Frederick Community College

Student Loan Code of Conduct

The Higher Education Opportunity Act (HEOA) requires educational institutions to develop and comply with a code of conduct that prohibits a conflict of interest with the responsibilities of an agent of an institution with respect to Direct Loan Program loans and private education loans. Any Frederick Community College employee or agent who has responsibilities with respect to student educational loans must comply with the code of conduct. The obligations in this Code of Conduct are in addition to any requirements imposed by state ethics laws, federal laws, or College policies, i.e., the stricter standard of ethical behavior will apply in all instances.

The purpose of this Student Loan Code of Conduct is to ensure the integrity of the student aid process and ethical conduct of Frederick Community College's employees or agents with respect to student loan practices.

Administrative Provisions

The Financial Aid Office will publish this Student Loan Code of Conduct on its Consumer Information webpage and on its Federal Financial Aid webpage.

The Financial Aid Office will administer and enforce this Student Loan Code of Conduct and will require its employees and agents with responsibilities with respect to federal program loans and private education loans to be informed annually of the provisions of the code of conduct.

Definition

For purpose of this code of conduct, Lending Institution means:

1. 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
2. Any entity, or association of entities, that guarantees or services education loans; or
3. Any industry, trade or professional association that receives money from any entity described above in subsections (1) and (2).

Revenue Sharing

Frederick Community College prohibits its employees from entering into any type of revenue-sharing arrangement with any lender, guarantor, or servicer. The term "revenue-sharing arrangement" means an arrangement between an institution and a lender in which:

- The lender provides or issues a loan that is made, insured, or guaranteed to students under the Higher Education Act attending the institution or to the families of such students; and
- The institution recommends the lender or the loan products of the lender in exchange for a fee paid by the lender or in exchange for other material benefits, including revenue or profit sharing, provided to the institution, or to its officer, employee, or agent.

Frederick Community College will not accept material benefits including revenue or profit sharing to the institution, or to an officer or an employee of the institution or an agent.

Gifts

Employees of the Financial Aid Office are prohibited from soliciting or accepting any gift or anything of more than a de minimus value from a lender, guarantor, or education loan servicers.

- Gifts include any gratuity, favor, discount, entertainment, hospitality, loan or other item. This includes transportation, lodging, or meals, or a gift of service whether provided in kind, by purchase of a ticket, payment in advance, or reimbursement after the expense has incurred.
- This provision shall not be construed to prohibit any officer, employee, or agent of Frederick Community College who has responsibility with respect to educational loans from conducting non-college business activity with any lending institution or prevent them from holding membership in any nonprofit professional association.
- Gifts to family members of a Frederick Community College employee are considered to be a gift to the employee if the gift is given with the knowledge and acquiescence of the employee and there is reason to believe the gift was given because of the official position of the Frederick Community College employee.

Family members include a person's: (1) Parent or stepparent, sibling or stepsibling, spouse, child or stepchild, or grandchild or step-grandchild; (2) Spouse's parent or stepparent, sibling or step-sibling, child or stepchild, or grandchild or step-grandchild; (3) Child's spouse; and (4) Sibling's spouse.

A gift does not include:

- Standard materials, activities or programs related to a loan being provided

- Food, refreshments, training, or other informational material furnish as an integral part of a training session that is designed to improve the service of the lender if such training contributes to the professional development of the agent
- Favorable terms, conditions or borrower benefits provided to a student employed by Frederick Community College if comparable terms are provided to all students of Frederick Community College
- Entrance and exit counseling services provided to borrowers as long as the institution's staff is in control of the counseling session, and it does not promote the products and services of any specific lender
- Philanthropic contributions to Frederick Community College unrelated to education loans or made in exchange for any advantage related to private education loans; or
- State education grants, scholarships, or financial aid funds.

Preferred Lender Status

Frederick Community College participates in the following loan programs that provide student and parent loans through the U.S. Department of Education: William D. Ford Federal Direct Loan Program.

Frederick Community College does not provide a preferred lender list. Frederick Community College will certify private loans from any lender. Terms, fees, and borrowing limits of private loans differ. Borrowing a private loan is a decision that should be made with careful consideration.

Contract Arrangements

Frederick Community College prohibits any employee or agent employed by the Financial Aid Office who otherwise has responsibilities with respect to federal or private education loans from accepting from any lender or affiliate 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 the lender.

Directing Borrowers or Delaying Certifications

Frederick Community College prohibits the assignment of a first-time borrower to a particular lending institution through award packaging or other methods. Frederick Community College will not assign a borrower's private student loan to a particular lender. All decisions shall be made by the borrower in their independent review of borrower benefits and lender services. Further, Frederick Community College will not refuse to certify, or delay certification of, any loan based on the borrower's selection of a particular lender or guaranty agency.

Opportunity Pool Loans

Frederick Community College prohibits any employee, officer or agent from requesting or accepting from any lender any offer of funds to be used for private education loans including an opportunity pool loan to students in exchange for concessions or promises regarding providing the lender with:

- A specified number of loans made, insured, or guaranteed
- A specified loan volume of such loans or
- A preferred lender arrangement for such loans.

Private education loans include an opportunity pool loan which means a private education loan made by a lender to a student or family member of the student attending the institution that involves a payment, directly or indirectly, by such institution 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.

Staffing Assistance

Frederick Community College prohibits accepting or soliciting staffing assistance from a lending institution, including but not limited to call center staffing or financial aid office staffing. However, this does not prohibit requesting or accepting professional development training for aid officers, or requesting or accepting counseling, financial aid literacy, or debt management materials for borrowers, if the material discloses that the lender prepared or provided the materials.

Advisory Board Compensation

Employees of the Financial Aid Office who serve on an advisory board, commission or group established by a lender or guarantor, must not receive anything of value from the lender or guarantor except that the employee may be reimbursed for reasonable expenses incurred for serving on such advisory board, commission, or group.

Frederick Community College (FCC) prohibits discrimination against any person on the basis of age, ancestry, citizenship status, color, creed, ethnicity, gender identity and expression, genetic information, marital status, mental or physical disability, national origin, race, religious affiliation, sex, sexual orientation, or veteran status in its activities, admissions, educational programs, and employment.