

Augustana College Financial Assistance Office Conflict of Interest Policy and Code of Conduct

Augustana College expects its financial aid professionals to maintain the highest standards of ethical conduct while carrying out their professional responsibilities. The Higher Education Opportunity Act of 2008 (HEOA) requires institutions of higher education to establish and follow a Code of Conduct with respect to student loans that prohibits conflicts of interest for any financial aid professional [HEOA § 487(a)(25)]. In accordance with this requirement, each staff member of the Office of Financial Aid at Augustana College signs the following conflict of interest policy and code of conduct on an annual basis.

This Conflict of Interest Policy and Code of Conduct (“Code”) sets out detailed information related to the conduct of financial aid professionals at Augustana College. All financial aid professionals must conduct themselves in accordance with this Code, and seek to avoid even the appearance of improper behavior. For purposes of this Conflict of Interest Policy and Code of Conduct, “financial aid professional” means any Augustana financial aid officer, employee, or agent who has responsibilities with respect to the processing of educational loans.

Financial aid professionals who violate this Code will be subject to disciplinary action. If you are in a situation that you believe may violate or lead to a violation of this Code, follow the guidelines described in Section VIII of this Code.

I. Financial aid professionals will not accept or solicit a gift from any entity involved in the making, holding, consolidating or processing of any student loans.

No financial aid professional, or member of his or her family, shall accept cash payments, stocks, club memberships, gifts, entertainment, expense-paid trips, or other forms of remuneration from any business entity involved in any aspect of student financial aid. Further, no financial aid professional shall accept gifts or anything of value in exchange for placing a lender on Augustana’s historical lender list or for providing some other advantage sought by a lender. For its part, Augustana shall not engage in any revenue sharing relationship with any lender or guarantee agency and no financial aid professional shall agree to any such arrangement.

Gifts include anything of value except the following:

1. 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
2. Food, refreshments, training, or informational material provided as part of a training session that is designed to improve the service of a lender, guarantor, or service of education loans to the college, if the training contributes to the development of the financial aid professional
3. Favorable terms, conditions, or borrower benefits on a loan to a student employed by Augustana as long as those same terms, conditions, and benefits are available to all students
4. Entrance and exit counseling services as long as Augustana staff is in control of the counseling and the counseling does not promote specific products or services
5. Philanthropic contributions to Augustana from a lender, guarantor, or servicer that are unrelated to loans
6. Receipt of state educational grants, scholarships or financial aid funds

This prohibition is intended to avoid both actual conflicts of interest and the appearance of a conflict of interest, which arises when a financial aid professional accepts benefits from a lending institution or similar entity. The fact that the financial aid professional may have no intention to provide an advantage to the lender as a result of the benefit he or she receives, and indeed does not provide any such advantage does not change the prohibition. All decisions made by financial aid professionals of Augustana College in the course of their professional responsibilities are to be made only on the basis of their desire to promote the best interests of the college.

II. Financial aid professionals will not enter into consulting arrangements with any entity involved in the making, holding, consolidating or processing of any student loans, or accept anything of value, including reimbursement of expenses for participation in a training activity sponsored by such an entity.

Financial aid professionals are prohibited from entering into consulting arrangements or other contract for services arrangements with a lender or on behalf of a lender.

Financial aid professionals are also prohibited from serving on the advisory board for any entity involved in the making, holding, consolidating or processing of any student loans.

Financial aid professionals are further prohibited from accepting trips paid for by an entity involved in the making, holding, consolidating or processing of any student loans.

Although there is value in providing lenders with the unique expertise and perspective that only Augustana's financial aid professionals can provide, receiving any remuneration for such service, even if only in the form of reimbursement for expenses, creates the appearance of a conflict of interest and must be strictly avoided. The same principle applies to reimbursement for lender-sponsored training activities. Professional development is a key component of being an effective financial aid professional, and attending lender-sponsored training programs can be a valuable way of obtaining the most current information. However, receiving any remuneration for such attendance from a source other than Augustana, even in the form of reimbursement for expenses, creates the same impermissible appearance of a conflict of interest and must be avoided.

