

# Code of Conduct for Educational Loans

## THE COLLEGE'S COMMITMENT

This code of conduct reflects the College's commitment to conducting financial aid practices with integrity, in the interest of students, and in compliance with federal and state regulations. This code of conduct applies to all Palmer College of Chiropractic employees, officers, and/or agents of the College, including without limitation, individuals who are employed in the Office of Financial Planning, or who otherwise have responsibilities with respect to educational loan activities.

## SCOPE

This policy applies to any employee, officer and/or agent with Title IV loan responsibilities within the College community, which is defined as including the Davenport campus (Palmer College Foundation, d/b/a Palmer College of Chiropractic), West campus (Palmer College of Chiropractic West) and Florida campus (Palmer College Foundation, Inc., d/b/a Palmer College of Chiropractic Florida) and any other person(s), groups, or organizations affiliated with any Palmer campus.

## DEFINITIONS

- > The term **“College”** refers to Palmer College of Chiropractic, including operations on the Davenport Campus, West Campus, and Florida Campus.
- > The term **“loan”** refers to both private (non-federal) and federal funds, which eventually requires repayment, usually with interest, and may include eligibility requirements and/or demonstrated financial need.
- > The term **“educational loan activities”** are those associated with any loan made, insured, or guaranteed under federal loans or any private educational loan.
- > The term **“opportunity pool loan”** refers to an educational loan made by a private lender to a borrower with poor, or no credit history, that the College guarantees in any manner or that involves the College directly or indirectly paying points, premiums, payments, additional interest, or other financial support to the lender for the purpose of that lender extending credit to the borrower.
- > The term **“preferred lender”** refers to an arrangement or agreement between the College or an organization affiliated with the College and a lender that provides educational loans to borrowers in which the College or affiliated organization recommends, promotes, or endorses the lender's educational loan product.
- > The term **“gift”** refers to any gratuity, favor, discount, entertainment (including expenses for shows, sporting events, or alcoholic beverages), hospitality (including private parties of select

training or conference attendees), loan, or other item having monetary value of more than a de minimus amount, service(s), transportation, lodging, or meals, whether provided in kind, by purchase of a ticket, payment in advance, or reimbursement after the expense has incurred.

## EDUCATIONAL LOANS

### Federal Loans

Educational loans authorized under Title IV of the Higher Education Act (HEA) issued to student or parent borrowers as part of the William D. Ford Federal Direct Loan Program (FDLP) are the Federal Direct (subsidized and unsubsidized), PLUS, and Consolidation loans. For more information, visit [www.studentloans.gov](http://www.studentloans.gov).

### FEDERAL PERKINS LOAN PROGRAM

Perkins Loans are low-interest federal educational loans authorized under Title IV of the HEA for undergraduate and graduate students with exceptional financial need and must be repaid. Due to limited funds, not everyone who qualifies for a Perkins Loan will receive one. For more information and eligibility requirements, visit <https://studentaid.ed.gov/sa/types/loans/perkins> or contact the College's Office of Financial Planning (see "Contacts" below).

### Private Educational Loans

A private educational loan is any loan that is not made, insured, or guaranteed under Title IV of the HEA and is issued to a borrower expressly for postsecondary education expenses. Private educational loans secured by a dwelling (e.g., residential mortgage or reverse mortgage transaction), real property, or under an extension of credit under an open-end consumer credit plan (e.g., home equity line of credit, or open line of credit tied to a Certificate of Deposit) are exempted from the definition of private educational loan.

## STATE EDUCATION GRANTS, SCHOLARSHIPS, AND FINANCIAL AID FUNDS

The College may accept grants, scholarships, and other state-based financial aid funds.

## LOAN COUNSELING

The College may request and accept services from a lender, lender servicer or guarantor in conducting initial (e.g. entrance) and exit loan counseling for students provided:

- > The Office of Financial Planning is in control of the counseling (employees must review and approve content of the counseling and provide oversight concerning how the counseling is conducted; and/or
- > The lender, lender servicer or guarantor does not promote a specific lender's products or services.

