

# CODE OF CONDUCT

## - FINANCIAL AID

### Policy Statement

Lake Superior State University as a participant in federal loan programs is required to have a code of conduct relating to student financial aid matters that is applicable to the University's agents and employees. The code of conduct requirements are set forth in the Higher Education Opportunity Act (HEOA) signed into law on August 14, 2008. In addition, the law includes requirements related to publication of the code and annual disclosures.

### Reason for Policy

The HEOA program participation agreement which must be executed by all colleges and universities participating in Title IV financial aid programs, including student loan programs, requires a code of conduct with which the institution's agents and employees shall comply. Such code must prohibit a conflict of interest with the responsibilities of an agent or employee of an institution with respect to such loans, and include the provisions set forth in the HEOA related to conflicts. The law further specifies that the code shall be displayed prominently on the institution's website and that all institutional agents or employees with responsibilities related to such loans be annually informed of the provisions of the code of conduct.

### Scope of Policy

This Code of Conduct applies to all agents or employees of the University.

This Code of Conduct shall be annually distributed to all university agents or employees with responsibilities related to student loan activities.

### Code of Conduct

Lake Superior State University hereby adopts the following as its Code of Conduct Related to Student Loan Activities and will annually inform all University agents or employees with responsibilities for student loan activities and decisions of the provisions of this code.

**1. Revenue-sharing Arrangements.** The University shall not enter into any revenue-sharing arrangement with any lender.

The term "revenue-sharing arrangement" means an arrangement between the University and a lender under which--

- a lender provides or issues a loan that is made, insured, or guaranteed to students attending the University or to the families of such students; and
- The University recommends the lender or the loan products of the lender and in exchange, the lender pays a fee or provides other material benefits, including revenue or profit sharing, to the University, an agent or employee of the University.

**2. Gifts.** No employee of the University who is employed in the financial aid office of the University or who otherwise has responsibilities with respect to education loans, or agent who has responsibilities with respect to education loans, shall solicit or accept any gift from a lender, guarantor, or servicer of education loans.

The term 'gift' means any gratuity, favor, discount, entertainment, hospitality, loan, or other item having a monetary value of more than a de minimus amount. The term includes a gift of services, transportation, lodging, or meals, whether provided in kind, by purchase of a ticket, payment in advance, or reimbursement after the expense has been incurred.

The term 'gift' shall 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, a workshop, or training.
- Food, refreshments, training, or informational material furnished to an agent or employee of the University, as an integral part of a training session that is designed to improve the service of a lender, guarantor, or servicer of education loans to the University, if such training contributes to the professional development of the agent or employee.
- Favorable terms, conditions, and borrower benefits on an education loan provided to a student employed by the University if 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 responsibilities for entrance and exit counseling as required by law, as long as the University's staff are in control of the counseling, (whether in person or via electronic capabilities), and such counseling does not promote the products or services of any specific lender.
- Philanthropic contributions to the University from a lender, servicer, or guarantor of education loans that are unrelated to education loans or any contribution from any lender, guarantor, or servicer that is not made in exchange for any advantage related to education loans.
- State education grants, scholarships, or financial aid funds administered by or on behalf of a State.

A gift to a family member of an agent or employee of the University, or to any other individual based on that individual's relationship with the agent or employee, shall be considered a gift to the agent or employee, if the gift is given with the knowledge and acquiescence of the agent or employee and the agent or employee, has reason to believe the gift was given because of the official position of the agent or employee.

**3. Compensation for Services.** An agent or employee who is employed in the financial aid office of the University or who otherwise has responsibilities with respect to education loans shall not accept from any lender or affiliate of any 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 to provide services to a lender or on behalf of a lender relating to education loans. Nothing in this paragraph shall be construed as prohibiting:

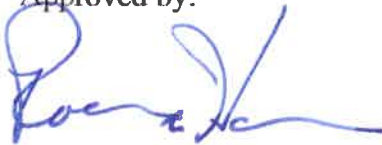
- An agent or employee of the University who is not employed in the University's financial aid office and who does not otherwise have responsibilities with respect to education loans, from performing paid or unpaid service on a board of directors of a lender, guarantor, or servicer of education loans.

- An agent or employee of the University who is not employed in the University's financial aid office but who has responsibility with respect to education loans as a result of a position held at the University, from performing paid or unpaid service on a board of directors of a lender, guarantor, or servicer of education loans, if the agent or employee excuses himself or herself from participating in any decision of the board regarding education loans at the University.
- An agent or employee, or contractor of a lender, guarantor, or servicer of education loans from serving as a member of the University Board of Trustees if the trustee excuses himself or herself from participation in any decision regarding education loans at the University.

### Sanctions

An employee that violates this Code of Conduct shall be disciplined in a manner consistent with applicable University policies, procedures or collective bargaining agreements. Disciplinary action may include termination of employment at the University.

Approved by:



Dr. Rodney S. Hanley  
President

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I have read the Code of Conduct and agree to comply with all requirements of this code while an employee of Lake Superior State University.

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Signature

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Date