

Cochise College Loan Code of Conduct

A ban on revenue-sharing arrangements with any lender. This is defined as any arrangement between a school and a lender that results in the lender paying a fee or other benefits, including a share of the profits, to the school, its officer, employees or agents, as a result of the school recommending the lender to its students or families of those students.

A ban on employees of the financial aid office receiving gifts from any lender, guaranty agency or loan servicer. This is not limited just to those providers of Title IV loans. The statutory language refers to lenders of "educational loans" thus private education loans offered to students at your institution are covered in this provision as well. The law does provide for some exceptions related to specific types of activities or literature. This includes:

- Brochures or training material related to default aversion or financial literacy.
- Food, training or informational materials as part of training as long as that training contributes to the professional development of those individuals attending the training.
- Favorable terms and benefits to the student employed by the institution as long as those same terms are provided to all students at the institution.
- Entrance and exit counseling as long as the institution's staff are in control and they do not promote the services of a specific lender.
- Philanthropic contributions from a lender, GA or servicer unrelated to education loans.
- State education, grants, scholarships, or financial aid funds administered by or on behalf of the State.

A ban on contracting arrangements whereby any employee of the school's financial aid office may not accept any fee, payment or 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.

A prohibition against steering borrowers to particular lenders, or delaying loan certifications. This includes assigning any first-time borrower's loan to a particular lender as part of their award packaging or other methods.

A prohibition on offers of funds for private loans. Schools may not request or accept such offers. This includes any offer of funds for loans to students at the institution, including funds for an opportunity pool loan, in exchange for providing concessions or promises to the lender for a specific number of loans, or inclusion on a preferred lender list.

A ban on staffing assistance from a lender. Schools may not request or accept any assistance with call center staffing or financial aid office staffing. However; the law does not prohibit schools from requesting or accepting assistance from a lender related to:

- Professional development training for financial aid administrators.
- Providing educational counseling materials, financial literacy materials, or debt management materials to borrowers, provided that such materials disclose to borrowers the identification of any lender that assisted in preparing or providing such materials.

- Staffing services on a short-term, nonrecurring basis to assist the school with financial aid-related functions during emergencies, including State-declared or federally declared natural disasters, and other localized disasters and emergencies identified by the Secretary.
- A ban on advisory board compensation. Employees of the institution may not receive anything of value from a lender, guarantor, or group in exchange for serving in this capacity. They may, however, accept reimbursement for reasonable expenses incurred while serving in this capacity.