

## **Code of Conduct Related to Student Loan Activities**

### **I. PURPOSE**

As a participant in federal loan programs, the Baptist Health System School of Health Professions (SHP) is required to meet code of conduct regulations as set forth in the Higher Education Opportunity Act (HEOA).

### **II. DEFINITION(S)**

#### **A. Gift:**

A “gift is defined as any gratuity, favor, discount, entertainment, hospitality, loan, or other item having monetary value of more than a de minimus amount. This prohibition is not limited to just those providers of Title IV loans but includes leaders of private educational loans” as well. Gifts include 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:

- Brochures or training material 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 of the counseling (whether in person or via electronic capabilities) and they do not promote the 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.

#### **B. Revenue-sharing Agreement:**

The Higher Education Act of 2008, amending the Higher Education Act of 1965, Pub. L.# 110-315 (2008), defines this 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.

### **III. POLICY**

#### **A. Ban on Revenue Sharing Agreements**

Neither SHP, nor any of its officers, employees or agents will enter into any revenue-sharing arrangements with any lender.

## **B. Ban on Gifts**

Financial Aid Office employees (or employees who otherwise have responsibility with respect to education loans or financial aid) will not accept gifts from any lender, guaranty agency or loan servicer.

Gifts for family members: for the purposes of this requirement, a gift to a family member of any officer, employee, or agent or to any other individual based on the individual's relationship with the officer, employee, or agent shall be considered a gift to the officer, employee, or agent if - it is given with the knowledge and acquiescence of the officer, employee, or agent has reason to believe the gift was given because of the official position of the officer, employee, or agent.

Exceptions to the gift ban include:

- Brochures or training material related to default aversion, default prevention or financial literacy
- Food, refreshments, 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 students 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 of the counseling (in person or via electronic means) and they do not promote the products and services of a specific lender
- Philanthropic contributions from a lender, guarantee agency or loan servicer unrelated to education loans or any contribution that is not made in exchange for any advantage related to education loans
- State education grants, scholarships, or financial aid funds administered by or on behalf of the State

## **C. 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.

## **D. Prohibition Against Steering Borrowers**

The school 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.

## **E. Prohibition on Offers of Funds for Private Loans**

The school 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 or their parents, 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.

**F. Ban on Staffing Assistance**

The school 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.

**G. Ban on Advisory board Compensation**

Employees of the school will not receive anything of value from a lender, guarantor, or group in exchange for serving on an advisory board. They may accept reimbursement for reasonable expense incurred while serving in this capacity.

**H. Notification**

The school will inform officers, employees, and agents of the provisions of this Code of Conduct on an annual basis.