

UTICA COLLEGE
STUDENT FINANCIAL SERVICES
CODE OF CONDUCT AND POLICY

POLICY:

Utica College maintains a policy establishing a code of conduct for its employees, officers, trustees and agents concerning the activities surrounding the administration of student financial aid and loans to students for costs of attending Utica College as well as prohibiting any Conflicts of Interest.

- Utica College shall not, indirectly or directly, solicit, accept or receive any gift (as defined herein) from or on behalf of a Lending Institution, in exchange for any advantage or consideration provided to such lending institution related to Utica College's educational loan activities.
- No Utica College employee (on his or her own behalf, or on behalf of another) shall directly or indirectly solicit, accept or receive any gift from or on behalf of a Lending Institution related to Utica College's educational loan activities.
- No Utica College employee who is employed in the Student Financial Services Office of Utica College or who otherwise has responsibilities with respect to Educational Loans, shall solicit, accept or receive any gift from a Lending Institution. This prohibition shall extend to any family member or individual closely associated with the Utica College employee if the Utica College employee knows of the gift and has reason to believe the gift was given because of the employee's position at Utica College.
- Utica College shall not engage in any Revenue Sharing Arrangements with any Lending Institution with which it participates in Educational Loan activities.
- No Utica College employee shall receive any remuneration for serving as a member or participant of an advisory board of a Lending Institution, guarantor (or a group of lenders or guarantors) or receive any reimbursement of expenses for so serving. This shall not apply if:
 - An employee's participation is unrelated in any manner to educational loans, or
 - An employee who does not have a direct interest in or does not benefit from the functions of Utica College's financial aid/student business office and the participation is serving on the Board of Directors of a publically traded or privately held company.

- Utica College shall not allow any employee, representative or agent of any Lending Institution to be identified as an employee, representative or agent of Utica College.
- Utica College shall not permit any employee, representative or agent of a Lending Institution to work in the Student Financial Services Office, or assist in call center staffing.
- Utica College shall provide any borrower or potential borrower who contacts Utica College concerning obtaining financial aid at Utica College with information concerning all available financing options under Title IV of the Higher Education Act of 1965, as amended, including information on any terms and conditions of available loans under Title IV that are more favorable to the borrower.
- Utica College shall not enter into any agreement with a Lending Institution to provide any High Risk loans in exchange for Utica College providing concessions, or promises to the Lending Institution that may prejudice other borrowers or potential borrowers.
- Utica College shall not request or accept from any Private Educational Lender any offer of funds for Private Educational Loan, including funds for an Opportunity Pool Loan, to students in exchange for providing concessions or promises to the Private Educational Lender for a specific loan volume, or placement on a Preferred Lender List.
- Utica College may provide borrowers or potential borrowers with a Preferred Lender List (the "List"), which shall set forth, among other matters, the method and criteria used to assemble said List and the relative importance of those criteria. The pecuniary interests of Utica College shall not be used as an evaluating criteria.
- Said List shall advise borrowers they have the right and ability to select the Education Loan provider of their choice, they are not required to use any Lending Institution on the list; and they will suffer no penalty for choosing a Lending Institution that is not on said list.
- Utica College shall not place any Lending Institution on the List or in a favored position on said List in exchange for benefits provided to Utica College or to Utica College students in connection with a different type of loan.
- Utica College shall not direct potential borrowers to any electronic master promissory notes or other loan agreements that do not provide a reasonable and convenient alternative for the borrower to complete a master promissory note with any federally approved Lending Institution offering the relevant loan in New York.
- No Utica College employee working in the Student Financial Services Office (or any other employee or agent who otherwise has responsibilities with respect to educational loans) may accept from a Lending Institution or any affiliate of the Lending Institution, any fee, payment or other financial benefit as compensation of any type of consulting

agreement or contract to provide services to or on behalf of a Lending Institution relating to Educational Loans.

