

Delta College Loan Code of Conduct

Delta College recognizes that ensuring the integrity of the student financial aid process is critical to providing fair and affordable access to higher education in Michigan. Therefore, these guidelines are designed to avoid any potential for a conflict of interest between Delta College and students or their parents in the student financial aid process. Accordingly, the College shall adhere to the following principles in the College's financial aid operations:

I. College employees should receive no personal benefit

No employee of the College shall accept a gift or anything of more than nominal value on his or her behalf or on behalf of another person or entity from any Lending Institution. The term gift means any gratuity, favor, discount, cash, stocks, gifts, entertainment, expense-paid trips, or other item having a monetary value of more than a de minimus amount. Likewise, an individual should never receive payment or reimbursement from a Lending Institution for lodging, meals or travel to conferences or training seminars. However, an employee of the College may:

1. Conduct non-College business with any Lending Institution and receive value in connection with such non-College business, so long as such value is not intended to influence the employee in conducting College business;
2. Conduct College business and, receive value on behalf of the College that is unrelated to the student loan activities of the Lending Institution;
3. Attend conferences and meetings of tax-exempt organizations that are funded or sponsored by more than one entity and, receive materials, refreshments, and other things of like value provided at such professional conferences and meetings; and,
4. Hold membership in, serve on the board of or participate in the activities of any tax-exempt organization and, receive travel reimbursements and other things of like value from the tax-exempt organization for such activities.
5. Receive entrance and exit counseling services provided to borrowers to meet the institution's responsibilities for entrance and exit counseling as required by the HEA as long as the institution's staff are in control of the counseling and specific lender's product and services are not promoted.

II. College employees should not serve on lender advisory boards for remuneration

No employee of the College who makes financial aid decisions for the College or who is employed in, supervises or otherwise has responsibility or authority over the College's financial aid office shall receive any remuneration for serving as a member or participant of a student loan advisory board of a Lending Institution or any reimbursement of expenses for such service. Any employee of the College who serves as a member or participant of a Lending Institution board shall recuse himself or herself from any board discussions regarding the College's financial aid operations.

III. The College should not provide any advantage to a Lending Institution

The College shall not accept anything of value from any Lending Institution in exchange for any advantage or consideration provided to the Lending Institution related to its student loan activities, including but not limited to revenue-sharing, printing costs or below-cost computer hardware or software. Likewise, the College shall not allow any Lending Institution to:

1. Staff the College's financial aid office at any time; or
2. Communicate with the College's students or their parents in such a manner as to create the impression that the Lending Institution is an employee or agent of the College in connection with the College's student financial aid operations, including through the use of mascots, logos, etc.
3. Prohibits institutions from assigning, through award packaging or other methods, a first-time 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.
4. Eliminates "opportunity pool loans" by prohibiting institutions from requesting or accepting any offer of funds for private educational loans in exchange for the institution of higher education providing the lender with a specified number of loans or loan volume, or a preferred lender arrangement for

Title IV loans. This does not include any private loan that is guaranteed by an institution (i.e. a recourse loan).

5. Provide revenue-sharing arrangements on FFELP loans.

Finally, the College shall not enter into any agreement with a Lending Institution to provide alternative (i.e., non-federal or "opportunity") student loan programs if the provision of such alternative loan programs prejudices other students or parents.

IV. The College should make appropriate use of any Preferred Lender Lists

If the College decides to promulgate a list or lists of preferred or lender choices for student loans or similar ranking or designation ("Preferred Lender List"), the selection of Lending Institutions for inclusion on the Preferred Lender List shall be based on the best interests of the College's students and their parents without regard to the financial interests of the College. In addition, any Preferred Lender List shall clearly explain:

1. Students and their parents are free to select the Lending Institution of their choice and will suffer no penalty imposed by the College from using a Lending Institution that is not a "preferred lender;"
2. Students and their parents are not required to use any of the "preferred lenders;"
3. Where to find information on other Lending Institutions for student loans;
4. The College will promptly certify any loan from any Lending Institution selected by a borrower, in accordance with U.S. Department of Education regulations;
5. The process the College utilized to select "preferred lenders," including but not limited to the criteria used and the relative importance of such criteria;
6. Where to find information on the competitive interest rates, terms, and conditions of federal loans;
7. Where to find information on the interest rate, loan servicing or other benefits offered by "preferred lenders;" and,
8. Where to find information on any agreements by "preferred lenders" to sell their loans to other Lending Institutions.

The College shall review any Preferred Lender List on an annual basis to determine that the information appearing on the list is accurate and that any Web site links are still viable.