State College, nor any of its officers, employees or agents will enter into any revenue-sharing arrangements with any lender, which is defined by the Higher Education Opportunity Act of 2008, amending the Higher Education Act of 1965, Pub. L. # 110-315 (2008), ("HEOA") as any arrangement between a college and a lender that results in the lender paying a fee or other benefits, including a share of its profits, to the college, or its officers, employees or agents, as a result of the college recommending the lender to its students or families of those students.

**BAN ON GIFTS:** Financial Aid Office employees (or employees who otherwise have responsibilities with respect to education loans or financial aid) will not accept gifts from any lender, guaranty agency or loan servicer. A "gift" is defined as any gratuity, favor, discount, entertainment, hospitality, loan or other item having a monetary value of more than a de minimus amount. This prohibition is not limited just to those providers of Title IV loans but includes lenders of "private educational loans" as well. HEOA does provide for some exceptions related to specific types of activities or literature. This includes:

- Brochures or training materials related to default aversion or financial literacy.
- Food, training or informational materials as part of training as long as that 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 services of a specific lender.
- Philanthropic contributions from a lender, guarantee agency or loan servicer unrelated to education loans.
- State education, grants, scholarships, or financial aid funds administered by or on behalf of the State.

**BAN ON CONTRACTING ARRANGEMENTS:** Financial Aid Office employees (or employees who otherwise have responsibilities with respect to education loans) will not accept any fee, payment or financial benefit as compensation for any type of consulting arrangement or contract to provide services to or on behalf of a lender relating to education loans.

**PROHIBITION AGAINST STEERING BORROWERS:** Western Oklahoma State College and its officers, employees or agents will not steer borrowers to particular lenders, or delay loan certifications. This prohibition includes assigning any first-time borrower's loan to a particular lender as part of the award packaging process or through other methods.

**PROHIBITION ON OFFERS OF FUNDS FOR PRIVATE LOANS:** Western Oklahoma State College and its officers, employees or agents will not request or accept any agreement or offer of

funds for private loans. This prohibition includes any offer of funds for loans to students at the institution, including funds for an opportunity pool loan, in exchange for providing concessions or promises to the lender for a specific number of loans, or inclusion on a preferred lender list.

**BAN ON STAFFING ASSISTANCE:** Western Oklahoma State College and its officers, employees or agents will not request or accept any assistance with call center staffing or financial aid office staffing. However, HEOA does not prohibit schools from requesting or accepting assistance from a lender 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 lender that assisted in preparing or providing such materials.
- Staffing services on a short-term, nonrecurring basis to assist the school with financial aid-related functions during emergencies, including State-declared or Federally declared natural disasters, and other localized disasters and emergencies identified by the Secretary.

**BAN ON ADVISORY BOARD COMPENSATION:** Employees of Western Oklahoma State College will not receive anything of value from a lender, guarantor, or group in exchange for serving on an advisory board. They may, however, accept reimbursement for reasonable expenses incurred while serving in this capacity.

## **Private Education Loans**

Western Oklahoma State College and its officers, employees or agents do not recommend, promote, or endorse any lenders and does not have a preferred lender list. The federal government is the sole lender for the Federal Direct Student Loans: Federal Direct Subsidized Stafford, Federal Direct Unsubsidized Stafford, and Federal Direct Parent loans.

Students should only consider obtaining private education loans after maxing out all eligibility for federal aid: Federal Pell Grant, Federal SEOG Grant, Federal Work-study, and Federal Direct Student Loans.

To determine federal aid eligibility, students should complete the Free Application for Federal Aid (FAFSA). Federal student loans often have more favorable terms than private loans.