



**Emory University
Office of Financial Aid
Operating Principles for Student Loan Provider Relationships**

The Office of Financial Aid is committed to ensuring compliance with federal, state and university guidelines while providing exceptional customer service to families seeking financial aid assistance. We understand that our role is one of a trusted advisor and approach our professional duties with the highest ethical standards.

The Office of Financial Aid's practices related to lender-school relationships are guided by Emory University's Vision Statement and Conflict of Interest policy, the National Association of Student Financial Aid Administrators' Statement of Ethical Principles/Code of Conduct and the Association of American Universities Statement of Guiding Principles Regarding Institutional Relationships with Student Loan Providers. The following operating principles are consistent with the documents mentioned above and include:

- Student loan lenders are selected for inclusion on the Office of Financial Aid's website with the best interest of the student or parent borrower in mind.
- Lender choice is the responsibility of the borrower. The Office of Financial Aid provides students with information about lenders that offer competitive products, solid customer service, electronic payment of loan funds and a variety of savings programs during loan repayment.
- Lenders are surveyed and reviewed annually to provide the latest information regarding products and benefits to students. Information and results of the lender survey are available upon request.
- Private loan lender names are displayed on the Office of Financial Aid's website. Information listed on this website should be considered to be a starting point for analysis. Students may choose a lender based on name recognition, immediate benefit of lower origination fees, or the long-term advantage of repayment savings programs, such as an interest rate reduction as a reward for making timely payments.
- Students and parents are informed that they are not required to use a lender listed on the Office of Financial Aid's website. Applications will be certified for any eligible student and lender.
- Employees of the Office of Financial Aid do not accept any personal benefit from student loan providers, guarantors or loan servicers.
- Staff members within the Office of Financial Aid may participate on a lending institution's advisory board if students benefit from our participation. Compensation for advisory board service is prohibited. All expenses to participate will be paid by Emory if participation is deemed prudent for our institutional goals.
- The Office of Financial Aid will not use the services of a lending institution to make phone calls under the guise of Emory University. Lending institutions do not provide staffing to the Office of Financial Aid.
- The Office of Financial Aid does not participate in revenue sharing arrangements whereby Emory receives compensation for student loan volume.
- Contracting arrangements providing financial benefit from any lender or affiliate of a lender are prohibited.
- Offers of funds for private loans are prohibited.

Emory University Vision Statement

Emory: A destination university internationally recognized as an inquiry-driven, ethically engaged, and diverse community, whose members work collaboratively for positive transformation in the world through courageous leadership in teaching, research, scholarship, health care, and social action.

Policy 4.87

Emory University Conflict of Interest Statement

<http://policies.emory.edu/4.87>

Responsible Official: VP for Human Resources

Administering Division/Department: Employee Relations

Last Revision: June 22, 2007

Emory requires its employees to avoid any business or financial relationship, transaction or event that may be viewed, internally or externally, as a conflict of interest between an employee and an outside party. As provided in the Emory By-laws, relations between Emory and contractors, consultants, vendors, suppliers and other third parties are to be maintained without any direct or indirect personal or financial benefit accruing to any employee of Emory or any member of the employee's family.

Specific circumstances, which may constitute a conflict of interest, include, but are not limited to, the following:

- Holding, either directly or indirectly, a position or financial interest* in an outside concern which provides services competitive with services rendered by Emory, or an outside concern from which Emory secures goods or services if the employee is involved in or may influence the ordering of such goods or services.
- Competing, either directly or indirectly, with Emory in the purchase or sale of property or property rights, interests or services.
- Disclosing or using non-public information obtained through Emory employment for personal profit or gain or for the profit or gain of an immediate family member.
- Accepting gratuities or special favors, such as meals, airline tickets, hotel accommodations, entertainment, sporting event tickets, etc., from any outside concern that does, or is seeking to do business with Emory, or extending gratuities or special favors to employees of Emory, under circumstances which might reasonably be interpreted as an attempt to influence the employees in the performance of their duties. This does not include the acceptance of items of nominal or minor value (\$40.00 or less) that are clearly tokens of respect or friendship and are not related to any particular transaction or activity of the university, nor does it include business-related social events where the employee is representing the university's interests.
- Retaining, directly or indirectly, consultants who have a financial interest* or employment that conflicts with services (including sponsored research) provided by Emory.

