

MONMOUTH UNIVERSITY POLICIES AND PROCEDURES

Policy Name: Financial Aid Office Code of Conduct

Original Issue Date: April 2, 2007

Revision Date: December 7, 2007
August 16, 2010
February 24, 2011
January 27, 2021
February 10, 2022

I. PURPOSE

The primary goal of the University's Financial Aid Office is to help students achieve their educational potential by providing or directing students toward appropriate financial resources. In doing so, staff members of the Monmouth University Financial Aid Office shall continue to conduct themselves in an ethical and professional manner, in accordance with the "Statement of Ethical Principles" set forth by the National Association of Student Financial Aid Administrators and other requirements set forth in this policy.

The University's Financial Aid Office is a member of the National Association of Student Financial Aid Administrators ("NASFAA") which is the professional organization serving college and university financial aid officers. In furtherance of its organization and membership, NASFAA has adopted a Statement of Ethical Principles and also a Code of Conduct, both of which govern the conduct of its members. That Statement of Ethical Principles and the Code of Conduct are hereby incorporated into this policy and are applicable to employees of the University serving within the Financial Aid Office and their superiors.

II. NASFAA STATEMENT OF ETHICAL PRINCIPLES

The Financial Aid Officer shall:

- Remain aware of issues affecting students and continually advocate for their interests at the institutional, state and federal levels.
- Support federal, state and institutional efforts to encourage students, as early as the elementary grades, to aspire to and plan for education beyond high school.
- Commit to the highest level of ethical behavior and refrain from conflict of interest or the perception thereof.
- Deal with others honestly and fairly, abiding by our commitments and always acting in a manner that merits the trust and confidence others have placed in us.

- Protect the privacy of individual student financial records.
- Promote the free expression of ideas and opinions, and foster respect for diverse viewpoints within the profession.
- Commit to removing financial barriers for those who want to pursue postsecondary learning and support each student admitted to our institution.
- Without charge, assist students in applying for financial aid funds.
- Provide services and apply principles that do not discriminate on the basis of race, gender, ethnicity, sexual orientation, religion, disability, age, or economic status.
- Understand the need for financial education and commit to educate students and families on how to responsibly manage expenses and debt.
- Adhere to all applicable laws and regulations governing federal, state, and institutional financial aid programs.
- Actively participate in ongoing professional development and continuing education programs to ensure ample understanding of statutes, regulations, and best practices governing the financial aid programs. [Previously this bullet was “Recognize the need for professional development and continuing education opportunities.”]
- Encourage colleagues to participate in the financial aid professional associations available to them at the state, regional, or national level and offer assistance to other aid professionals as needed.
- Provide our students and parents with the information they need to make good decisions about attending and paying for college.
- Educate students and families through quality information that is consumer-tested when possible. This includes (but is not limited to) transparency and full disclosure on award notices.
- Ensure equity by applying all need-analysis formulas consistently across the institution's full population of student financial aid applicants.
- Inform institutions, students, and parents of any changes in financial aid programs that could affect their student aid eligibility.
- Strive to ensure that cost of attendance components are developed using resources that represent realistic expenses.
- Ensure that student and parent private information provided to the financial aid office by financial aid applicants is protected in accordance with all state and federal statutes and regulations, including FERPA and the Higher Education Act, Section 483(a)(3)(E) (20 U.S.C. 1090). [Previously this bullet was “Respect the dignity and protect the privacy of students and ensure the confidentiality of student records and personal circumstances.”]
- Protect the information on the FAFSA from inappropriate use by ensuring that this information is only used for the application, award, and administration of aid awarded under Title IV of the Higher Education Act, state aid, or aid awarded by eligible institutions.

III. NASFAA CODE OF CONDUCT

- A. No action will be taken by financial aid staff that is for their personal benefit or that could be perceived to be a conflict of interest.
- i. Employees within the financial aid office will not award aid to themselves or their immediate family members. Staff will reserve this task to an institutionally designated person, to avoid the appearance of a conflict of interest.
 - ii. If a preferred lender list is provided, it will be compiled without prejudice and for the sole benefit of the students attending the institution. The information included about lenders and loan terms will be transparent, complete, and accurate. The complete process through which preferred lenders are selected will be fully and publicly disclosed. Borrowers will not be auto-assigned to any particular lender.
 - iii. A borrower's choice of a lender will not be denied, impeded, or unnecessarily delayed by the institution, even if that lender is not included on the institution's preferred lender list.
 - iv. No amount of cash, gift, or benefit in excess of a de minimis amount shall be accepted by a financial aid staff member from any financial aid applicant (or his/her family), or from any entity doing business with or seeking to do business with the institution (including service on advisory committees or boards beyond reimbursement for reasonable expenses directly associated with such service).
- B. Information provided by the financial aid office is accurate, unbiased, and does not reflect preference arising from actual or potential personal gain.
- C. Institutional financial aid offers and/or other institutionally provided materials shall include the following:
- Breakdown of estimated individual Cost of Attendance components, including direct (billed by the institution) costs vs. indirect (not billed by the institution) costs
 - Clear identification and proper grouping of each type of aid offered indicating whether the aid is a grant/scholarship, loan, or work program
 - Estimated net price
 - Standard terminology and definitions, using NASFAA's glossary of terms
 - Renewal requirements for each aid type being offered as well as next steps and financial aid office contact information
- D. All required consumer information is displayed in a prominent location on the institutional web site(s) and in any printed materials, easily identified and found, and labeled as "Consumer Information."

