

### Introduction

The Higher Education Opportunity Act (HEOA) of 2008 requires Harvey Mudd College (HMC) to develop, publish, administer, and enforce a Code of Conduct (COC) regarding education loan activities. Education loan activities are associated with any loan originated, certified, insured, or guaranteed. Those loans consist of the Federal Perkins Loan Program, the William D. Ford Direct Loan Program (Direct Loans), which includes the Direct Subsidized Loan, the Direct Unsubsidized Loan, and the Direct PLUS Loan (Parent Loan for Undergraduate Students), and private education loans. The COC must be published on HMC's website and HMC must annually inform all officers, employees, and agents who have education loan responsibilities.

The COC includes:

- A ban on revenue-sharing arrangements.
- A ban on employees of the Office of Financial Aid receiving gifts.
- A ban on contracting arrangements.
- A prohibition against delaying loan originations.
- A prohibition on offers of funds for private loans.
- A ban on staffing assistance.
- A ban on advisory board compensation.



### Revenue-Sharing Arrangements

HEOA defines "revenue-sharing arrangements" as any arrangements between an institution and the lender under which the lender makes education loans to students attending the institution (or the families of those students), the institution recommends the 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 HMC employed in the Office of Financial Aid or otherwise, who have direct responsibilities with respect to education loans will not make revenue-sharing arrangements.



## 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 (HMC) who are employed in the Office of Financial Aid or otherwise have direct responsibilities with respect to education loans must not solicit or accept any gifts.

However, officers, employees, or agents of HMC may accept gifts of nominal value that are offered as a form of marketing, advertising, or creating goodwill.

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

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



## Contracting Arrangements

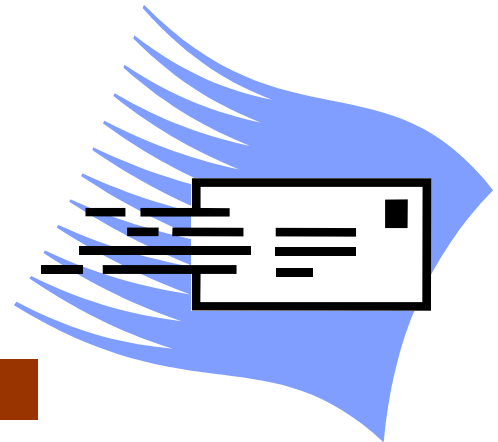
No officers, employees, or agents of Harvey Mudd College (HMC) Office of Financial Aid or otherwise have direct responsibilities with respect to education loans may accept from lenders or its affiliates any fee, payment, or other financial benefit as compensation for any type of contracting arrangements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

HMC will not enter into a contracting arrangement, with lenders or its affiliates, to provide services that are related to education loans or in exchange for securing education loan applications.



## Delaying Loan Originations/Certifications

HMC may not refuse to originate/certify or delay loan origination/certification of any education loan.



## Funds Offering for Private Loans

HMC may not request or accept from any private loan 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 education loans made, insured, or guaranteed, a specified loan volume, or a preferred lender arrangement that recommends, promotes, or endorses the lender's education loan product.

An "opportunity pool loan" is defined as a private education 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.

HMC 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 (HMC) will not request or accept any assistance with call center staffing or Office of Financial Aid staffing with the exception that may provide professional development training, educational counseling 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](http://www.fema.gov))
- Another localized emergencies or disasters



## Advisory Board Compensation

An officer, employee, or agent of HMC Office of Financial Aid, who has direct responsibilities to education loans may serve on an advisory board, commission, or group established by lenders. However, this officer, employee, or agent is prohibited from receiving anything of value from the lenders with the exception for reimbursement for reasonable expenses, excluding travel and lodging.

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



**Last Updated:** November 2011