

Student Loan Code of Conduct

Educational loans are an important resource for students to help finance higher education. Students and families must receive trustworthy, reliable guidance from institutions about financial aid, including educational loans. The following guidelines are a framework to provide the best possible loan terms for the students served by Mott Community College and to avoid conflicts or the appearance of conflicts of interest.

1. Mott Community College shall not enter into any revenue-sharing arrangements with any lender. A revenue-sharing arrangement is defined as any arrangement between an institution and a lender under which the lender provides or issues private education loans to students attending the institution (or to the families of those students), the institution recommends the lender or the loan products of the lender and, in exchange, the lender pays a fee or provides other material benefits, including revenue or profit-sharing, to the institution or to its officers, employees, or agents.
2. No officer or employee of the financial aid office (or an employee or agent who otherwise has responsibilities with respect to educational loans) may solicit or accept any gift from a lender, guarantor, or servicer of education loans. A gift is defined as any gratuity, favor, discount, entertainment, hospitality, loan or other item having monetary value of more than a de minimis amount. The term gift also includes services, transportation, lodging, or meals, whether provided in kind, by purchase of a ticket, payment in advance, or by reimbursement. The term gift does not include the following: (1) standard material, activities, or programs on issues related to a loan; (2) food, refreshments, or training that are part of a training session to improve service if training contributes to professional development of the agent; (3) favorable terms, conditions, and borrower benefits on a private education loan provided to a student employed in the financial aid office if terms are comparable to those provided to all student employees; (4) entrance/exit counseling if school staff are in control and counseling does not promote the products of any lender; (5) philanthropic contributions from a lender, servicer or guarantee agency not related to or made in exchange for any advantage related to private education loans; or (6) state education grants, scholarships, or financial aid funds administered on behalf of a State.
3. An employee of the financial aid office who serves on an advisory board, commission, or group established by a lender or group of lenders is prohibited from receiving anything of value from such entities, except the employee may be reimbursed for reasonable expenses incurred by the employee for serving on such boards, commissions or groups.
4. No officer or employee of the financial aid office (or an employee or agent who otherwise has responsibilities with respect to educational loans) may accept from a lender, or an affiliate of any lender, any fee, payment, or other financial benefit as compensation for any type of consulting arrangement or contract to provide services to or on behalf of a lender relating to educational loans.
5. Officers or employees of the financial aid office shall not steer borrowers to particular lenders or delay loan certifications. For any first-time borrower, Mott Community College will not assign, through award packaging or other methods, the borrower's loan to a particular alternative lender. In addition, the college shall not refuse to certify, or delay the certification, of any loan based on the borrower's selection of a particular lender.

6. Mott Community College shall not request or accept from any lender any offer of funds for private loans, including funds for an opportunity pool loan, to students in exchange for providing promise of a specific number of private education loans, a specific loan volume, or a preferred lender arrangement for such loans. An opportunity pool loan means a private education loan that involves a payment, directly or indirectly, by the institution of points, premiums, additional interest or financial support to the lender for the purpose of the lender extending credit to the student.

7. Mott Community College shall not request or accept from any lender any assistance with call center or financial aid office staffing, except the institution is not prohibited from requesting/accepting the following: (1) professional development training for aid officers; (2) counseling, financial literacy, or debt management materials for borrowers as long as materials disclose that the lender prepared or provided the materials; or (3) staffing on a short-term, nonrecurring basis to assist with aid-related functions during an emergency.

In addition to the above, MCC Financial Aid Office staff shall abide by the National Association of Student Financial Aid Administrator's Statement of Ethical Principles and Code of Conduct for Institutional Financial Aid Professionals available at:

https://www.nasfaa.org/Code_of_Conduct

https://www.nasfaa.org/Statement_of_Ethical_Principles