UNIVERSITY OF TEXAS OF THE PERMIAN BASIN
CODE OF CONDUCT FOR FINANCIAL AID PROFESSIONALS

In order to prevent any conflicts of interest in the administration of programs for educational loans, including Federal Student Assistance such as the Federal Family Education Loan (FFEL) Program and private educational loans, the University of Texas of the Permian Basin (UT Permian Basin) has adopted a Code of Conduct for Financial Aid Professionals. The Code of Conduct specifically applies to:

- All officers or employees of the University of Texas Permian Basin who are employed in the Office of Financial Aid;
- All officers or employees of the University of Texas Permian Basin who otherwise have responsibilities with respect to educational loans; and
- All agents of the University of Texas of Permian Basin who have responsibilities with respect to educational loans.

Individuals identified above who are subject to this Code of Conduct (hereinafter "officers, employees and agents"), must conduct themselves as follows.

1. **No Gifts**. No officer, employee or agent shall solicit or accept any gift from a lender, guarantor or servicer of educational loans.

    a. "Gifts" include:

        i. Any gratuity, favor, discount, entertainment, hospitality, loan or other item having any monetary value.

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

        iii. Any gifts to family members or any other individual based on the individual's relationship with the officer, employee or agent if: (i) the gift was given with the knowledge and acquiescence of the officer, employee or agent and (ii) the officer, employee or agent had reason to believe that the gift was given because of their official position.

    b. "Gifts" do not include:

        i. Standard material, activities, or programs related to a loan, default aversion, default prevention, or financial literacy, such as a brochure, a workshop, or training.

        ii. Food, refreshments, training, or informational material furnished to an officer, employee or agent, 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 UT Permian Basin, if such training contributes to the professional development of the officer, employee, or agent.

iii. Favorable terms, conditions, and borrower benefits on an education loan provided to a student employed by UT Permian Basin if such terms, conditions, or benefits are comparable to those provided to all students of UT Permian Basin.

iv. Entrance and exit counseling services provided to borrowers to meet UT Permian Basin's responsibilities for entrance and exit counseling as long as UT Permian Basin's staff is in control of the counseling and specific lender's products and services are not promoted.

v. Philanthropic contributions to UT Permian Basin 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.

vi. State education grants, scholarships, or financial aid funds administered by or on behalf of a state.

2. **Stock Ownership**. No officer, employee, or agent may own stock or hold another ownership interest in a student loan lender, other than through ownership of 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 fund or other investment vehicle. For the purposes of this section, a "student loan lender" means a person whose primary business is: (a) making, brokering, arranging, or accepting applications for student loans; or (b) a combination of activities described in subsection (a).

3. **No Contracting Agreements**. No officer, employee or agent shall 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. This provision does not prohibit:

   a. an officer or employee who is not employed by the UT Permian Basin Office of Financial Aid & Scholarships and who does not otherwise have responsibility with respect to educational loans or an agent who does not have responsibility with respect to educational loans from performing paid or unpaid service on a board of a lender, guarantor or servicer of education loans as may be consistent with other UT Permian Basin policy.

   b. an officer or employee who is not employed by the UT Permian Basin Office of Financial Aid & Scholarships but who has responsibility with respect to educational loans as a result of a position held at the institution, or an agent who has responsibility with respect to educational loans, from performing paid or unpaid service on a board of directors of a lender, guarantor, or servicer of

education loans, in accordance with UT Permian Basin ethics and dual employment policies.

c. an officer, employee, or contractor of a lender, guarantor, or servicer of education loans from serving on the Board of Regents consistent with Regents Rules relating to Board Ethics and Standards of Conduct.

4. **No Advisory Board Compensation**. No officer, employee or agent who serves on an advisory board, commission or group established by a lender, guarantor or group of lenders or guarantors shall receive anything of value from the lender, guarantor or group of guarantors other than the reimbursement of reasonable expenses incurred in service to such an advisory board, commission or group.

In addition to Code of Conduct requirements for officers, employees and agents, the University of Texas of the Permian Basin confirms that the institution will not engage in the following:

1. **Revenue-Sharing Agreements**. UT Permian Basin shall not enter into any revenue-sharing arrangement with any lender. In this section "revenue-sharing agreement" means an arrangement between UT Permian Basin and a lender under which a lender provides or issues an educational loan to students attending UT Permian Basin or to their families, and UT Permian Basin recommends the lender or the lender's loan products in exchange for the lender paying a fee or providing other material benefits, including revenue or profit sharing, to UT Permian Basin or an officer, employee, or agent of the institution.

2. **Interaction with Borrowers**. For any first-time borrower, UT Permian Basin shall not assign, through award packaging or other methods, the borrower's loan to a particular lender or refuse to certify or delay certification of, any loan based on the borrower's selection of a particular lender or guaranty agency.

3. **Offers of Funds for Private Loans**. UT Permian Basin shall not request or accept from any lender any offer of funds to be used for private education loans, including funds for an opportunity pool loan, to students in exchange for UT Permian Basin providing concessions or promises regarding providing the lender with:

   a. a specified number of loans made, insured or guaranteed; or,

   b. a specified loan volume; or,

   c. a preferred lender arrangement.

   For the purposes of this section an "opportunity pool loan" means a private educational loan made by a lender to a student attending UT Permian Basin or to a student's family member that involves a payment, directly or indirectly, by UT Permian Basin of points, premiums, additional interest, or financial support to the lender for the purpose of the lender extending credit to the student or family member.

4. **Staffing Assistance**. UT Permian Basin shall not request or accept from any lender any assistance with call center staff or financial aid office staffing except in regard to:

    a. professional development training for financial aid administrators;

    b. providing educational counseling materials, financial literacy materials, or debt management materials to borrowers, provided that the materials disclose to borrowers the identification of any lender that assisted in preparing or providing such materials; or

    c. staffing services on a short-term non-recurring basis to assist the institution with financial aid related functions during emergencies.

This Code of Conduct for Financial Aid Professionals will be administered and enforced by the Office of Financial Aid & Scholarships, including annual notice to all employees, officers and agents about the provisions of the Code of Conduct.