



UNIVERSITY OF RICHMOND

Policy Manual

Policy #:	ENM-1107	Policy Title:	Financial Aid Code of Conduct
Effective:	03/23/2022	Responsible Office:	Office of Financial Aid
Date Approved:	03/23/2022	Approval:	Vice President for Enrollment Management
Replaces Policy Dated:	2009	Responsible University Official:	Assistant Vice President and Director of Financial Aid

PURPOSE:

The purpose of this policy is to prohibit conflicts of interest relating to student financial aid and to establish standards of conduct for the officers, employees and agents of the University who have responsibility for student financial aid. With respect to conflicts of interest, this policy is intended to supplement the University of Richmond Conflict of Interest Policy. All officers, employees and agents of the University who are subject to this policy must comply with both this policy and the University of Richmond Conflict of Interest Policy.

SCOPE:

This policy applies to any employee, officer or authorized agent of the University who is employed in the financial aid office of the University or who otherwise has responsibility for undergraduate or graduate financial aid.

INDEX:

ENM-1107.1Policy

ENM-1107.2Applicable Regulations & Accreditation Standards

POLICY STATEMENT:*ENM-1107.1 – Policy***I. Policy**

- A. Conflicts of Interest Prohibited. Officers, employees and agents of the University who are employed in the financial aid office or who otherwise have responsibilities with respect to

ENM-1107– Financial Aid Code of Conduct

education loans shall avoid any actual, apparent or potential conflicts of interest with respect to any education loan or other student financial aid for which such officer, employee or agent has responsibility. No officer, employee or agent of the University shall process any transaction related to his/her own financial aid or that of a relative as defined as a spouse, legal dependent(s), parents, or siblings.

- B. No Preferred Lender Arrangements. The University of Richmond does not recommend, promote or endorse the educational loan products of any particular lender or maintain a preferred lender list. The University will not limit a student’s or parent’s choice of lenders for private loans and will process loan applications for private loans through any lender a student or parent chooses.
- C. Revenue Sharing Arrangements Prohibited. The University prohibits all revenue-sharing arrangement with lenders. A revenue-sharing arrangement is one in which a college or university recommends a lender or the loan products of a lender in exchange for the lender paying a fee or provide any material benefit, including revenue or profit sharing, to the college or university or to any employee or agent of the college or university.
- D. Solicitation or Receipt of Gifts Prohibited. Officers, employees and agents of the University who are employed in the financial aid office or who otherwise have responsibilities with respect to education loans are prohibited from soliciting or accepting any gift from a lender, guarantor or servicer of educational loans.
1. *Definition of Gift*. For purposes of this policy, the term “gift” means any gratuity, favor, discount, entertainment, hospitality, loan or other item. The term “gift” also includes any services, transportation, lodging or meals, whether provided in kind, by purchase of a ticket, payment in advance, or reimbursement after the fact.

The term “gift” does not include any of the following:

- Standard material, activities, or programs on issues related to a loan, default aversion, default prevention or financial literacy, such as a brochure, workshop or training;
- Food, refreshments, training or informational materials provided as an integral part of a training session that is designed to improve the service received by the University from a lender, guarantor, or servicer of an education loans, provided such training contributes to the professional development of the University attendees;
- Favorable terms, conditions and borrower benefits on an education loan provided to a student who is also employed by the University in any capacity, provided such terms, conditions or benefits are comparable to those provided to all students of the University;
- Entrance and exit counseling services provided to borrowers to meet the University’s obligations to provide such services, provided the University’s staff is in control of the counseling and the counseling does not promote the projects and services of any specific lender;
- Philanthropic contributions to the University from a lender, guarantor or servicer of education loans that are unrelated to education loans and that are not made in exchange for any advantage relating to education loans; or

ENM-1107– Financial Aid Code of Conduct

- State education grants, scholarships or financial aid funds administered by or on behalf of a state.
2. *Gifts to Family Members and Others.* A gift to a family member of a University officer, employee or agent, or to any other individual based on that individual’s relationship to a University officer, employee or agent, shall be considered a gift to the University officer, employee or agent, and subject to the same prohibitions and policies relative to solicitation and receipt of gifts if:
- The gift is given with the knowledge or acquiescence of the University officer, employee or agent; or
 - The University officer, employee or agent has reason to believe the gift was given because of his or her position at the University.
- E. Contracting or Consulting with Lenders Prohibited. Officers, employees and agents of the University who are employed in the financial aid office or who otherwise have responsibilities with respect to education loans are prohibited from accepting from any lender or affiliate of a lender any fee, payment or other financial benefit (including the opportunity to purchase stock) as compensation for any type of consulting arrangement or other contract (whether written or oral) to provide services on behalf of a lender relating to education loans.

