

LLCC Student Loan Programs Code of Conduct

This code of conduct applies to the Lincoln Land Community officers (defined as the Board of Trustees), employees of the financial aid office, and agents of the college contracted for work related to student loans. This code parallels the LLCC Board Policy Manual and is explicit with regard to conduct associated with student loans. Officers, employees and agents working with student loans should adhere to both the policy manual and this document. This document is invoked when it is more direct and/or stricter than the policy manual.

(1) BAN ON REVENUE-SHARING ARRANGEMENTS

LLCC will not participate in any revenue-sharing arrangements with any student loan lender, guarantor or servicer.

Neither LLCC nor its officers, or employees of the financial aid office shall participate in any revenue sharing arrangement with any student loan lenders, guarantors or servicers. Revenue sharing is defined as an arrangement between an institution and a lender under which a lender provides or issues a loan that is made, insured, or guaranteed to students attending LLCC or to the families of such students; and LLCC recommends the lender or the loan products of the lender and in exchange, the lender pays a fee or provides other material benefits, including revenue or profit sharing, to the institution, an officer or employee of the institution, or an agent.

(2) GIFT BAN

No officer or employee of the LLCC financial aid office or who otherwise has responsibilities with respect to education loans, or agent who has responsibilities with respect to education loans, shall solicit or accept any gift from a lender, guarantor, or servicer of education loans.

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. The term includes a gift of services, transportation, lodging, or meals, whether provided in kind, by purchase of a ticket, payment in advance, or reimbursement after the expense has been incurred.

The term 'gift' shall not include any of the following:

1. Standard material, activities, or programs on issues related to a loan, default aversion, default prevention, or financial literacy, such as a brochure, a workshop, or training.
2. Food, refreshments, training, or informational material furnished to an officer or employee of LLCC, or to a LLCC agent, as an integral part of a training session that is designed to improve the service of a lender, guarantor, or servicer of education loans to LLCC, if such training contributes to the professional development of the officer, employee, or agent.

3. Favorable terms, conditions, and borrower benefits on an education loan provided to a student employed by the institution if such terms, conditions, or benefits are comparable to those provided to all students of the institution.
4. Entrance and exit counseling services provided to borrowers to meet LLCC's responsibilities for entrance and exit counseling as required by federal regulations as long as LLCC staff is in control of the counseling; and such counseling does not promote the products or services of any specific lender.
5. Philanthropic contributions to LLCC from a lender, servicer, or guarantor of education loans that are unrelated to education loans or any contribution from any lender, guarantor, or servicer that is not made in exchange for any advantage related to education loans.
6. State education grants, scholarships, or financial aid funds administered by or on behalf of a State.

A gift to a family member of an officer or employee of LLCC, to a family member of an agent, or to any other individual based on that individual's relationship with the officer, employee, or agent, shall be considered a gift to the officer, employee, or agent if—

- the gift is given with the knowledge and acquiescence of the officer, employee, or agent; and
- the officer, employee, or agent has reason to believe the gift was given because of the official position of the officer, employee, or agent.

(3) CONTRACTING ARRANGEMENTS PROHIBITED

An officer or employee who is employed in the LLCC financial aid office or who otherwise has responsibilities with respect to education loans, or an agent who has responsibilities with respect to education loans, shall not accept from any lender or affiliate of any lender any fee, payment, or other financial benefit (including the opportunity to purchase stock) as compensation for any type of consulting arrangement or other contract to provide services to a lender or on behalf of a lender relating to education loans.

Nothing in this section regarding contracting shall be construed as prohibiting—

- an officer or employee of LLCC who is not employed in the institution's financial aid office and who does not otherwise have responsibilities with respect to education loans, or an agent who does not have responsibilities with respect to education loans, from performing paid or unpaid service on a board of directors of a lender, guarantor, or servicer of education loans;

(4) INTERACTION WITH BORROWERS

LLCC shall not—

1. for any first-time borrower, assign, through award packaging or other methods, the borrower's loan to a particular lender; or

2. refuse to certify, or delay certification of, any loan based on the borrower's selection of a particular lender or guaranty agency.

(5) PROHIBITION ON OFFERS OF FUNDS FOR PRIVATE LOANS

LLCC shall not request or accept from any lender any offer of funds to be used for private education loans (as defined in section 140 of the Truth in Lending Act), including funds for an opportunity pool loan, to students in exchange for the institution providing concessions or promises regarding providing the lender with—

- a specified number of loans made, insured, or guaranteed under this title;
- a specified loan volume of such loans; or
- a preferred lender arrangement for such loans.

In this section, the term 'opportunity pool loan' means a private education loan made by a lender to a student attending LLCC or the family member of such a student that involves a payment, directly or indirectly, by LLCC of points, premiums, additional interest, or financial support to such lender for the purpose of such lender extending credit to the student or the family.

(6) BAN ON STAFFING ASSISTANCE

LLCC will not request or accept from any lender any assistance with call center staffing or financial aid office staffing.

Nothing in this section shall be construed to prohibit LLCC 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; or
- staffing services on a short-term, nonrecurring basis to assist the institution with financial aid-related functions during emergencies, including State-declared or federally declared natural disasters, federally declared national disasters, and other localized disasters and emergencies identified by the Secretary.

(7) ADVISORY BOARD COMPENSATION

Any employee who is employed in the LLCC financial aid office, or who otherwise has responsibilities with respect to education loans or other student financial aid of the institution,

and who serves on an advisory board, commission, or group established by a lender, guarantor, or group of lenders or guarantors, shall be prohibited from receiving anything of value from the lender, guarantor, or group of lenders or guarantors, except that the employee may be reimbursed for reasonable expenses incurred in serving on such advisory board, commission, or group.