Any existing or proposed relationship, transaction or other event, which may raise a conflict of interest issue, is to be disclosed to the employee's dean, director or vice president in writing to determine its appropriateness and to receive specific approval to maintain or proceed with such relationship, transaction or event.

* "Financial interest" as used in this policy does not include ownership of interests in diversified investments (e.g., mutual funds, retirement plans) where the employee or consultant does not control investment decisions, nor does it include non-controlling ownership of securities in large, publicly-held corporations unless the activities of the employee or consultant could have an other than inconsequential effect on the value of such securities. With respect to ownership in start-up and other entities utilizing university intellectual property, the *Policies and Procedures for Faculty Members Involved in Sponsored Scientific Research and Technology Transfer* shall supplement and take precedence over this policy where applicable. Where applicable, governmental regulations regarding conflict of interest shall be followed, as shall other university policies.

Attachment 1:

National Association of Student Financial Aid Administrators (NASFAA)

Statement of Ethical Principles And Code of Conduct For Institutional Financial Aid Professionals

Preamble

In April 1999, NASFAA's Board of Directors adopted a 12-point *Statement of Ethical Principles* that has served as a common foundation for accepted standards of conduct for the financial aid profession. Recognizing that the primary goal of the financial aid professional is to help students achieve their educational potential by providing appropriate financial resources, the statement addressed the standards that should be followed by these individuals in conducting their daily responsibilities. In 2013-14, the NASFAA Board again examined the Statement of Ethical Principles and Code of Conduct in light of new issues, challenges, and dynamics in higher education. The principles contained herein focus on reaffirming our professional commitment to transparency, compliance, and above all students, who have become reliant on federal, state, and institutional aid programs to fulfill their educational goals and dreams.

NASFAA Statement of Ethical Principles

NASFAA's *Statement of Ethical Principles* provides that the primary goal of the financial aid professional is to help students achieve their educational goals through financial support and resources. To this end, this Statement provides that the financial aid professional shall:

Advocate for students

- Remain aware of issues affecting students and continually advocate for their interests at the institutional, state and federal levels.
- Support federal, state and institutional efforts to encourage students, as early as the elementary grades, to aspire to and plan for education beyond high school.

Manifest the highest level of integrity

- Commit to the highest level of ethical behavior and refrain from conflict of interest or the perception thereof.
- Deal with others honestly and fairly, abiding by our commitments and always acting in a manner that merits the trust and confidence others have placed in us.
- Protect the privacy of individual student financial records.

Support student access and success

- Commit to removing financial barriers for those who want to pursue postsecondary learning and support each student admitted to our institution.
- Without charge, assist students in applying for financial aid funds.
- Provide services and apply principles that do not discriminate on the basis of race, gender, ethnicity, sexual orientation, religion, disability, age, or economic status.
- Understand the need for financial education and commit to educate students and families on how to responsibly manage expenses and debt.

- Promote the free expression of ideas and opinions, and foster respect for diverse viewpoints within the profession.

Comply with federal and state laws

- Adhere to all applicable laws and regulations governing federal, state, and institutional financial aid programs.
- Actively participate in ongoing professional development and continuing education programs to ensure ample understanding of statutes, regulations, and best practices governing the financial aid programs.
- Encourage colleagues to participate in the financial aid professional associations available to them at the state, regional, or national level and offer assistance to other aid professionals as needed.

Strive for transparency and clarity

- Provide our students and parents with the information they need to make good decisions about attending and paying for college.
- Educate students and families through quality information that is consumer-tested when possible. This includes (but is not limited to) transparency and full disclosure on award notices.
- Ensure equity by applying all need-analysis formulas consistently across the institution's full population of student financial aid applicants.
- Inform institutions, students, and parents of any changes in financial aid programs that could affect their student aid eligibility.

