



## DEPAUL UNIVERSITY FINANCIAL AID CODE OF CONDUCT

### BACKGROUND

DePaul University 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”), DePaul has instituted this Financial Aid Code of Conduct (“Code”) to ensure the integrity and compliance of its administration of student loan programs. Though DePaul, as a direct lender, 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 DePaul University officers, employees, and agents with responsibilities for financial aid 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 and Risk Management.

The Financial Aid 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 DePaul officer, employee, or agent falls within this Code shall be made by the Office of Financial Aid, in consultation with the Office of the General Counsel. All questions regarding this Code should be directed to the Director of Financial Aid Compliance.

*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 Compliance 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 Director of Financial Aid Compliance.*

### PROVISIONS

#### 1. Ban on Revenue Sharing

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

## 2. Ban on Gifts

DePaul 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, DePaul officers, employees, and agents employed by the Office of Financial Aid or otherwise responsible for education loans will also be bound by the following gift restrictions:

No DePaul officer, employee, or agent employed by the Financial Aid office 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 DePaul’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.

For the purposes of this Code, the term “gifts” shall not include any of the items below. **However, officers, employees, and agents subject to this Code must report receipt of any of the following in writing to the Director of Financial Aid Compliance:**

- Standard material, activities, or programs on issues related to loans or financial information, such as a brochure, a workshop, or training;
- Food, refreshments, training, or informational material furnished to an officer, employee, or agent of DePaul 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 institution, if such training contributes to the professional development of the officer, employee, or agent;
- Favorable terms, conditions, and borrower benefits on an education loan provided to a student employed by DePaul, if such terms, conditions, or benefits are comparable to those provided to all DePaul students;
- Entrance and exit counseling services provided to borrowers to meet DePaul’s responsibilities for entrance and exit counseling as required by the HEOA, so long as DePaul’s staff controls the counseling and it does not promote the products or services of any specific lender;
- Philanthropic contributions to DePaul from a lender, servicer, or guarantor of educational loans that are unrelated to educational loans or any contribution from any lender, guarantor, or servicer that is not made in exchange for any advantage related to education loans; or
- State education grants, scholarships, or financial aid funds administered by or on behalf of a state.

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 DePaul’s Gifts Policy.

## 3. Ban on Contracting Arrangements

No DePaul officer, employee, or agent employed in the Office of Financial Aid 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 first-time borrower, DePaul shall 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**

DePaul 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**

DePaul shall not request or accept from any lender any assistance with call center staffing or Office of Financial Aid staffing. However, this Code shall not be construed to prohibit DePaul 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 DePaul officer, employee, or agent employed in the Financial Aid office or otherwise responsible for education loans, who serves 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**

DePaul 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 DePaul officers, employees, and agents employed in the Office of Financial Aid 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 Aid Administrators (NASFAA), DePaul also follows the standards established in NASFAA's Statement of Ethical Principles and Code of Conduct for Institutional Financial Aid Professionals, including the standards listed in #9 below. See Appendix A or online at [http://www.nasfaa.org/mkt/about/Statement\\_of\\_Ethical\\_Principles.aspx](http://www.nasfaa.org/mkt/about/Statement_of_Ethical_Principles.aspx).*

#### **9. Agreement to honor and comply with the highest standards of student aid administration**

As a DePaul Office of Financial Aid employee, I understand that I am expected to adhere to and comply with the highest standards of the student aid profession, as well as to comply with the letter and spirit of the student aid programs. While employed in the DePaul Office of Financial Aid, I agree to the following:

- I understand that I am expected to comply fully with the rules and regulations of the financial aid programs in both my professional and personal capacity;
- I understand that I am prohibited from manually awarding or disbursing any financial aid funds to any student who is personally known to me, and in the event such a situation presents itself in the normal course of my responsibilities, I must bring the situation to the attention of my supervisor so the work may be reassigned;
- I understand that I must disclose any personal delinquency on a student loan, or personal refund owed on a federal grant program to the Director of Financial Aid Compliance, and that failure to disclose such an occurrence may be grounds for disciplinary action, up to and including termination of my employment;

- I understand that personally defaulting on a federal loan may be grounds for disciplinary action, up to and including termination of my employment;
- I understand that my student loan records on NSLDS may be subject to review by the Director of Financial Aid Compliance or his/her designated representative should there be reason to believe that I have not complied with the above requirements;
- By signing this statement below, I agree to the above bullet points and I certify that I am not presently personally in default or delinquent on any federal student loan and I do not personally owe a refund on a federal grant.