- E. Financial aid professionals will disclose to their institution any involvement, interest in, or potential conflict of interest with any entity with which the institution has a business relationship.

IV. MONMOUTH UNIVERSITY FINANCIAL AID CODE OF CONDUCT

- A. The following requirements shall apply to University officers, trustees, directors, employees and agents as applicable:

- i. Employees of the University's Financial Aid Office and the Vice President for Enrollment Management (collectively referred to hereinafter as "Class 1 employees") shall adhere to the following requirements:
 - a. A Class 1 employee shall be prohibited from accepting gifts of more than nominal value on his or her own behalf or on behalf of another from or on behalf of a lending institution. Gifts include any gratuity, favor, discount, entertainment, hospitality, loan, or other item of more than a de minimus amount. This also includes, but not be limited to, gifts, payments or reimbursements by a lending institution to a Class 1 employee of lodging, meals or travel to conferences or training seminars, whether provided in kind, by purchase of a ticket, or payment in advance or reimbursement. Any Class 1 employee receiving a gift from a lender, as defined in this section, shall report the receipt of such gift in writing to the Vice President and General Counsel.
- ii. Other University employees whose duties and responsibilities indirectly touch upon student loan matters such as the processing of payments to lenders or other similar back room operations, and those who serve as their superiors (collectively referred to hereinafter as "Class 2 employees"), shall adhere to the following requirements:
 - a. All Class 2 employees shall refrain from any communications, written or oral, with any lenders concerning individual student loan matters, the University's student loan program, the use, continuation or termination of any financial institution as a lender to the University's students or any other topic connected with student loans. Any exception to this prohibition, in order to allow a Class 2 employee to speak with a lender on a student loan matter for legitimate business purposes, shall require the prior approval of the Vice President and General Counsel. Any attempts by lenders to discuss such issues with a Class 2

employee shall be immediately referred to the Associate Vice President for Enrollment Management/Director of Financial Aid for his/her review and possible action. Any Class 2 employee receiving a gift from a lender, as defined in this section, shall report the receipt of such gift in writing to the Vice President and General Counsel.

- iii. Both Class 1 and Class 2 employees shall continue to be subject to and shall comply with the University's Code of Ethics for Employees, including but not limited to those sections regarding the receipt of gifts from vendors.
- iv. Any officer, trustee, director, employee, or agent of the University who is involved in the day to day affairs of student lending shall not accept any remuneration for consulting, serving as a member or participant of an advisory board of a lending institution, or entering into some other contractual arrangement. This includes receiving any reimbursement of expenses for so serving; provided, however, that participation on advisory boards that are unrelated in any way to higher education loans shall not be prohibited.
- v. The University may not accept on its own behalf anything of value from any lending institution in exchange for any advantage or consideration provided to the lending institution related to its education loan activity. This prohibition shall include, but not be limited to:
 - a. "revenue sharing" by a lending institution with the University; and
 - b. the University's receipt from any lending institution of any computer hardware for which the University pays below market prices; and
 - c. printing costs or services.

Notwithstanding anything else in this policy, the University may accept assistance as contemplated in regulations promulgated by the United States Department of Education under Title IV of the Higher Education Act as amended.

- vi. The University shall not direct borrowers to particular lenders or refuse to certify or delay certifying loans based on the borrower's choice of lender. This includes assigning first-time borrowers through award packaging or other methods to a particular lender.
- vii. The University shall not honor requests for or accept lender offers of funds for private education loans, including funds for

opportunity pool loans, in exchange for institutional concessions or promises for a preferred lender arrangement or a specified number or volume of private education loans.

