



OFFICE OF FINANCIAL AID

University of Michigan–Flint, Code of Conduct for Student Loans

Although the University of Michigan–Flint’s conflict of interest policies would already preclude the conduct prohibited by 34 C.F.R. § 668.14(b)(27),¹ for clarity, UM-Flint hereby establishes, as an addendum to the UM-Flint’s Conflict of Interest and Conflict of Commitment Policy for Staff (UM-Flint Staff COI/COC Policy), this code of conduct in regards to private student loans.²

The responsibility for the administration of this code of conduct and its enforcement resides with the UM-Flint’s Cabinet Officers.

This code of conduct is applicable to all officers, employees, and agents of UM-Flint and any affiliated organizations with responsibilities (directly or indirectly) with respect to private student loans. UM-Flint officers, employees, and agents subject to this policy are prohibited from the following actions, either on their own behalf or on behalf of UM-Flint:

- Participating in a revenue-sharing arrangement with any lender in which the lender pays a fee or provides other material benefits to UM-Flint or to any officer, employee or agent subject to this policy in exchange for UM-Flint’s recommendation of that lender or its loan products;
- Soliciting or accepting gifts, including reimbursement of expenses or payment of expenses in a manner inconsistent with the requirements set forth in the UM-Flint Staff COI/COC Policy, from any lender, guarantor, or servicer that provides private education loans to students, unless the item or payment in question meets the exceptions set forth in 34 C.F.R. § 601.21(c)(2)(iii);
- Accepting from any lender or affiliate any fee, payment, or other financial benefit as compensation for any consulting arrangement or other services contract with or on behalf of a lender of private education loans, except that UM-Flint officers, employees, or agents subject to this policy who do *not* work in the Office of Financial Aid may serve on a lender’s board of directors, provided that they excuse themselves from any board decisions relating to private education loans at the University;
- 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 UM-Flint’s 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, except that the University may request or accept from any lender (a) professional development training for financial aid administrators, educational counseling or other materials to provide to the University’s student borrowers (provided that such materials indicate the lender’s involvement in

¹ This regulation requires 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 Because the University of Michigan-Flint does not participate in the FFEL Program, the regulation cited applies to the University only as its terms relate to private education loans.

preparing or providing them), or (b) short-term, nonrecurring staffing assistance with financial aid-related functions during emergencies; 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 Office of Financial Aid for clarification and guidance before accepting 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 their Department's Director or Dean. The amount received, name of the employee or agent, brief description of the activity, and dates of the activity for which compensation was paid or provided must be reported to the Director or Dean, who must then share that report with the UM-Flint Director of Financial Aid. The UM-Flint Director of Financial Aid is responsible for reporting this information annually to the Secretary of the United States Department of Education.

The UM-Flint Director of Financial Aid is responsible for annually notifying all officers, employees and agents subject to this code of these code requirements. This notification will be done via email in January. In addition, this code of conduct will be published on the following UM-Flint websites: Financial Aid, Human Resources, Student Affairs, and the Provost's Office.