



## **Student Loan Code of Conduct**

### ***BACKGROUND***

Charles R. Drew University of Medicine and Science (CDU) participates in the Federal Direct Loan Program and receives Title IV federal loans for its students. As a condition of this participation and to comply with the Higher Education Opportunity Act of 2008 ("HEOA"), Charles R. Drew University of Medicine and Science has instituted this Student Loan Code of Conduct ("Code") to ensure the integrity and compliance of its administration of student loan programs. The Student Loan Code of Conduct applies to all employees who work in the Office of Financial Aid & Scholarships and all other Charles R. Drew University of Medicine and Science employees, including agents of the University, who have responsibilities related to educational loans or other forms of student financial aid. The Student Loan Code of Conduct has been established to meet the requirements contained in the 2008 Higher Education Opportunity Act. Items in this Code of Conduct provide additional standards of conduct for employees with responsibility for student financial aid and do not replace any existing or future requirements imposed by the State of California, the Board of Trustees of Charles R. Drew University of Medicine and Science, or the Charles R. Drew University of Medicine and Science related to codes of conduct, conflict of interest policies, ethics training, or other such requirements. Though CDU is not a direct lender and may not be subject to every circumstance detailed below, the University nonetheless prefers to take an expansive approach to combat any actual or appearance of a conflict of interest with respect to student loans.

### ***PROCEDURES***

All CDU officers, employees, and agents with responsibilities for Financial Assistance or student loans must comply with this Code. Such officers, employees, and agents must be initially trained on the Code's requirements. Thereafter, such officers, employees, and agents shall be annually informed of its provisions and shall annually certify in writing their understanding and acceptance of this Code. This Code will also be attached to the University's Code of Conduct maintained by the Office of Institutional Compliance.

The Student Loan Code of Conduct is based upon Section 493 of the HEOA and shall be interpreted consistently with its provisions and any regulations promulgated there under. The determination of whether conduct of a CDU officer, employee, or agent falls within this Code shall be made by the Office of Financial Assistance, in consultation with the Office of the Legal Counsel. All questions regarding this Code should be directed to the Director of Financial Aid & Scholarships at 323.563.4824.

*If there is uncertainty as to whether conduct falls within the restrictions of this Code, officers, employees, and agents must consult with the Director of Financial Aid and Scholarships in advance of proceeding with the conduct. Officers, employees, and agents subject to this Code who receive any of the "gift" exceptions identified in paragraph 2 must also report them in writing to the Office of Compliance and the Director of Financial Aid & Scholarships.*

## **PROVISIONS**

### **1. Ban on Revenue Sharing**

Charles R. Drew University of Medicine and Science shall not enter into any revenue-sharing arrangements with any lender. This includes any arrangement between CDU and a lender that results in the lender paying a fee or other benefits (such as a share of the profits) to CDU, its officers, employees or agents, as a result of the University recommending the lender to students or their families.

### **2. Ban on Gifts**

CDU has a Gifts to Employees Policy ("Gifts Policy") that outlines guidelines and restrictions associated with the acceptance of gifts offered by third parties to University employees and business units. In addition to the Gifts Policy, CDU officers, employees, and agents employed by the Office of Financial Aid & Scholarships or otherwise responsible for education loans will also be bound by the following gift restrictions:

No CDU officer, employee, or agent employed by the Office of Financial Aid & Scholarships or otherwise responsible for education loans shall solicit or accept any gift from a lender, guarantor, or servicer of education loans. This ban even applies to gifts whose value falls below the limits of CDU's Gifts Policy. For the purposes of this Code, the term "gifts" includes but is not limited to any cash,

gratuity, favor, discount, entertainment, hospitality, loan, or other item having a monetary value of more than a *de minimus* amount. The term as used herein includes a gift of services, transportation, lodging, or meals, whether provided or paid for directly or reimbursed after the expense has been incurred. A gift from a lender, guarantor, or servicer of education loans to a family member or other acquaintance of an individual subject to this code is prohibited if (1) given with the individual's knowledge and acquiescence, (2) with reason to believe it was given because of his or her official University position. For additional restrictions on gifts, please refer to CDU's Gifts Policy.

### **3. Ban on Contracting Arrangements**

No CDU officer, employee, or agent employed in the Office of Financial Aid & Scholarships or otherwise responsible for education loans shall accept from any lender or its 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 or on behalf of a lender, guarantor, or servicer of education loans.

### **4. Ban on Certain Interactions with Borrowers**

For any private student loan borrower, CDU will not assign the borrower's loan to a particular lender or refuse to certify, or delay certification of, any loan based on the borrower's selection of a particular lender or guaranty agency.

### **5. Ban on Offers of Funds for Private Loans**

CDU shall not request or accept from any lender any offer of funds to be used for private education loans, including 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 or loan volume, or a preferred lender arrangement for such loans.

### **6. Ban on Staffing Assistance**

CDU shall not request or accept from any lender any assistance with call center staffing or Office of Financial Assistance staffing. However, this Code shall not be construed to prohibit CDU from requesting or accepting assistance from a lender related to professional development training,

financial counseling materials (provided they disclose the identity of any lender that assisted in their preparation), or short-term, non-recurring staffing during local, state, or federal emergencies.

### **7. Ban on Advisory Board Compensation**

No CDU officer, employee, or agent employed in the Office of Financial Aid & Scholarships or otherwise responsible for education loans, who serve on an advisory board, commission, or group established by lenders or guarantors, shall receive anything of value from the lenders or guarantors except for reimbursement of reasonable expenses incurred in serving on such board, commission, or group.

### **8. Ban on Other Conflicts of Interest**

CDU has a Conflicts of Interest Policy which requires University employees to either refrain from or disclose their involvement in matters where any conflict or appearance of conflict between personal and University interests exists. In addition to this Conflicts of Interest Policy, all CDU officers, employees, and agents employed in the Office of Financial Aid & Scholarships or otherwise responsible for education loans are prohibited from having any conflicts of interest with respect to their responsibilities for Title IV education loans.

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*In addition to the items above, as a member of the National Association of Student Financial Assistance Administrators (NASFAA), CDU also follows the standards established in NASFAA's Statement of Ethical Principles and Code of Conduct for Institutional Financial Assistance Professionals. See*

[http://www.nasfaa.org/mkt/about/Statement\\_of\\_Ethical\\_Principles.aspx](http://www.nasfaa.org/mkt/about/Statement_of_Ethical_Principles.aspx).