SAN DIEGO COMMUNITY COLLEGE DISTRICT

Administrative Procedure

Chapter 5 – Student Services

AP 5130.1 – Financial Aid Program Participation Agreement: Code of Conduct

The Program Participation Agreement (PPA) of the Higher Education Opportunity Act (HEOA) requires that an institution participating in a Title IV loan program develop, publish, administer, and enforce a code of conduct. The code of conduct applies to the officers, employees, and agents of the institution.

The following conduct standards will be imposed for all offices, employees, and agents of the San Diego Community College District who have a responsibility for working with educational loans.

1. A revenue-sharing arrangement with any lender is prohibited. The HEOA defines "revenue-sharing arrangement" as any arrangement between the San Diego Community College District (District) and a lender under which the lender makes Title IV loans to students attending the District (or to the families of those students), the District 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 District or to its officers, employees, or agents;

2. Acceptance of gifts from lenders, guaranty agencies or loan servicers is prohibited. No officer or employee of the District's 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 minimus amount.

3. A gift does not include (1) standard material, activities or programs on issues relating to a loan, default aversion, or financial literacy, such as a brochure, workshop or training; (2) food, refreshments, 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 District's officer, employee or agent; (3) favorable terms and benefits on an education loan provided to a student employed by the District if those terms and benefits are comparable to those provided to all students at the District; (4) entrance and exit counseling services provided to borrowers as long as the District'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 are unrelated to education loans or any contribution that is not made in exchange for any advantage related to education loans, and; (6) State education grants, scholarships, or financial aid funds administered by or on behalf of a State;

4. No officer or employee of the District who is employed in the financial aid office of the District (or an employee or agent who otherwise has responsibilities with respect to education 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 education loans;

5. Steering borrowers to particular lenders or delaying loan certifications is prohibited. For any first-time borrower, the District may not assign, through the award packaging or other methods, the borrower's loan to a particular lender. In addition, the District 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. The District will 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 District to the lender for extending credit to the student;

7. Acceptance from any lender any assistance with call center staffing or financial aid office staffing is prohibited. However, 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; and

8. An employee of the District's financial aid office (or employee who otherwise has responsibilities with respect to education loans or financial aid) who serves on an advisory board, commission, or group established by a lender or guarantor (or a group of lenders or guarantors) 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.

Approve by
the Chancellor: October 27, 2022

Supersedes: BP 3601 – 2/18/10; 11/09/17; *(Renumbered AP 5130.1)*