

Introduction

The Higher Education Opportunity Act (HEOA) of 2008 requires Harvey Mudd College to develop, publish, administer, and enforce a Code of Conduct (COC) regarding educational loan activities. Educational loan activities are associated with any loan made, insured, or guaranteed under the Federal Family Education Loan Program (FFELP) which includes Federal Stafford Loan and Federal Parent Loan for Undergraduate Students (PLUS). The COC must be published on Harvey Mudd College's website and Harvey Mudd College must annually inform all officers, employees, and agents with educational loan responsibilities relating to the COC.

The COC includes:

- A ban on revenue-sharing arrangements with any lender.
- A ban on employees of the Office of Financial Aid receiving gifts from a lender.
- A ban on contracting arrangements.
- A prohibition against steering borrowers to particular lenders or delaying loan certifications.
- A prohibition on offers of funds for private loans.
- A ban on staffing assistance.
- A ban on advisory board compensation.



Revenue-Sharing Arrangements

According to the HEOA, "revenue-sharing arrangements" are defined as any arrangements between an institution and a FFELP lender under which the lender makes educational loans to students attending the institution (or the families of those students), the institution recommends the lender or product, in exchange, the lender pays a fee or provides other material benefits, including revenue or profit-sharing, to the institution or its officers, employees, or agents.

All officers, employees, or agents of Harvey Mudd College who are employed in the Office of Financial Aid or otherwise have direct responsibilities with respect to educational loans will not make revenue-sharing arrangements with any lender.



Gifts

By definition, gifts mean any gratuities, favors, discounts, entertainments (including expenses for shows, sporting events, or alcoholic beverages), hospitalities (including private parties of select training or conference attendees), loans, or other items having a monetary value of more than a nominal amount. Gifts include 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.

All officers, employees, or agents of Harvey Mudd College who are employed in the Office of Financial Aid or otherwise have direct responsibilities with respect to educational loans must not solicit or accept any gifts from a lender, guarantor, or servicer.

However, officers, employees, or agents of Harvey Mudd College may accept gifts of nominal value from a lender, guarantor, or servicer that are offered as a form of marketing, advertising, or to create goodwill.

Gifts of nominal value examples include (but not limited to) the following:

- Items of value from a lender, guarantor, or servicer that are offered to the general public
- Financial aid related software
- Brochures, workshop, or training using standard materials relating to educational loans, default aversion, or financial literacy
- Food, training, or informational material provided as part of a training session designed to improve the service of a lender, guarantor, or servicer if the training contributes to the professional development of Harvey Mudd College officers, employees, or agents
- Favorable terms and benefits on educational loans provided to a student employed by the institution if those terms and benefits are comparable to those provided to all students at Harvey Mudd College
- Entrance and exit counseling as long as the Harvey Mudd College Office of Financial Aid is in control of the counseling and the counseling does not promote the services of a specific lender
- Philanthropic contributions from a lender, guarantor, or servicer that are unrelated to educational loans
- State education grants, scholarships, or financial aid funds administered by or on behalf of a state



Contracting Arrangements

No officers, employees, or agents of Harvey Mudd College's Office of Financial Aid or otherwise have direct responsibilities with respect to educational loans may accept from a lender or its affiliates any fee, payment, or other financial benefit as compensation for any type of contracting arrangements or contract to provide services to or on behalf of a lender relating to educational loans.

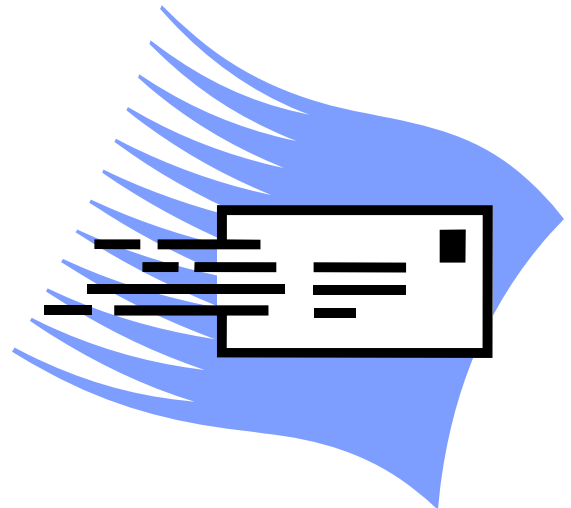
Harvey Mudd College will not enter into a contracting arrangement, with a FFELP lender or its affiliates, to provide services that are related to educational loans or in exchange for securing educational loan applications or otherwise limiting a borrower's choice of FFELP lender.



Steering Borrowers or Delaying Loan Certifications

Harvey Mudd College may not assign a particular lender through the award packaging or other methods for any first-time educational loan borrower. Harvey Mudd College will not steer borrowers to any particular lenders and will allow borrowers to select any FFELP lender of their choice.

In addition, Harvey Mudd College may not refuse to certify or delay the certification of any educational loan based on the borrower's selection of a particular lender or guarantor. Once again, Harvey Mudd College will allow borrowers to select any FFELP lender of their choice.



Funds Offering for Private Loans

Harvey Mudd College may not request or accept from any lender any offer of funds for private loans, including funds for an opportunity pool loan, to students in exchange for providing concessions or promises to the lender for a specific number of educational loans made, insured, or guaranteed, a specified loan volume, or a preferred lender arrangement that recommends, promotes, or endorses the lender's educational loan product.

An “opportunity pool loan” is defined as a private educational loan made by a lender to a student (or the student’s family) that involves a payment by the institution to the lender for extending credit to the student.

Harvey Mudd College will not solicit or accept from any lender an opportunity pool loan in exchange for concessions or promises to the lender that Harvey Mudd College will deliver a specified number of loans, loan volume, or a preferred lender arrangement.

Staffing Assistance

Harvey Mudd College will not request or accept from any lender any assistance with call center staffing or Office of Financial Aid staffing with the exception that a lender may provide professional development training, educational counseling materials (as long as the materials identify the lender that assisted in preparing the materials) or staffing services on a short-term, nonrecurring basis during emergencies or disasters.

“Emergencies” are defined as:

- State-designated natural disasters
- Federally-declared natural disasters (identified by the Federal Emergency Management Agency on its website at www.fema.gov)
- Another localized emergencies or disasters



Advisory Board Compensation

An officer, employee, or agent of Harvey Mudd College’s Office of Financial Aid or otherwise have direct responsibilities with respect to educational loans may serve on an advisory board, commission, or group established by a lender or guarantor (or group of lenders or guarantors) is prohibited from receiving anything of value from the lender, guarantor, or group with the exception for reimbursement for reasonable expenses incurred by the employee for serving on the board.

Furthermore, an officer, employee, or agent of Harvey Mudd College may respond to any lender who seeks advice from the institution by telephone, electronically, or in a meeting, about improving products or services for borrowers. However, Harvey Mudd College may not accept any gift or compensation for responding (including transportation, lodging, or related expenses).