Counseling materials that the College accepts from a lender, lender servicer or guarantor must disclose the identity of the entity that assisted in preparing or providing the materials, and must not be used to promote the lender's, lender servicer's or guarantor's educational loan or other products. A guarantor's materials may promote benefits provided under other federal or state programs that the guarantor administers.

## BAN ON ACTIONS THAT LIMIT A BORROWER'S CHOICE OF LENDING INSTITUTION

The College shall not assign through award packaging or other methods, the borrower's private loan to a particular lender, lender servicer, or guarantor, or refuse to certify, or delay certification, of any loan based on the borrower's selection of a lender, lender servicer, or guarantor.

## Consulting and Contractual Agreements

The College prohibits any employee of the Office of Financial Planning, or who otherwise has direct responsibilities with respect to education loans, to accept from any lender, lender servicer, guarantor, or its affiliate any fee, payment, or other financial benefit as compensation for any type of consulting arrangement or other contract to provide services to or on behalf of the lender, lender servicer, guarantor, or its affiliate. A prohibited financial benefit includes the opportunity to purchase stock on other than free market terms.

The College does not have a contractual arrangement with a lender, lender servicer, or guarantor to provide services that are related to student aid, or to provide services in exchange for securing loan applications or otherwise limiting a borrower's choice of lender. An organization that is affiliated with the College will not enter into a contractual arrangement with any lender to provide services that are related to student loans, or to provide services in exchange for securing loan applications or otherwise limiting a borrower's choice of lender.

Any employee of the College who is not employed in the Office of Financial Planning and who has no direct responsibilities with respect to education loans may accept compensation from a lender, lender service, or guarantor for a consulting arrangement or other contract to provide services to, or on behalf of, a lender, lender servicer or guarantor.

The College may enter into a contractual arrangement with a lender, lender service, or guarantor to provide services only if those services are unrelated to any type of student aid, and are not undertaken to

secure loan applications or limit a borrower's choice of lending institution. An organization affiliated with the College may enter into a contractual arrangement with a lender to provide services only if those services are unrelated to student loans.

## Preferred Lending

The College does not have preferred lender arrangements or a preferred lender list. A preferred lender arrangement does not include Federal Direct loans, Federal Perkins loans, or Federal PLUS loans.

The identity of any private lender with whom the College has a preferred lender arrangement will be displayed on all information and documentation related to the lender's loans.

## Preferred Lending Alternatives

The College is not required to maintain a preferred lender list for private loans, and may provide no information to educational loan borrowers about lenders. Other acceptable alternatives to a preferred lender list appear below.

The College's Office of Financial Planning may employ the following alternatives to a preferred lender list. These alternatives are not considered a preferred lender list or preferred lending arrangement:

- > If the College is unable to identify at least three unaffiliated lenders that will make loans to students or parents sufficient to meet the requirements of a preferred lender list, the names of all of the lenders that have indicated that they would provide loans to Palmer students and/or their family members may be provided. In providing this information, the College will make it clear that there is no endorsement of the lending institution and also a clear statement that the borrower may choose to use any lender, lender service, or guarantor that will make loans to the borrower for attendance at Palmer College of Chiropractic.
- > The College may provide a comprehensive list of lenders that have made loans to Palmer students or parents in the past three to five years (or some other period) and that have indicated that they would continue to make loans to Palmer students. The College will not provide any additional information about the lender, lender service, or guarantor, including, for example, the percentage of loans made to Palmer students by a particular lending institution. The College will make it clear that there is no endorsement of the lending institution(s), and provide a clear statement that the borrower can choose to use any lender, lender service, or guarantor that will make loans to the borrower for attendance at Palmer College of Chiropractic.

## BAN ON OPPORTUNITY LOANS

The College shall not arrange with a lender, lender servicer, or guarantor to provide funds for private educational loans, including funds for an opportunity pool loan, to students in exchange for the institution providing concessions or promises to a lender, lender servicer, or guarantor. The College also may not accept or solicit any funds to be used for private education loans or opportunity pool loans in exchange for providing a lender, lender servicer, or guarantor with a specified loan volume or a preferred lender arrangement.

