



FINANCIAL AID OFFICE CODE OF CONDUCT

The Higher Education Opportunity Act, December 2008, www.ifap.ed.gov, GEN-08-12 FP-08-10

Federal Student Aid (FSA) Code of Conduct

College and Universities that participate in any FSA loan program must publish and enforce a code of conduct that includes bans on 1.) revenue-sharing arrangements with any lender, 2.) steering borrowers to particular lenders or delaying loan certifications, and 3.) offers of funds for private loans to students in exchange for providing concessions or promises to the lender for a specific number of FSA loans, a specified loan volume, or a preferred lender arrangement.

The code of conduct applies to the officers, employees, and agents of the school and must also prohibit employees of the financial aid office from receiving gifts from a lender, guaranty agency or loan servicer. The code must also prohibit financial aid office staff (or other employees or agents with responsibilities with respect to education loans) from accepting compensation for: 1.) any type of consulting arrangement or contract to provide services to or on behalf of a lender relating to education loans; and 2.) service on an advisory board, commission, or group established by lenders or guarantors, except for reimbursement for reasonable expenses.

Code of Conduct

Piedmont College participates in the William D. Ford Federal Direct Loan Program which include the Direct Subsidized and Direct Unsubsidized Student Loans, the Direct Graduate PLUS Loans, and the Direct Parent PLUS Loans. To a lesser extent, private loans are also processed for students on an as needed basis. To comply with the 2008 Higher Education Opportunity Act (enacted August 14, 2008) Piedmont College adopts the following Student Loan Code of Conduct to serve as the formal guiding principles in insuring the integrity of the student aid process and ethical conduct of Piedmont College employees in regard to student loan practices.

1. Revenue Sharing

The term "revenue-sharing arrangement" means an arrangement between an institution and a lender which – (i) a lender provides or issues a loan that is made, insured, or guaranteed to students under the Higher Education Act 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. Piedmont College and its employees will not enter into any type of revenue-sharing arrangement with any lender, guarantor or servicer. Piedmont College does not provide students a preferred lender list from which to select a lender for a private student loan. All loans are processed without regard to lender or mode of transmission (i.e., electronic or paper). Piedmont College will neither recommend a private loan lender nor accept material benefits including revenue or profit sharing to the institution, an officer, or an employee of the institution or an agent.

Federal Student Aid Code of Conduct, page 2

2. Gifts

Employees of the Offices of Financial Aid and the Business Office are prohibited from soliciting or accepting any gift from a lender, guarantor, or servicer of education loans.

- a. Gifts include any gratuity, favor, discount, entertainment, hospitality, loan or other item. This 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 incurred.
- b. Gifts to family members of a Piedmont College employee are considered to be a gift to the employee if the gift is given with the knowledge and acquiescence of the employee and there is reason to believe the gift was given because of the official position of that employee.

3. Contracting Arrangements

Employees of the Offices of Financial Aid and the Business Office shall not accept from any lender or affiliate of any lender any fee, payment, or other financial benefit (including opportunity to purchase stock) as compensation for any consulting arrangement or other contract to provide services to a lender or on behalf of a lender relating to education loans.

4. Preferred Lender Status

Piedmont College participates in the William D. Ford Federal Direct Loan Program which provides student and parent loans through the U.S. Department of Education. Lenders in the private student loan industry will not be given a preferred status. Piedmont College will not produce a preferred lender list that gives any lender an advantage in securing business from Piedmont College students.

5. Interaction with Borrowers

Piedmont College will not assign a borrower's private student loan to a particular lender; all decisions will be made by the borrower in his/her independent review of borrower benefits and lender services. Further, Piedmont College will not refuse to certify, or delay certification of, any loan based on the borrower's selection of a particular lender or guaranty agency.

6. Opportunity Pool Loan

Piedmont College will not request or accept from any lender any offer of funds to be used for private education loans (defined in section 140 of the Truth in Lending Act) including funds for an opportunity pool loan in exchange for Piedmont College providing concessions or promises regarding providing the lender with a specified number of loans made, insured or guaranteed; a specified loan volume of such loans; or a preferred lender arrangement for such loans.

7. Staffing Assistance

Piedmont College will not request or accept from any lender, guarantor, or servicer of student loans any assistance with call center staffing or financial aid office staffing.

8. Advisory Board Compensation

Employees of the Offices of Financial Aid and the Business Office who serve on an advisory board, commission, or group established by a lender, guarantor, or group of lenders or guarantors, are 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.