

Student Loan Code of Conduct

The Higher Education Opportunity Act (HEOA) requires educational institutions to develop and comply with a code of conduct that prohibits conflicts of interest in student financial services. Any University of Maryland, Baltimore County officer, employee, or agent who has responsibilities with respect to student educational loans must comply with the code of conduct.

The obligations in this Code of Conduct are in addition to any requirements imposed by state ethics laws, federal laws, or University of Maryland, Baltimore County policies, i.e., the stricter standard of ethical behavior will apply in all instances.

1. University of Maryland, Baltimore County (UMBC) and its affiliates have no preferred lending agreement with any lender of private educational loans and as such no officer or employee of UMBC shall engage in the practice of recommending, promoting or endorsing private educational loans for students attending UMBC.
2. Neither University of Maryland, Baltimore County as an institution nor any individual officer, employee, agent or affiliate employee shall enter into revenue-sharing arrangement with any lender.
 - a. "Revenue-sharing arrangement" includes circumstances where an institution recommends a lender or the loan products of a lender who provides or issues a loan in exchange for a fee or provision of material benefits, including revenue or profit sharing, to the institution, or employee or agent of the institution.
3. No officer or employee of University of Maryland, Baltimore County who is employed in the financial aid office or who otherwise has responsibilities with respect to education loans, or agent who has responsibilities with respect to education loans, or any of their family members, shall solicit or accept any gift from a lender, guarantor, or servicer of education loans.
 - a. For purposes of this prohibition, 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 meal, whether provided in kind, by purchase of a ticket, payment in advance, or reimbursement after the expense has been incurred.)
4. An officer or employee of University of Maryland, Baltimore County who is employed in the financial aid office or who otherwise has responsibilities with respect to education loans, or an agent who has responsibilities with respect to education loans, shall not accept from any lender or affiliate of any lender a 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.
5. University of Maryland, Baltimore County offers the William D. Ford federally guaranteed Direct Loan to eligible applicants. In regard to any educational loans other than the Federal Direct Loan, UMBC shall not:

- a. For any first-time borrower, assign, through award packaging or other methods, the borrower's loan to a particular lender; or
 - b. Refuse to certify, or delay certification of, any loan based on the borrower's selection of a particular lender or guaranty agency.
6. University of Maryland, Baltimore County shall not request or accept 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 institution providing concessions or promises regarding providing the lender with respect to:
- a. A specified number of private loans;
 - b. A specified loan volume of such loans; or
 - c. A preferred lender arrangement for such loans.

"Opportunity pool loan" means a private education loan made by a lender to a student attending the institution or the family member of such a student that involves a payment, directly or indirectly, by such institution of points, premiums, additional interest, or financial support to such lender for the purpose of such lender extending credit to the student or the family.

7. University of Maryland, Baltimore County shall not request or accept from any lender any assistance with financial aid call center staffing or financial aid office staffing.
8. Any University of Maryland, Baltimore County employee who is employed in the financial aid office, or who otherwise has responsibilities with respect to education loans or other student financial aid, and who serves on an advisory board, commission, or group established by a lender, guarantor, or group of lenders or guarantors, shall be prohibited from receiving anything of value from the lender, guarantor, or group of lenders or guarantors, except that the employee may be reimbursed for reasonable expenses incurred in the serving on such advisory board, commission, or group consistent with applicable University of Maryland, Baltimore County policies.
- a. Any and all reimbursements received for any service on advisory boards, commissions, or other groups by lenders, services or guarantors must be reported annually to the U. S. Department of Education.