- B. This policy shall not be construed to prohibit any officer, trustee, director, employee, or agent of the University from conducting non-University business with any lending institution.
- C. Nothing in this policy shall prevent the University from holding membership in any nonprofit professional association. The prohibition set forth in this section shall not prohibit any officer, trustee, director, employee or agent of a lending institution who is uninvolved in the day to day affairs of the lending institution's student loan business from serving as a member of the University's Board of Trustees.
- D. The University shall inform its officers, trustees, directors, employees and agents with responsibilities with respect to loans made, insured or guaranteed under the Title IV, HEA loan programs through the annual distribution of this policy by the Office of the General Counsel.

V. SELF-CERTIFICATION FORM

- A. The following procedures shall be followed with regard to providing the self-certification form to students who request it.
 - i. The University will, upon request of an enrolled or admitted student who is an applicant for a private education loan, provide to the applicant the self-certification form and the information required to complete the form, to the extent the University possesses such information. This includes:
 - a. The applicant's cost of attendance at the institution, as determined by the institution under part F of Title IV of the HEA;
 - b. The applicant's estimated financial assistance, including amounts of financial assistance used to replace the expected family contribution as determined by the institution in accordance with Title IV, for students who have completed the Free Application for Federal Student Aid;
 - c. The difference between the amounts in (a) and (b) above, as applicable.

- d. Upon the request of the applicant, the Financial Aid Office will discuss with the applicant the availability of Federal, State and institutional student financial aid.

VI. LENDER STAFFING OF THE FINANCIAL AID OFFICE

- A. The following procedures shall be followed with regard to the staffing of the Financial Aid Office by employees of lending institutions:
 - i. The University shall prohibit any employee or other agent of a lending institution from being identified to students or prospective students of the University or their parents as an employee or agent of the University.
 - ii. No employee or other agent of a lending institution may staff, or provide staffing services to, the University's Financial Aid Office at any time.
 - iii. This section shall not be construed to prohibit any lender from providing "entrance" and "exit" counseling allowed by regulations promulgated by the United States Department of Education under Title IV of the Higher Education Act as amended; provided, however, that the University shall provide that any such employee, representative or agent of a lending institution conducting such interview identifies himself or herself as a representative of the lending institution and does not promote the lending institution's products during such interview.

VII. ELECTRONIC LOAN DOCUMENTS AND PROCESSING

- A. The following procedures shall be followed with regard to electronic loan documents and processing:
 - i. With the exception of loans made under the William D. Ford Federal Direct Loan Program, the University shall not link or otherwise direct potential borrowers to any electronic loan applications, electronic master promissory notes or other loan agreements that do not provide a reasonable and convenient alternative for the borrower to complete such a document with any federally approved lending institution offering the relevant loan in this State.
 - ii. The University shall provide a reasonable and convenient alternative for loan certification and processing of student loans

from lending institutions that do not participate in an electronic processing system used by the University.

- iii. The University shall not refuse to provide loan eligibility certification to a lending institution because the lending institution does not participate in an electronic processing system used by the University.

VIII. REPORTING OF POLICY VIOLATIONS

Any employee who believes that any provision of this policy has been violated shall report such possible violation to the Office of the General Counsel.

IX. DEFINITIONS

- A. “Borrower” or “Applicant” means a student attending the University, or a parent or guardian of the student, who obtains a Student Loan from a Lending Institution to pay for or finance higher education expenses.
- B. “Lending Institution” means:
 - i. Any entity that itself or through an affiliate engages in the business of making loans to students, parents or others for purposes of financing higher education expenses or that securitizes such loans; or
 - ii. Any entity, or association of entities, that guarantees education loans; or
 - iii. Any industry, trade or professional association that receives money from any entity described above in this definition.
- C. “Opportunity Pool Loans” means a private education loan made by a lender to a student attending the institution or the student’s family that involves a direct or indirect payment by the institution of points, premiums, additional interest, or financial support to the lender for the purpose of extending credit to the student or student’s family.
- D. “Preferred Lender Arrangement” means an arrangement or agreement between a lender and a covered institution or institution-affiliated organization under which (1) the lender provides education loans to students (or their families) attending the covered institution, and (2) the covered institution or the institution-affiliated organization recommends, promotes, or endorses the lender’s education loan products.
- E. “Revenue Sharing” means any arrangement in which a Lending Institution pays the University or an affiliated entity or organization of the University

a percentage of the principle of each loan directed towards the University from a Borrower at the University or any form of commission related to the loan.

- F. “Student Loan” means any loan that is made, insured, or guaranteed under “Part B of Title IV of the federal “Higher Education Act of 1965” or any private loan issued by a Lending Institution or any loan issued pursuant to a New Jersey statutorily established loan program for the purposes of paying for or financing higher education expenses but not including credit cards or home equity loans.