

Holmes Community College

College Loan Code of Conduct

Holmes Community College recognizes that ensuring the integrity of the student financial aid process is critical to providing fair and affordable access to higher education. We adhere to the following guiding principles which were designed to avoid any potential conflict of interest between HCC and its students in the financial aid process:

1. REVENUE SHARING RESTRICTIONS

Colleges are prohibited from receiving anything of value from any lending institution in exchange for any advantage sought by the lending institution. Lenders cannot pay to be included on a school's suggested lender list.

2. GIFT, TRIP, ENTERTAINMENT AND PRINTING RESTRICTIONS

College employees, their families or significant others, and school-affiliated organizations are prohibited from accepting anything having a monetary value of more than a de minimus amount from any lending institution. This includes gifts, trips, meals, entertainment expenses, tickets, lodging, rentals, transportation and other gratuities related to lender-sponsored activities or offered in connection with the employees' financial aid work. Colleges may also not contract with any lending institution in the printing or distribution of college catalogs and other materials at reduced or no cost.

However, college employees are allowed 1.) Brochures, workshops or trainings using standard materials relating to loans, default aversion or financial literacy; 2.) food, training, or informational material provided as part of a training session designed to improve the service of a lender, guarantor or servicer if the training contributes to the professional development of the institution's employee; 3.) favorable terms and benefits on an education loan provided to a student employed by the institution if those terms and benefits are comparable to those provided to all students at the institution; 4.) Entrance and exit counseling as long as the institution's staff are in control of the counseling and the counseling does not promote the services of a specific lender; 5.) Philanthropic contributions from a lender, guarantor, or servicer that is unrelated to education loans or any contribution that is not made in exchange for advantage related to education loans, and; 6.) State education grants, scholarships or financial aid funds administered by or on behalf of a State.

3. ADVISORY BOARD COMPENSATION RULES

An employee of an institution's financial aid office who serves on an advisory board, commission, or group established by a lender or guarantor is prohibited from receiving anything of value from the lender, guarantor, or group, except for reimbursement for reasonable expenses incurred by the employee for serving on the board.

4. CONTRACTING ARRANGEMENT BAN

No officer or employee of an institution's financial aid office 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 education loans.

5. SUGGESTED LENDER GUIDELINES AND DISCLOSURE

Suggested lender lists must be based solely on the best interests of the students or parents who may use the list without regard to financial interests of the college. The college must clearly and fully disclose the criteria and process used to select suggested lenders. Students and parents must also be told that they have the right and ability to select the lender of their choice regardless of the lenders suggested on the list. A college is prohibited against steering borrowers to particular lenders. For any first-time borrower, an institution may not assign, through the award packaging or other methods, the borrower's loan to a particular lender. In addition, the institution may not refuse to certify or delay the certification of any loan based on the borrower's selection of a particular lender or guaranty agency.

6. PRIVATE LOAN FUND PROHIBITION

An institution may 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 concessions or promises to the lender for a specific number of Title IV loans made, insured, or guaranteed, a specified loan volume, or a preferred lender arrangement. An "opportunity pool loan" is defined as a private education loan made by a lender to a student (or the student's family) that involves a payment by the institution to the lender for extending credit to the student.

7. LOAN RESALE DISCLOSURE

No lender may appear on a suggested lender list if the lender has a pre-existing agreement to sell its loans to another lender without proper disclosure of the sale to the student or parent.

8. CALL-CENTER AND STAFFING RESTRICTIONS

A college or school-affiliated organization may not permit employees or agents of lenders to identify themselves as employees of the college. No employee or agent of a lender may be employed by or provide staffing to a college financial aid office except that a lender may provide professional development training, educational counseling materials (as long as the materials identify the lender that assisted in preparing the materials), or staffing services on a short-term, nonrecurring basis during emergencies or disasters.

9. TRAINING RESTRICTIONS

Lenders and guaranty agencies may participate in college financial literacy outreach activities, but are prohibited from conducting in-person, school-required entrance counseling.