

Viterbo University

Financial Aid Code of Conduct

Code of Conduct for Financial Aid Professionals

Viterbo University ("Viterbo") expects its financial aid professionals to maintain exemplary standards of professional conduct in all aspects of carrying out their responsibilities, including all dealings with entities involved in any manner in student financial aid, regardless of whether such entities are involved in a government sponsored, subsidized, or regulated activity. Viterbo believes there should never be any difference between "ethical" and "best" practices.

For purposes of the Code of Conduct (the "Code") set forth below, "financial aid professional" means any Viterbo University officer, employee, or agent with responsibilities with respect to educational loans offered by Viterbo University. Each of these covered individuals must abide by the Code of Conduct and Viterbo University must, on an annual basis, provide them training on the contents of the Code. If a financial aid professional violates the Code the consequences include disciplinary action up to and including termination of employment.

The ethical practice is the best practice. To that end, Viterbo's financial aid professionals shall abide by the following Rules of Conduct:

I. Do not solicit or accept gifts or anything of value from any entity involved in the making, holding, consolidating or processing of any student loans.

No financial aid professional, or member of his or her family, shall accept cash payments, stocks, club memberships, gifts, entertainment, expense-paid trips, or other forms of inappropriate remuneration from any business entity involved in any aspect of student financial aid. Further, no financial aid professional shall accept gifts or anything of value in exchange for placing a lender on Viterbo's preferred lender list or for providing some other advantage sought by a lender. For its part, Viterbo shall not engage in any revenue sharing relationship with any lender or guaranty agency and no financial aid professional shall agree to any such arrangement.

Gifts include anything of value except the following:

(1) 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;

- (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 financial aid professional's professional development;
- (3) Favorable terms, conditions, and borrower benefits on a loan to a student employed by Viterbo as long as those same terms, conditions, and benefits are available to all students;
- (4) Entrance and exit counseling services as long as Viterbo staff are in control of the counseling and the counseling does not promote specific products or services;
- (5) Philanthropic contributions to Viterbo from a lender, guarantor, or servicer that are unrelated to loans; and
- (6) State educational grants, scholarships or financial aid funds.

This prohibition is intended to avoid both actual conflicts of interest and the appearance of a conflict of interest, which arises when a financial aid professional accepts benefits from a lending institution or similar entity. The fact that the financial aid professional may have no intention to provide an advantage to the lender as a result of the benefit he or she receives, and indeed does not provide any such advantage, does not change the prohibition. The benefit received by the financial aid professional creates an appearance that he or she may not be impartial, and may not be acting solely in the best interest of the students and parents he or she serves. Such an appearance can do great harm and is prohibited.

II. Do Not enter into consulting arrangements with any entity involved in the making, holding, consolidating or processing of any student loans, or accept anything of value, including reimbursement of expenses, for serving on an advisory body of or as part of a training activity sponsored by such an entity.

Financial aid professionals are prohibited from entering into consulting arrangements or other contract for services arrangements with a lender or on behalf of a lender.

Financial aid professionals are also prohibited from accepting anything of value for serving on the advisory board for any entity involved in the making, holding, consolidating or processing of any student loans.

Financial aid professionals are further prohibited from accepting trips paid for by an entity involved in the making, holding, consolidating or processing of any student loans.

Although there is value in providing lenders with the unique expertise and perspective that only Viterbo's financial aid professionals can provide, receiving any remuneration for such service, even if only in the form of reimbursement for expenses, creates the appearance of a conflict of interest and must be strictly avoided. The same principle applies to reimbursement for lender-sponsored training activities. Professional development is a key component of being an effective financial aid professional, and attending lender-sponsored training programs can be a valuable way of obtaining the most current information. However, receiving any remuneration for such attendance from a source other than Viterbo, even in the form of reimbursement for expenses, creates the same impermissible appearance of a conflict of interest and must be avoided.

III. Do Not take any action for personal benefit.

A financial aid professional shall not take actions which, while on balance may be supportive of the financial aid professional's work, are chosen from among alternatives because they also benefit the financial aid professional. While performing one's work in an exemplary fashion should result in "personal benefit" in the form of professional advancement and recognition, this prohibition relates to actions that are contrary to the obligations a financial aid professional has to Viterbo, its students and their parents.