- Utica College shall not assign student and parental borrowers through award packaging or other methods, to a particular Lending Institution. Utica College shall not refuse to certify or delay certification of any loan based on the borrower's selection of a particular Lending Institution.
- If Utica College maintains a "Preferred Lender List" for distribution to students and their families, it must contain the following:
 1. Utica College's process, including the method and criteria of why the Lending Institution was placed on the List, including, but not limited to:
 - a. Highly competitive interest rates, terms, conditions.
 - b. High quality servicing of such loans.
 - c. Additional benefits.
 - d. Must compare list with sole benefit of student in mind.
 - e. List can in no way impede borrower's choice.
 2. The importance of the criteria for selecting the Lending Institution, especially the terms and conditions that are favorable to the borrower.
 3. A statement that the students (and parents of such students) have the right and ability to select a Lending Institution of their choice and are not required to use anyone of the Preferred Lender List, and will suffer no penalty for not selecting a Lending Institution on the Preferred Lender List.
 4. There will be no less than two unaffiliated Lending Institutions on the List.
- If Utica College maintains a Preferred Lender List or enters into a Preferred Lender Arrangement or provides information regarding a Private Education Loan from a Lending Institution to a prospective student, family member or borrower, it must comply with all notice requirements under the HEOA and related regulations.
- Utica College shall not permit the use of the name, emblem, mascot or logo of Utica College or any words, pictures or symbols identifying Utica College in the marketing by any Private Educational Lender of Private Educational Loans.
- Utica College shall prepare all reports required by 20 USC §601.20.

SCOPE:

This policy applies to all Utica College employees, agents, contractors, officers and trustees.

REASON FOR POLICY:

This policy was established to comply with Article 13 of the New York State Education Law, Article 13-B, known as the Student Lending Accountability, Transparency and Enforcement Act or “SLATE Act” and the Higher Educational Opportunity Act of 2008.

DEFINITIONS:

1. “Borrower” shall mean a student attending a covered institution in this state, or a parent or person in parental relation to such student, who also obtains an educational loan from a Lending Institution to pay for or finance Higher Education expenses.
2. “Utica College Employee” shall mean any employee, agent, contractor, director, officer or trustee of Utica College
3. “Educational Loan” shall mean any loan that is made, insured, or guaranteed under Title IV of the Higher Education Act of nineteen hundred sixty-five, as amended, any High Risk Loan or any Private Educational Loan issued by a Lending Institution for the purposes of paying for or financing higher education expenses.
4. “Gift” shall mean any discount, favor, gratuity, inducement, loan, stock, thing of value, or other item having more than nominal value.
 - a. The term “gift” shall include, but is not limited to:
 1. Any money, service, loan, entertainment, honoraria, hospitality, lodging costs, meals, registration fees, travel expenses, discount, forbearance or promise, gratuity, favor, loan or other item having monetary value of more than a de minimus amount;
 2. Gifts provided in kind, by purchase of a ticket, payment in advance, or reimbursement after expenses have been incurred;
 3. Any computer hardware for which the recipient pays below-market prices;
 4. Any printing costs or services.
 - b. The term “gift” shall not include any of the following:
 1. A lending institution’s own brochure or promotional literature;
 2. Food, refreshments, training, or informational material furnished to a Utica College employee as an integral part of a training session, if such training contributes to the professional development of the Utica College employee.
 3. Favorable terms, conditions and borrower benefits on Private Education Loans provided to a student employed by Utica College if such terms, conditions and benefits are comparable to those provided to all students of Utica College.

4. Entrance and exit counseling as required by §682.604(e) and §682.604(a) as long as Utica College controls said counseling and it does not promote the products of a specific lender.

c. Nothing in this Policy shall be construed to prohibit the private philanthropic activities of banks or other Lending Institutions that are unrelated to educational loans.

5. “High Risk Loans” shall mean any agreement between a lending institution and Utica College that provides for the Lending Institution to provide loans to students with a poor or no credit history, who would otherwise not be eligible for educational loans.

6. “Higher Education Expenses” shall include the following:

- a) Tuition and fees;
- b) Costs incurred for books, supplies, transportation, and miscellaneous personal expenses; and
- c) Room and board costs.