## BUNDLING OF PRIVATE LOANS

The College's Office of Financial Planning will not bundle (e.g. package) a private educational loan in a student's financial aid award, except under the following conditions:

- > The borrower is ineligible for additional funding;
- > The borrower has exhausted the limits of his or her eligibility for Title IV loans;
- > The borrower has not completed a Free Application for Federal Student Aid (FASFA); and/or
- > The borrower does not desire, or refuses to apply for, a Title IV loan (including a parent PLUS loan).

The bundling of a private educational loan will be clearly and conspicuously disclosed to the borrower, in a manner that is distinguished from loans made under Title IV of the HEA, prior to the borrower's acceptance of the financial aid package.

## PROHIBITION ON REVENUE SHARING WITH LENDING INSTITUTIONS AND ON SOLICITATION OR ACCEPTANCE OF REMUNERATION OR ASSISTANCE FROM A LENDING INSTITUTION

### Revenue Sharing

The College prohibits any revenue-sharing or contracting arrangement with any lending institution or affiliate of a lender. Revenue Sharing or contracting is any arrangement by which a lender pays the College a percentage of the principal loan taken by a borrower or otherwise compensates the College as a result of a borrower taking a loan.

The College may not accept or solicit anything of value from any lending institution related to its educational loan activity. This prohibition shall include, but not be limited to:

- > Revenue sharing by a lending institution with the institution;

- > The institution's receipt from any lending institution of any computer hardware for which the College pays below-market prices; and
- > Printing costs or services.

Staffing Assistance The College may not accept or solicit staffing assistance from a lending institution including, but not limited to, call center staffing or financial aid office staffing. The College shall ensure that it does not identify any employee or other agent of a lending institution to students or prospective students of the College, or their parents as an employee, officer, or agent of the College. The College may permit a lender's employee or agent to staff the Office of Financial Planning on a short-term, non-recurring, emergency basis. For this purpose, "emergency" is defined as:

- > A State-designated natural disaster;
- > A Federally-declared natural disaster;
- > A Federally-declared natural disaster (identified by the Federal Emergency Management Agency on its website at [www.fema.gov](http://www.fema.gov)); or
- > Another localized disaster or emergency approved by the U.S. Department of Education (USDE) Student Aid Related Programs.

The College may request and accept from any lender, lender service, or guarantor standard materials, activities, and programs including workshops and training, that are designed to improve the lender, lender service, or guarantor's service or contribute to the professional development of the College's Office of Financial Planning staff, on student aid outreach, financial literacy, debt management, default prevention, and educational counseling. The lender, lender service, or guarantor that provides any materials to the College must disclose its identity in the materials that it assists in preparing, or providing, and said materials must promote its student loan or other products. A guarantor may promote benefits provided under other Federal or State programs the guarantor administers.

The College may also accept services that a guarantor must perform to meet its obligations to administer other Federal and State education programs, provided the guarantor does not use its role in these programs to secure loan applications or volume.

## Publications

The College prohibits any private educational loan lender, lender service, or guarantor to prepare any Palmer materials related to educational loans. The College prohibits a private lender, lender service, or guarantor to print and/or distribute Palmer's course catalog and other non-counseling or non-student financial aid-related materials at reduced or no cost. The College prohibits a private lender, lender service, or guarantor to use Palmer's name, emblem, logo, pictures or symbols readily identified with Palmer

College of Chiropractic in the marketing of private educational loans to Palmer students or parents in a way that implies that the College endorses the lender's private educational loans.

## MISLEADING IDENTIFICATION OF EMPLOYEES

The College prohibits a lender, lender service, guarantor, or its agents or employees, to be identified as an employee, representative, or agent of Palmer College of Chiropractic.

## PAYMENT OF EDUCATIONAL LOAN COSTS

If the College or its employees, agents, contractors, or other entity or individual affiliated with the College makes a payment to prevent default on a Federal Direct loan, or a Consolidation loan that repaid a Federal Direct loan, during the period for which the College's cohort default rate is calculated, that loan is considered to be in default and counts against the College's cohort default rate notwithstanding payment.