IV. Ensure that all information provided is accurate, unbiased, and does not reflect any preference arising from actual or potential personal gain.

When providing information, transparency is the priority at all times. Students and parents should be able to fully understand their rights, obligations, and - of paramount importance - their alternatives.

In terms of our preferred lender list, a financial aid professional is expected to demonstrate transparency, completeness, and accuracy of information by ensuring that:

- Students and their parents understand that they are not required to use any of the lenders on our list, are free to select the lender of their choice, and understand the process for selecting a lender and applying for a loan.
- Viterbo will not assign a first-time borrower's loan to any specific lender and will promptly certify any loan from any lender selected by a borrower.
- Borrowers are provided with consumer information about the loan products offered by entities on our preferred lender list. Such information must include the disclosure of

competitive interest rates, terms and conditions of federal loans; high quality loan servicing; or additional benefits beyond the standard terms and conditions for such loans.

- The process through which a student executes a Master Promissory Note preserves his or her right to select the lender of his or her choice.
- Lenders who are included on our preferred lender list disclose agreements to sell their loans to other entities.

V. Be objective and transparent in making decisions and advising Viterbo regarding relationships with any entity involved in any aspect of student financial aid.

Financial aid professionals must always be fair-handed when recommending or entering into a business relationship with any entity offering a product or service related to financial aid. A lender may not be placed on Viterbo's preferred lender list in exchange for a prohibited inducement. Placement on Viterbo's preferred lender list must not be based on benefits provided to Viterbo; an officer, employee, or financial aid professional of Viterbo; or Viterbo's students in connection with loans not covered by the list. But rather, placement on the list should be based solely on the best interests of Viterbo's students and parents who may rely on the list.

Specifically, lenders are chosen for the preferred lender list based on (a) payment of origination or other fees on behalf of the borrower; (b) highly competitive interest rates or other terms and conditions or provisions of loans; (c) high-quality servicing; and/or (d) additional benefits beyond the standard terms and conditions or provisions. See 20 U.S.C. § 487(h)(1)(C) (Sec. 493 of the HEOA). This process is fully disclosed and included on our preferred lender list.

In the same light, no lender may be included on our preferred lender list based on promises to provide benefits such as fees, revenue, profit sharing, or other material benefits to Viterbo or their officers, financial aid professionals, employees, or agents. Nor may any lender be selected or offered concessions of any type based on an offer to provide other types of funds, such as opportunity pools, to be used for private educational loans by Viterbo.

Transparency also requires that when a student or parent communicates with the Viterbo financial aid office these communications be with only Viterbo employees. No employee or agent of a lender should ever be identified, either directly or by implication, as an employee or agent of Viterbo. Further, no employee or agent of a lender should work in or provide staffing to the Viterbo financial aid office or call center, if applicable. Finally, no lender should be given permission to use the Viterbo name, emblem, mascot, logo, or anything readily identifiable as Viterbo to market its products.

VI. Disclose to Viterbo as prescribed by the conflict of interest policy any involvement with or interest in an entity involved in any aspect of student financial aid.

The goal, again, is transparency and avoiding actual conflicts of interest as well as the appearance of any conflict. All financial aid professionals are expected to strictly abide by the conflict of interest policy, particularly with regard to any activities, involvement, investment, or interest in any financial aid-related entity. Specifically, financial aid professionals shall avoid any personal investment in or financial relationships with lenders or any entity involved in the making, holding, consolidating or processing of student loans.

VII. Do Not take any action that is contrary to law, regulation, or the best interests of Viterbo students and parents.

Our financial aid professionals work in a complex legal environment. Any doubts as to whether a course of conduct is legally proper should be resolved by referring the matter to the Vice President of Finance and Administration. In addition, financial aid professionals should understand and adhere to all institutional policies applicable to their conduct and job performance, as well as to all federal statutes and regulations governing the administration of student financial aid and all applicable state and local statutes, regulations, and ordinances.

The policy was developed in accordance with DCL GEN-08-12, The Higher Education Opportunity Act of 2008.

Adopted: 5-19-09