III. All information provided by financial aid professionals to prospective and current students and families will be accurate, unbiased, and will not reflect any preference arising from actual or potential personal gain.

When providing information, transparency is the priority at all times. Students and parents should be able to fully understand their rights, obligations, and – of paramount importance – their alternatives.

Augustana College does not maintain a preferred lender list, but does offer a historical lender list. Any information provided by a financial aid professional is expected to demonstrate transparency, completeness, and accuracy of information by ensuring that:

- Students and their parents understand that they are not required to use any of the lenders on our historical list, are free to select the lender of their choice, and understand the process for selecting a lender and applying for a loan.

- Augustana will not assign a first-time borrower's loan to any specific lender and will promptly certify any loan from any lender selected by a borrower.
- The process through which a student executes a Master Promissory Note preserves his or her right to select the lender of his or her choice.

IV. Financial aid professionals will be objective and transparent in making decisions and advising Augustana regarding relationships with any entity involved in any aspect of student financial aid.

Financial aid professionals must always be fair-handed when recommending or entering into a business relationship with any entity offering a product or service related to financial aid. Augustana does not have a preferred lender list. Rather, a historical lender list is offered to students and prospective students. Augustana's historical lender list includes all lenders who have made private or alternative loans to Augustana students over the prior three years. A lender may not be placed on Augustana's historic lender list in exchange for a prohibited inducement.

In the same light, no lender may be included on our historic lender list based on promises to provide benefits such as fees, revenue, profit sharing, or other material benefits to Augustana or their officers, financial aid professionals, employees, or agents. Nor may any lenders be selected or offered concessions of any type (including as to number of loans or loan volume) based on an offer to provide other types of funds, such as opportunity pools, to be used for private educational loans by Augustana.

Transparency also requires that when a student or parent communicates with the Augustana Financial Assistance Office, these communications be with only Augustana employees. No employee or agent of a lender should ever be identified, either directly or by implication, as an employee or agent of Augustana. Further, no employee or agent of a lender should work in or provide staffing to the Augustana Financial Assistance Office or call center, if applicable. Finally, no lender should be given permission to use the Augustana name, emblem, mascot, logo, or anything readily identifiable as Augustana College to market its products.

VI. Any involvement with, or interest in, an entity involved in any aspect of student financial aid must be disclosed to Augustana College.

Since the goal is transparency and avoiding actual conflicts of interest as well as the appearance of any conflict, all financial aid professionals are expected to strictly abide by Augustana's Conflict of Interest Policy and Code of Conduct; particularly with regard to any activities, involvement, investment, or interest in any financial aid-related entity. Financial aid professionals shall avoid any personal investment in or financial relationships with lenders or any entity involved in the making, holding, consolidating or processing of student loans.

VII. No action will be taken that is contrary to law, regulation, or the best interests of Augustana students and parents.

Our financial aid professionals work in a complex legal environment. In addition, financial aid professionals should understand and adhere to all institutional policies applicable to their conduct and job performance, as well as to all federal statutes and regulations governing the administration of student financial aid and all applicable state and local statutes, regulations, and ordinances.

VIII. All violation or potential violations of this Code will be reported.

All employees are expected to report behavior which is believed to be illegal, unethical, or otherwise in violation of College policies, including this Conflict of Interest Policy and Code of Conduct.

When reporting a concern, keep the following steps in mind:

- Discuss the concern with your supervisor.
- Seek help from other college resources. When discussing the problem with your supervisor is inappropriate or not helpful, concerns may be reported to the President's Office or any member of the Cabinet.
- No retaliation. The college strictly prohibits retaliation of any kind against an employee or any other individual who reports, in good faith, behavior or activities that are believed to be illegal or unethical. Retaliation is also prohibited against any individual who participates in the college's investigation of such behavior or activities. Any individual who believes they have been subjected to retaliatory conduct should report their concern immediately, following the complaint procedure outlined above.

I have read and I understand all of the information stated in this Conflict of Interest Policy and Code of Conduct for Augustana College financial aid professionals.

Signature

Date