## EMPLOYEE RESTRICTIONS

### Prohibition on Stock Ownership in Lending Institutions by Financial Aid Employees

A person employed in the College's Office of Financial Planning may not own stock or hold any other financial interest in a lending institution, other than through ownership or shares in a publicly traded mutual fund or similar investment vehicle in which the person does not exercise any discretion regarding the investment of the assets of the investment vehicle.

### Limitations on Employees Participating on Lender Advisory Councils

A person employed in the College's Office of Financial Planning may not serve on or otherwise participate in an advisory council established by a lender or its affiliate, lender servicer or a group of lenders.

A person employed by the College, but not in the Office of Financial Planning may not receive any remuneration for serving as a member or participant of an official, standing advisory council for a guarantor, or group guarantors, except that the employee may be reimbursed for reasonable expenses incurred in that service.

### Limitations on Employees Participating on Boards of Directors

The College prohibits employees of the Office of Financial Planning from serving on or otherwise participating in a lender's, lender servicer's or guarantor's board of directors.

An employee of the College who is not employed in the Office of Financial Planning, but who has responsibility with respect to educational loans, must not serve on or otherwise participate in a lender's, lender servicer's, or guarantor's board of directors.

An employee of the College who is not employed in the Office of Financial Planning and who has no responsibility with respect to educational loans, may serve unrestricted and with compensation on the board of directors of a lender, lender service or guarantor.

## GIFTS AND CONTRIBUTIONS

The College prohibits all employees, agents, and/or officers of the College's Office of Financial Planning from accepting or soliciting any gift from a lender, lender servicer, or guarantor (see the meaning of "gift" under "Definitions").

The College or any College employee may accept items of minimal value from a private educational loan lender, lender servicer, or guarantor that are offered as a form of generalized marketing or advertising (e.g. pens, sticky notes, individual office supply items), or items that are also offered to the general public. A gift to a family member of the College's officer, employee, or agent, or a gift to an individual based on that individual's relationship with an officer, employee, or agent of the College is not allowed if either of the following applies:

- > The gift is given with the knowledge and acquiescence of the College's employee, agent, and/or officer; or
- > The employee, agent, and/or officer has reason to believe the gift was given because of that person's official position within the College.

## Philanthropic Contributions

The College may not accept philanthropic contributions from a lender, lender service, or guarantor of FDLP Program loans or private educational loans that are related to FDLP Program loans or private educational loans or any contribution from any lender, lender service, or guarantor, that is made in exchange for any advantage related to FDLP Program loans or private educational loans.

## TECHNOLOGY

The College and its employees may not accept computer hardware or computer software that is unrelated to education loan processing or financial aid from a lender, lender servicer or guarantor. The College and its employees may not accept free data transmission services from any lender, lender servicer or guarantor that is unrelated to electronic loan processing, or for federal student loans, student status confirmation data.



The College may accept, free of charge, financial aid related software, loan processing data transmission services and a toll-free telephone number to obtain information about educational loans from a lender, lender servicer or guarantor. The College may also accept free student status confirmation data processing services for federal student loans from a lender, lender servicer or guarantor.

## OTHER REQUIREMENTS

The College and its affiliated organizations may accept other benefits and services that are specifically identified in a separate, public notice issued by a state Attorney General or the U.S. Department of Education (USDE).

This Code of Conduct will be published prominently on the College's Website.

At least annually, the College's Office of Financial Planning and any other officers, employees or agents who have responsibilities for educational loans will be informed of the provisions of this Code of Conduct.

# Additional Information

## ASSOCIATED POLICIES, PROCESSES AND/OR PROCEDURES

This policy is supplemented below. It is the responsibility of all employees and students to know and comply with policies and procedures as supplemented.

### POLICIES

> N/A

### PROCESSES AND/OR PROCEDURES

> N/A

### FORMS/INSTRUCTIONS

> N/A

## CONTACTS

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## HISTORY

Adopted: ..... August 22, 2016

Effective: ..... August 22, 2016

Responsible Officer: ..... Kevin Cunningham, DC, PhD  
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