

Student Loan Code of Conduct – Touro University Nevada

On August 14, 2008, the Higher Education Opportunity Act was signed into law. In order to comply with this Act and all federal and state laws and standards, Touro University Nevada has prepared this Student Loan Code of Conduct. In the interest of providing students and families with full, fair, and effective information and assistance pertaining to student loans, Touro University Nevada (TUN) hereby adopts the following provisions from the HEOA, Section 493, and will annually inform all institutional officers, employees, and agents with responsibilities for student loan activities and decisions of the provisions of this code.

1. Revenue Sharing Restrictions

- (A) PROHIBITION – The institution shall not enter into any revenue-sharing arrangement with any lender.
- (B) DEFINITION – For purposes of this paragraph, the term ‘revenue-sharing arrangement’ means an arrangement between an institution and a lender under which –
 - i. a lender provides or issues a loan that is made, insured, or guaranteed under this title to students attending the institution or to the families of such students; and
 - ii. 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, an officer or employee of the institution, or an agent.

2. Gift Restrictions

- (A) PROHIBITION – No officer or employee of the institution who is employed in the financial aid office of the institution or who otherwise has responsibilities with respect to education loans, or agent who has responsibilities with respect to education loans, shall solicit or accept any gift from a lender, guarantor, or servicer of education loans.
- (B) DEFINITION OF GIFT –
 - i. IN GENERAL – In this paragraph, the term ‘gift’ means any gratuity, favor, discount, entertainment, hospitality, loan, or other item having monetary value of more than a de minimus amount. The term includes a gift of services, transportation, lodging, or meals, whether provided in kind, by purchase of a ticket, payment in advance, or reimbursement after the expense has been incurred.
 - ii. EXCEPTIONS – The term ‘gift’ shall not include any of the following:
 - a. Standard material, activities, or programs on issues related to a loan, default aversion, default prevention, or financial literacy, such as a brochure, a workshop, or training.
 - b. Food, refreshments, training, or informational material furnished to an officer or employee of an institution, or to an agent, as an integral part of a training session that is designed to improve the service of a lender, guarantor, or servicer of education loans to the institution, if such training contributes to the professional development of the officer, employee, or agent.
 - c. Favorable terms, conditions, and borrower benefits on an education loan provided to a student employed by the institution if such terms, conditions, or benefits are comparable to those provided to all students of the institution.
 - d. Entrance and exit counseling services provided to borrowers to meet the institution’s responsibilities for entrance and exit counseling as required by subsections (b) and (l) of section 485, as long as
 - i. the institution’s staff are in control of the counseling (whether in person or via electronic capabilities); and

- ii. such counseling does not promote the products or services of any specific lender.
 - e. Philanthropic contributions to an institution from a lender, servicer, or guarantor of education loans that are unrelated to education loans or any contribution from any lender, guarantor, or servicer that is not made in exchange for any advantage related to education loans.
 - f. State education grants, scholarships, or financial aid funds administered by or on behalf of a State.
- iii. **RULE FOR GIFTS TO FAMILY MEMBERS** – For the purposes of this paragraph, a gift to a family member of an officer or employee of an institution, to a family member of an agent, or to any other individual based on that individual’s relationship with the officer, employee, or agent, shall be considered a gift to the officer, employee, or agent if:
 - a. the gift is given with the knowledge and acquiescence of the officer, employee, or agent; and
 - b. the officer, employee, or agent has reason to believe the gift was given because of the official position of the officer, employee, or agent.

3. Contracting restrictions

- (A) **PROHIBITION** – An officer or employee who is employed in the financial aid office of the institution or who otherwise has responsibilities with respect to education loans, or an agent who has responsibilities with respect to education loans, shall not accept from any lender or affiliate with any lender any fee, payment, or other financial benefit (including the opportunity to purchase stock) as compensation for any type of consulting arrangement or other contract to provide services to a lender or on behalf of a lender relating to education loans.
- (B) **EXCEPTIONS** – Nothing in this subsection shall be construed as prohibiting
 - i. an officer or employee of an institution who is not employed in the institution’s financial aid office and who does not otherwise have responsibilities with respect to education loans, or an agent who does not otherwise have responsibilities with respect to education loans, from performing paid or unpaid service on a board of directors of a lender, guarantor, or servicer of education loans;
 - ii. an officer or employee of the institution who is not employed in the institution’s financial aid office but who has responsibility with respect to education loans as a result of a position performing paid or unpaid service on a board of directors of a lender, guarantor, or servicer of education loans, if the institution has a written conflict of interest policy that clearly sets forth that officers, employees, or agents must recuse themselves from participating in any decision of the board regarding education loans at the institution; or
 - iii. an officer, employee, or contractor of a lender, guarantor, or servicer of education loans from serving on a board of directors, or serving as a trustee, of an institution, if the institution has a written conflict of interest policy that the board member or trustee must recuse themselves from any decision regarding education loans at the institution.

4. Loan Assignment and Certification Restrictions

The institution shall not:

- (A) for any first-time borrower, assign, through award packaging or other methods, the borrower’s loan to a particular lender; or
- (B) refuse to certify, or delay certification of, any loans based on the borrower’s selection of a particular lender or guaranty agency.

5. Prohibition on Offers of Funds for Private Loans

- (A) PROHIBITION – The institution shall not request or accept from any lender any offer of funds to be used for private education loans (as defined in section 140 of the Truth in Lending Act), including funds for an opportunity pool loan, to students in exchange for the institution providing concessions or promises regarding providing the lender with
- i. a specified number of loans made, insured, or guaranteed under this title;
 - ii. a specified loan volume of such loans; or
 - iii. a preferred lender arrangement for such loans.
- (B) DEFINITION OF OPPORTUNITY POOL LOAN – In this paragraph, the term ‘opportunity pool loan’ means a private education loan made by a lender to a student attending the institution or the family member of such a student that involves a payment, directly or indirectly, by such institution of points, premiums, additional interest, or financial support to such lender for the purpose of such lender extending credit to the student or family.

6. Staffing Assistance Restrictions

- (A) PROHIBITION – The institution shall not request or accept from any lender any assistance with call center staffing or financial aid office staffing.
- (B) CERTAIN ASSISTANCE PERMITTED – Nothing in paragraph (A) shall be construed to prohibit the institution from requesting or accepting assistance from a lender related to
- i. professional development training for financial aid administrators;
 - ii. 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; or
 - iii. staffing services on a short-term, nonrecurring basis to assist the institution with financial aid-related functions during emergencies, including State-declared or federal declared natural disasters, federal declared national disasters, and other localized disasters and emergencies identified by the Secretary.

7. Advisory Board Compensation Rules

Any employee who is employed in the financial aid office of the institution, or who otherwise has responsibilities with respect to education loans or other student financial aid of the institution, and who serves on an advisory board, commission, or group established by a lender, guarantor, or group of lenders or guarantors, shall be prohibited from receiving anything of value from the lender, guarantor, or group of lenders or guarantors, except that the employee may be reimbursed for reasonable expenses incurred in serving on such advisory board, commission, or group.

8. Preferred Lender List Restrictions

Touro University Nevada preferred lender lists are based solely on the best interests of the students and families who may use the list, without regard to financial interests of the college. On all lists, the college will clearly and fully disclose the criteria and process used to select preferred lenders. Students will be told that they have the right and ability to select the lender of their choice regardless of the preferred lender lists.

9. Loan Resale Disclosure

Touro University Nevada will not permit a lender to appear on a preferred lender list unless the lender agrees to disclose to the student at the time of the loans any pre-existing agreement to sell the loan to another lender.