

Student Financial Services Code of Conduct

Purpose

The primary goal of Student Financial Services Office (“SFS”) at Metropolitan College of New York is to help students achieve their educational potential by providing or directing students toward appropriate financial resources. In doing so, SFS staff members 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 Code of Conduct.

Statement of Ethical Principles

- A. SFS is a member of the National Association of Student Financial Aid Administrators (“NASFAA”) which is the professional organization serving college and college financial aid officers. In furtherance of its organization and membership, NASFAA has adopted a Statement of Ethical Principles which governs the conduct of its members. That Statement of Ethical Principles is hereby incorporated into this policy and is applicable to employees of the College serving within the Office of Financial Aid and their superiors.

- B. National Association of Student Financial Aid Administrators Statement of Ethical Principles

The Financial Aid Professional shall:

1. Be committed to removing financial barriers for those who wish to pursue post-secondary learning.
2. Make every effort to assist students with financial need.
3. Be aware of the issues affecting students and advocate for their interests at the institutional, state, and federal levels.
4. Support efforts to encourage students, as early as the elementary grades, to aspire to and plan for education beyond high school.
5. Educate students and families through quality consumer information.
6. Respect the dignity and protect the privacy of students, and ensure the confidentiality of student records and personal circumstances.
7. Ensure equity by applying all need analysis formulas consistently across the institution’s full population of student financial aid applicants.
8. Provide services that do not discriminate on the basis of race, gender, ethnicity, sexual orientation, religion, disability, age, or economic status.
9. Recognize the need for professional development and continuing education opportunities.

10. Promote the free expression of ideas and opinions, and foster respect for diverse viewpoints within the profession.
11. Commit to the highest level of ethical behavior and refrain from conflict of interest or the perception thereof.
12. Maintain the highest level of professionalism, reflecting a commitment to the goals of the National Association of Student Financial Aid Administrators.

Code of Conduct

A. **Prohibited Activities.** In addition to the above statement of ethical principles, employees of the College's SFS, as well as all other College employees and trustees, who serve as their superiors, shall also adhere to the following requirements.

1. The College shall prohibit any officer, trustee, director, employee or agent of the College from accepting anything of more than nominal value on his or her own behalf or on behalf of another from or on behalf of a lending institution. This provision shall not be construed to prohibit any officer, trustee, director, employee, or agent of the College from conducting non-College business with any lending institution. As used in this policy, a lending institution shall be defined as:
 - a. 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
 - b. any entity, or association of entities, that guarantees education loans; or
 - c. any industry, trade, or professional association that receives money from any entity described above in subsections 1(a) and 1(b).

Nothing in this policy shall prevent the College 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 College's Board of Trustees.

2. The prohibition set forth in Paragraph III.A.1 above shall include, but not be limited to, a ban on any payment or reimbursement by a lending institution to a College employee for lodging, meals, or travel to conferences or training seminars.

3. The College shall prohibit any officer, trustee, director, employee or agent of the College who is involved in the day to day affairs of student lending from receiving any remuneration for serving as a member or participant of an advisory board of a lending institution, or 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.
4. The College 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 College; and
 - b. the College's receipt from any lending institution of any computer hardware for which the College pays below market prices; and
 - c. printing costs or services

Notwithstanding anything else in this policy, the College 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.

- B. Preferred Lender Lists.** With respect to the Preferred Lender List issued by the College, the following procedures shall be followed:
- a. Every brochure, web page or other document that sets forth a Preferred Lender List shall clearly disclose the process by which the College selected lenders for said Preferred Lender List, including but not limited to the criteria used in compiling said list and the relative importance of those criteria. If such a disclosure is not practicable on a brochure, the ability to find such disclosure on the College's web page or through other documentation provided by SFS shall be prominently displayed as part of the brochure; and
 - b. Every brochure, web page or other document that sets forth a Preferred Lender List or identifies any lender as being on said Preferred Lender List shall state in the same font and same manner as the predominant text on the document that students and their parents have the right and ability to select the education loan provider of their choice, are not required to use any of the lenders on said Preferred Lender List, and will suffer no penalty for choosing a lender that is not on said Preferred Lender List and said

2. Preferred Lender List shall not be used to deny or otherwise impede a borrower's choice of lender; and
 3. The College's decision to include a lending institution on any such list and the College's decision as to where on the list the lending institution's name appears shall be determined solely by consideration of the best interests of the students or parents who may use said list without regard to the pecuniary interests of the College; and
 4. The constitution of any Preferred Lender List shall be reviewed no less than annually and shall be subject to approval by the Board of Trustees' Student Services Committee. Lenders may be added to the list only when doing so is in the best interest of student/parent borrowers. Conversely, lenders who do not provide the most favorable and/or competitive loan terms and pricing shall be removed from the list; and
 5. No lending institution shall be placed on any Preferred Lender List unless the said lender provides assurance to the College and to student and parent borrowers who take out loans from said lending institution that the advertised benefits upon repayment will continue to inure to the benefit of student and parent borrowers regardless of whether the lending institution's loans are sold; and
 6. No lending institution that, to the College's knowledge after reasonable inquiry, has an agreement to sell its loans to another unaffiliated lending institution shall be included on any Preferred Lender List unless such agreement is disclosed therein in the same font and same manner as the predominant text on the document in which the Preferred Lender List appears. For the purposes of this subparagraph, reasonable inquiry shall be defined as having asked for and received information on this issue from prospective lenders under consideration for the Preferred Lender List; and
 7. No lending institution shall be placed on any one of the College's Preferred Lender Lists or in favored placement on any one of the College's Preferred Lender Lists for a particular type of loan, in exchange for benefits provided to the College or to the College's students in connection with a different type of loan.
- C. **Lender Staffing of Office Financial Aid.** The following procedures shall be followed with regard to the staffing of SFS by employees of lending institutions:
1. The College prohibits any employee or other agent of a lending institution from being identified to students or prospective students of the College or their parents as an employee or agent of the College.

2. No employee or other agent of a lending institution may staff, or provide staffing services to, the College's SFS at any time.
3. This section shall not be construed to prohibit any lender from providing "entrance" and "exit" interviews 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 College 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.

D. Electronic Loan Documents and Processing. The following procedures shall be followed with regard to electronic loan documents and processing:

1. With the exception of loans made under the Federal Direct Loan Program, the College 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.
2. The College 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 College or is not on the College's Preferred Lender List.
3. The College 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 College.

E. Miscellaneous. The College shall not arrange with a lending institution to provide any loan of any nature if the provision of such loans prejudices any other borrower, including but not limited to Opportunity Loans.

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.

Definitions

- A. “Borrower” means a student attending the College, 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 any entity that directly or through an affiliate engages in the business of making or securitizing Student Loans, or any entity or association of entities that guarantees Student Loans.
- C. “Opportunity Loans” means Student Loans that a Lending Institution agrees to make up to a specified aggregate amount to students with poor or no credit history, who the Lending Institution claims would otherwise not be eligible for the lender’s alternative loan program, which are made in exchange for certain minimum loan volume or other benefit that the College agrees to provide the Lending Institution.
- D. “Preferred Lender List” means any list of Lending Institutions published in print or any other medium or form that recommends or suggests Lending Institutions to borrowers.
- E. “Revenue Sharing” means any arrangement in which a Lending Institution pays the College or an affiliated entity or organization of the College a percentage of the principle of each loan directed towards the College from a Borrower at the College 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 York statutorily established loan program for the purposes of paying for or financing higher education expenses but not including credit cards or home equity loans.