This policy shall not be construed as prohibiting the following:

- An officer or employee of the University who is not employed in the financial aid office and who does not otherwise have responsibility with respect to education loans from performing paid or unpaid service on a board of directors of a lender, guarantor or servicer of education loans, provided such individual fully complies with the University’s Conflict of Interest Policy and recuses him or herself from any decision of such board of directors relating in any way to the University; or
 - An officer or employee of the University who is not employed in the financial aid office and who does have responsibility with respect to education loans as a result of his or her position at the University from performing paid or unpaid service on the board of directors of a lender guarantor or servicer of education loans, provided such individual fully complies with the University’s Conflict of Interest Policy and recuses him or herself from any decision of such board of directors relating in any way to the University; or
 - An officer, employee, or contractor of a lender, guarantor or servicer of education loans from serving the Board of Trustees of the University, provided such individual fully complies with the University’s Conflict of Interest Policy.
- F. Certain Interactions with Borrowers Prohibited. The University and its officers, employees or agents shall not:
- Assign, through awards packaging or any other method, to a particular lender, the loan of a first-time borrower; or

ENM-1107– Financial Aid Code of Conduct

- Refuse to certify, or delay certification of, any private loan based on the borrower’s selection of a particular lender or guaranty agency.

G. Offers of Funds for Private Loans Prohibited. Officers, employees and agents of the University who are employed in the financial aid office or who otherwise have responsibilities with respect to education loans are prohibited from requesting, soliciting or accepting from any lender any offer of funds to be used for private education loans, including funds for an opportunity pool loan, to students in exchange for the University providing concessions or promises to the lender regarding:

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

1. *Definition of Private Education Loan.* As used in this policy, the term “private education loan” means a loan provided by a private educational lender that is not made, insured or guaranteed under Title IV of the Higher Education Act of 1965, as amended and is issued expressly for postsecondary educational expenses to a borrower, regardless of whether the loan is provided through the University or directly to the borrower.

2. *Definition of Opportunity Pool Loan.* For purposes of this policy, the term “opportunity pool loan” means a private education loan made by a lender to a student or the family member of a student attending the University that involves the payment, directly or indirectly, by the University of points, premiums, additional interest, or financial support to such lender for the purpose of the lender extending credit to the student or family member.

H. Staffing Assistance Prohibited. The University shall not request or accept from any lender any assistance with call center staffing or financial aid office staffing.

This policy does not prohibit the University from requesting or accepting the following from a lender:

- Professional development training for financial aid administrators;
- Educational counseling, financial literacy or debt management materials for borrowers, provided such materials disclose to borrowers the identification of any lender that assisted in preparing or providing the materials; or
- Staffing services to assist with financial aid related functions in an emergency or natural disaster.

I. Compensation for Service on Advisory Boards Prohibited. Officers, employees and agents of the University who are employed in the financial aid office or who otherwise have responsibilities with respect to education loans are prohibited from receiving any compensation or anything of value from a lender, guarantor or group of lenders or guarantors for service on an advisory board, commission or other group. This policy does not prohibit the reimbursement of reasonable expenses incurred in serving on such an advisory board, commission or group.

ENM-1107– Financial Aid Code of Conduct

- J. Co-Branding Prohibited. The University prohibits any private education lender from using the University’s name, emblem, seal, logo, mascot, or any other words, pictures or symbols associated with or registered to the University to market student loans or to imply endorsement of private educational loans by that lender.

II. Implementation

A. Training.

1. New Employees. The Director of Financial Aid, or his or her designee, shall conduct training on this policy with all new employees of the financial aid office or new employees who otherwise have responsibilities with respect to education loans. Such training shall be conducted within the first thirty days of date of hire of such new employees.
2. Annual Training. The Director of Financial Aid, or his or her designee, shall conduct an annual training session on this policy for all employees of the financial aid office and other University employees who otherwise have responsibilities with respect to education loans.

- B. Website. The University shall publish a copy of this policy prominently on its public and internal websites.

- C. Questions. Any University officer, employee or agent who has a question regarding the interpretation or application of this policy should direct such questions to the Director of Financial Aid or the University General Counsel.

- D. Reporting Violations or Potential Violations. Any University officer, employee or agent who has knowledge of an actual or potential violation of this policy shall provide all relevant information regarding such violation or potential violation to the Director of Financial Aid or the University General Counsel. Pursuant to the University of Richmond Policy Regarding Reporting of Actual or Potential Compliance Issues, the University prohibits retaliation or retribution, in any form, against an individual who reports, in good faith, an actual, potential or suspected issue regarding compliance with this policy.

ENM-1107.2 – Applicable Regulations & Accreditation Standards

Code of Federal Regulations: 34 CFR 601.21

Code of Federal Regulations: 34 CFR 668.14(b)(27)

RELATED POLICIES:

Conflict of Interest Policy – Policy # Gov-1000

Policy Prohibiting Retaliation – Policy # GOV-1004

ENM-1107– Financial Aid Code of Conduct

POLICY BACKGROUND:

This policy was adopted in 2009 as a result of stipulations included in the Program Participation Agreement for schools participating in the Title IV loan program. The provisions associated with this requirement are listed in 34 CFR 601-21.

Policy was updated with non-substantive changes in March 2022.

POLICY CONTACTS:

Assistant Vice President & Director of Financial Aid

Compliance Officer of Financial Aid