

## LOAN CODE OF CONDUCT POLICY

This code of conduct<sup>1</sup> is applicable to all officers, employees and agents of Santa Barbara City College with responsibilities (directly or indirectly) with respect to private student loans.<sup>2</sup> Santa Barbara City College officers, employees and agents subject to this policy are prohibited from doing any of the following, either on their own behalf or on behalf of Santa Barbara City College:

- \* Participating in a revenue-sharing arrangement with any lender by which the lender pays a fee or provides other material benefits to the college or any officer, employee or agent subject to this policy in exchange for the college's recommendation of that lender or its loan products;
- \* Receiving gifts from a lender, a guarantor, or a loan servicer;
- \* Accepting any contracting arrangement that provides financial benefit from any lender or affiliate of a lender;
- \* Directing borrowers to particular lenders or delaying loan certifications;
- \* Requesting or accepting from any lender any offer of funds to be used for private education loans in exchange for the college providing the lender with a specified number of loan volume of, or preferred lender arrangement for private education loans;
- \* Requesting or accepting any lender's assistance with call center or Office of Financial Aid staffing; and
- \* Receiving anything of value from any lender, other than reimbursement for reasonable expenses, in exchange for service on an advisory board, commission, or group established by a lender, guarantor, or group of lenders or guarantors.

Any employee who is offered any gift or monetary compensation from a lender should contact the Financial Aid office for clarification and guidance before responding favorably to that offer.

Should an employee subject to this policy inadvertently accept a gift or other type of monetary compensation from a lender, that employee must immediately notify the Department's Director or Dean. The amount received, the name of the employee or agent, a brief description of the activity and the dates of the activity for which the expenses were paid or provided must be reported to the Department's Director or Dean. The Director of Financial Aid is responsible for reporting this information annually to the Secretary of the Department of Education.

The Director of Financial Aid is responsible for notifying all officers, employees and agents of this requirement annually.

1. Federal regulations require all institutions that participate in the federal Title IV student loan programs to adopt a code of conduct that meets the requirements of 34 C.F.R. § 601.21.
2. A list of private education loan lenders used by our students may be found on the SBCC financial aid website at <http://www.sbcc.edu/financialaid> - "Loans - Alternative".