

Virginia Community College System—Title IV Code of Conduct

*Colleges participating in any of the Title IV loan programs are required by the Department of Education to develop, publish, and enforce a code of conduct. The below code of conduct applies to all officers, employees, and agents of Virginia's 23 Community Colleges. It is in addition to, and not in lieu of, Section 3.3.3 of the VCCS Policy Manual, "Conflict of Interest in Employment".

BAN ON REVENUE SHARING AGREEMENTS: Neither the colleges within the Virginia Community College System (VCCS), nor any of their officers, employees, or agents will enter into any revenue-sharing arrangements with any lender, which is defined by the Higher Education Opportunity Act of 2008, amending the Higher Education Act of 1965, Pub. L. # 110-315 (2008), ("HEOA") as any arrangement between a college and a lender that results in the lender paying a fee or other benefits, including a share of its profits, to the college, or its officers, employees, or agents, as a result of the college recommending the lender to its students or families of those students.

BAN ON GIFTS: Financial Aid Office employees (or employees who otherwise have responsibilities with respect to education loans or financial aid) will not accept gifts from any lender, guaranty agency or loan servicer. A "gift" is defined as any gratuity, favor, discount, entertainment, hospitality, loan, or other item having monetary value of more than a de minimus amount. This prohibition is not limited just to servicers of Title IV loans, but includes lenders and guaranty agencies of "private educational loans" and financial aid applicants and their families as well. HEOA does provide for some exceptions related to specific types of activities or literature that may be provided by those lenders, agencies, or servicers. This includes:

- a. Brochures or training material related to default aversion or financial literacy.
- b. Food, training or informational materials as part of training as long as that training contributes to the professional development of those individuals attending the training.
- c. Favorable terms and benefits to the student employed by the institution as long as those same terms are provided to all students at the institution.
- d. Entrance and exit counseling as long as the institution's staff are in control and they do not promote the services of a specific lender.
- e. Philanthropic contributions from a lender, guarantee agency or loan servicer unrelated to education loans.
- f. State education, grants, scholarships, or financial aid funds administered by or on behalf of the State.

BAN ON CONTRACTING ARRANGEMENTS: Financial Aid Office employees (or employees who otherwise have responsibilities with respect to education loans) will not accept any fee,

payment or financial benefit as compensation for any type of consulting arrangement or contract to provide services to or on behalf of a lender relating to education loans.

PROHIBITION AGAINST STEERING BORROWERS: The colleges and their officers, employees, or agents will not steer borrowers to particular private lenders, or delay loan certifications. If a preferred lender list is made available it will be created without prejudice and for the sole benefit of students. It will be transparent, complete, and accurate. The process for selection and addition to the list will be publicly disclosed.

PROHIBITION ON OFFERS OF FUNDS FOR PRIVATE LOANS: The colleges and their officers, employees or agents will not request or accept any agreement or offer of funds for private loans. This prohibition includes any offer of funds for loans to students at the institution, including funds for an opportunity pool loan, in exchange for providing concessions or promises to the lender for a specific number of loans, or inclusion on a preferred lender list.

BAN ON NEPOTISM: Employees of the Financial Aid Office will not award aid to themselves or members of their immediate family. In order to avoid the appearance of a conflict, this task shall be reserved for that employee's supervisor or other designee. Information provided to aid applicants is accurate, unbiased, and does not reflect a preference arising out of actual or potential personal gain. Aid administrators will disclose to the institution any involvement, interest in, or potential conflicts of interest with any entity doing business with the institution.

BAN ON STAFFING ASSISTANCE: The colleges and their officers, employees or agents will not request or accept any assistance with call center staffing or Financial Aid Office staffing from private lenders, servicers, guaranty agencies, or their agents. However, HEOA does not prohibit schools from requesting or accepting assistance from a lender related to:

- a. Professional development training for financial aid administrators.
- b. Providing educational counseling materials, financial literacy materials, or debt management materials to borrowers, provided that such materials disclose to borrowers the identification of any lender that assisted in preparing or providing such materials.
- c. Staffing services on a short-term, nonrecurring basis to assist the school with financial aid-related functions during emergencies, including State-declared or federally declared natural disasters, and other localized disasters and emergencies identified by the Secretary.

BAN ON ADVISORY BOARD COMPENSATION: Employees of the colleges will not receive anything of value from a lender, guarantor, or group in exchange for serving on an advisory board. They may, however, accept reimbursement for reasonable expenses incurred while serving in this capacity.

AWARD NOTIFICATIONS: Institutional award notices and other provided materials will include:

- a. A breakdown of the components of the aid recipient's Cost of Attendance; clearly identifying direct billable costs.

- b. Clear identification of each award and its type – gift or self-help aid.
- c. Standard terminology using NASFAA's glossary of award letter terms; and
- d. Renewal requirements.

CONSUMER INFORMATION: All required consumer information is prominently displayed on the institution's web site and in any printed materials. They should be easily identified and found as well as clearly labeled as consumer information.