Protect the privacy of financial aid applicants

- Ensure that student and parent private information provided to the financial aid office by financial aid applicants is protected in accordance with all state and federal statutes and regulations, including FERPA and the Higher Education Act, Section 483(a)(3)(E) (20 U.S.C. 1090).
- Protect the information on the FAFSA from inappropriate use by ensuring that this information is only used for the application, award, and administration of aid awarded under Title IV of the Higher Education Act, state aid, or aid awarded by eligible institutions.

Task Force on Ethical Standards
Adopted by Board of Directors, March 2014

Code of Conduct for Institutional Financial Aid Professionals

An institutional financial aid professional is expected to always maintain exemplary standards of professional conduct in all aspects of carrying out his or her responsibilities, specifically including all dealings with any entities involved in any manner in student financial aid, regardless of whether such entities are involved in a government sponsored, subsidized, or regulated activity. In doing so, a financial aid professional will ensure that:

1. No action will be taken by financial aid staff that is for their personal benefit or could be perceived to be a conflict of interest.
 - Employees within the financial aid office will not award aid to themselves or their immediate family members. Staff will reserve this task to an institutionally designated person, to avoid the appearance of a conflict of interest.
 - If a preferred lender list is provided, it will be compiled without prejudice and for the sole benefit of the students attending the institution. The information included about lenders and loan terms will be transparent, complete, and accurate. The complete process through which preferred lenders are selected will be fully and publically disclosed. Borrowers will not be auto-assigned to any particular lender.

- A borrower's choice of a lender will not be denied, impeded, or unnecessarily delayed by the institution, even if that lender is not included on the institution's preferred lender list.
 - No amount of cash, gift, or benefit in excess of a de minimis amount shall be accepted by a financial aid staff member from any financial aid applicant (or his/her family), or from any entity doing business with or seeking to do business with the institution (including service on advisory committees or boards beyond reimbursement for reasonable expenses directly associated with such service).
2. Information provided by the financial aid office is accurate, unbiased, and does not reflect preference arising from actual or potential personal gain.
 3. Institutional award notifications and/or other institutionally provided materials shall include the following:
 - A breakdown of individual components of the institution's Cost of Attendance, designating all potential billable charges.
 - Clear identification of each award, indicating type of aid, i.e. gift aid (grant, scholarship), work, or loan.
 - Standard terminology and definitions, using NASFAA's glossary of award letter terms.
 - Renewal requirements for each award.
 4. All required consumer information is displayed in a prominent location on the institutional web site(s) and in any printed materials, easily identified and found, and labeled as "Consumer Information."
 5. Financial aid professionals will disclose to their institution any involvement, interest in, or potential conflict of interest with any entity with which the institution has a business relationship.

Adopted by Board of Directors, March 2014

Attachment 2:



ASSOCIATION OF AMERICAN UNIVERSITIES

**Statement of Guiding Principles Regarding
Institutional Relationships with Student Loan Providers**

April 26, 2007

Preamble

The purpose of the federal student loan program is to provide the best possible terms for students and parents who borrow to help finance higher education. Private student loans are an important additional resource for many students. Students and families must receive trustworthy, reliable guidance from institutions about financial aid.

The first priority in institutional dealings with student loan providers should be the best interests of student borrowers. Institutions should exercise sound judgment in their application of these principles to particular situations that arise.

Key Guiding Principles

- 1) Institutional integrity and the appearance of integrity are essential in processes that identify and recommend student-loan providers.
 - 2) Decisions by colleges and universities with respect to student lenders should be based on an assessment of student borrowers' best interests.
 - 3) Colleges and universities should inform students and parents that they may select the lender of their choice, and should not penalize students and parents for selecting a lender not on a preferred lender list.
 - 4) Colleges and universities should disclose the criteria for recommending student lenders.
 - 5) Institutional personnel involved in or responsible for administration of student financial aid programs should not accept any personal benefit from a lender.
 - 6) Colleges and universities should take steps to ensure that a) lender representatives dealing with students and parents disclose their affiliation and not assert or imply that they are employees of the institution, and b) no lender representative, in the course of permissibly serving the institution, promotes a particular lender's loan product.
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