7. “Lending Institution” shall mean:

- a) Any entity that itself or through an affiliate makes educational loans to pay for or finance higher education expenses or that securitize such loans;
- b) Any entity, or association of entities, that guarantees or services educational loans;
- c) Any industry, trade or professional association or other entity that receives money, related to educational loan activities, from any entity described above in paragraphs a and b of this subdivision; or
- d) A creditor, as defined under 15 U.S.C. §1602, except that such term shall not include an issuer of credit secured by a dwelling or under an open end credit plan and includes an agent of the Lending Institution.

8. “Opportunity Pool Loan” shall mean a Private Education Loan made by a Lending Institution to a student (or the student’s family) that involves a payment by Utica College to the Private Educational Lender for extending credit to the student or family.

9. “Preferred Lender Arrangement” shall mean an arrangement or agreement between a lender and Utica College under which the Lender provides or otherwise issues Education Loans to students attending Utica College or the families of said students.

10. “Preferred Lender List” or “List” shall mean a list of one or more recommended or suggested lending institutions that Utica College makes available for use, in print or any other medium or form, by borrowers, potential borrowers or others.

11. “Private Educational Lender” shall mean a financial institution, a federal credit union or any other person engaged in the business of soliciting, making or extending private education loans.

12. "Private Educational Loan" shall mean a loan provided by a private educational lender that is (i) not made, insured, or guaranteed under Title IV of the Higher Education Act of 1965, as amended and (ii) is issued expressly for higher education expenses.

13. "Revenue Sharing Arrangement" shall mean any arrangement or agreement whereby a Lending Institution

a) provides or issues a Private Education Loan to students attending Utica College or the families of said student and Utica College recommends the Lending Institution of the loan products of the Lending Institution and in exchange, the Lending Institution pays a fee or provides material benefits to Utica College including revenue or profit sharing and that relates to Utica College's recommending, promoting or endorsing the Educational Loan products of the Lending Institution;

b) pays Utica College or an affiliated entity or organization of Utica College a percentage of the principal of each loan directed towards the Lending Institution from a borrower at Utica College.

PROCEDURE:

- The Executive Director of Student Financial Services shall compile a document setting forth the method and criteria used to develop the Preferred Lender List (the "List"), if said List is to be used.
- Each year on or before March 1st the Executive Director of Student Financial Services shall review, and revise if necessary, the List issued to borrowers and potential borrowers of Utica College. Said review shall include, but not be limited to:
 - a) Reviewed the method and criteria used in compiling said List;
 - b) Evaluating the importance of said criteria used to compile said List;
 - c) Confirming all lending institutions placed on said List have provided written documentation to Utica College that borrowers who take out loans from the lending institution will continue to receive any advertised benefits upon repayment of said loans, and said benefit will continue to inure to the benefit of the borrowers, regardless of whether said Loans are sold or transferred;
 - d) Making reasonable inquiry to all lending institutions on the List as to whether lending institution has an agreement to sell its loans to another unaffiliated lending institution. If the lending institution has such an Agreement, said Agreement must be disclosed on the List in the same font size and same manner as the predominant text on the List.
 - e) A request to all lending institutions on the List of the historic default rates of borrowers from Utica College, the rates of interest charged to borrowers from Utica College in the year preceding the disclosures and the number of borrowers at Utica College obtaining each rate of interest.

- f) A written report of said review shall be submitted to the Vice President of Financial Affairs and the College attorney on or before March 1st of each year.
- Utica College employees shall report to the New York State Department of Education any instance of a lending institution attempting to give a gift to such Utica College employees.
 - Utica College employees who are directly involved with or benefit from the functions of Utica College's financial aid/student financial services office shall be required to report to the New York State Department of Education in a form and manner prescribed by said Department of Education, all participation or financial interests related to any lending institution.
 - This policy shall be posted prominently on the Utica College website.
 - Assure all employees, officers, trustees or other agents with responsibilities with respect to Private Education Loans be annually informed and provided with a copy of this policy.

RESPONSIBILITY:

It shall be the responsibility of the Vice President of Financial Affairs/Treasurer to implement this Policy and advise all employees, officers, agents, trustees and contractors of their responsibilities hereunder.