

Policy Statement

Guilford Technical Community College as a participant in federal loan programs is required to have a code of conduct relating to student financial aid matters that is applicable to the College's agents and employees. The code of conduct requirements are set forth in the Higher Education Opportunity Act (HEOA) signed into law on August 14, 2008. In addition, the law includes requirements related to publication of the code and annual disclosures.

Reason for Policy

The HEOA program participation agreement which must be executed by all colleges and universities participating in Title IV financial aid programs, including student loan programs, requires a code of conduct with which the institution's agents and employees shall comply. Such code must prohibit a conflict of interest with the responsibilities of an agent or employee of an institution with respect to such loans

The term "revenue-sharing arrangement" means an arrangement between the College and a lender under which--

- x a lender provides or issues a loan that is made, insured, or guaranteed to students attending the College or to the families of such students; and

- x the College recommends the lender or the loan products of the lender and in exchange, the

lodging, or meals, whether provided in kind, by purchase of a ticket, payment in advance, or reimbursement after the expense has been incurred.

The term 'gift' shall not include any of the following:

- x 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.
- x Food, refreshments, training, or informational material furnished to an agent or employee of the College, as an integral part of a training session that is designed to improve the service of a lender, guarantor, or servicer of education loans to the College, if such training contributes to the professional development of the agent or employee.
- x Favorable terms, conditions, and borrower benefits on an education loan provided to a student employed by the College if such terms, conditions, or benefits are comparable to those provided to all students of the College.
- x Entrance and exit counseling services provided to borrowers to meet the College's responsibilities for entrance and exit counseling as required by law, as long as the College's staff are in control of the counseling, (whether in person or via electronic capabilities), and such counseling does not promote the products or services of any specific lender.
- x Philanthropic contributions to the College from a lender, servicer, or guarantor of education loans that are unrelated to education loans or any contribution from any lender, guarantor, or servicer that is not made in exchange for any advantage related to education loans.
- x State education grants, scholarships, or financial aid funds administered by or on behalf of a State.

A gift to a family member of an agent or employee of the College, or to any other individual based on that individual's relationship with the agent or employee, shall be considered a gift to the agent or employee, if the gift is given with the knowledge and acquiescence of the agent or employee and the agent or employee, has reason to believe the gift was given because of the official position of the agent or employee.

3. Compensation for Services. An agent or employee who is employed in the financial aid office of the College or who otherwise has responsibilities with respect to education loans shall not accept from any lender or affiliate of any lender any fee, payment, or other financial benefit (including the opportunity to purchase stock) as compensation for any type of consulting arrangement or other contract to provide services to a lender or on behalf of a lender relating to education loans. Nothing in this paragraph shall be construed as prohibiting:

- x An agent or employee of the College who is not employed in the College's financial aid office and who does not otherwise have responsibilities with respect to education loans, from performing paid or unpaid service on a board of directors of a lender, guarantor, or servicer of education loans.
- x An agent or employee of the College who is not employed in the College's financial aid office but who has responsibility with respect to education loans as a result of a position held at the College, from performing paid or unpaid service on a board of directors of a lender, guarantor, or servicer of education loans, if the agent or employee recuses himself or herself from participating in any decision of the board regarding education loans at the College.

- x An agent or employee, or contractor of a lender, guarantor, or servicer of education loans from serving as a member of the College Board of Trustees if the trustee recuses himself or herself from participation in any decision regarding education loans at the College.

Sanctions

An employee that violates this Code of Conduct shall be disciplined in a manner consistent with applicable College policies, procedures or collective bargaining agreements. Disciplinary action may include termination of employment at the college.