

## **NASFAA - Statement of Ethical Principles**

NASFAA's *Statement of Ethical Principles* provides that the primary goal of the institutional financial aid professional is to help students achieve their educational potential by providing appropriate financial resources. To this end, this *Statement* provides that the financial aid professional shall:

- Be committed to removing financial barriers for those who wish to pursue postsecondary learning.
- Make every effort to assist students with financial need.
- Be aware of the issues affecting students and advocate their interests at the institutional, state, and federal levels.
- Support efforts to encourage students, as early as the elementary grades, to aspire to and plan for education beyond high school.
- Educate students and families through quality consumer information.
- Respect the dignity and protect the privacy of students, and ensure the confidentiality of student records and personal circumstances.
- Ensure equity by applying all need analysis formulas consistently across the institution's full population of student financial aid applicants.
- Provide services that do not discriminate on the basis of race, gender, ethnicity, sexual orientation, religion, disability, age, or economic status.
- Recognize the need for professional development and continuing education opportunities.
- Promote the free expression of ideas and opinions, and foster respect for diverse viewpoints within the profession.
- Commit to the highest level of ethical behavior and refrain from conflict of interest or the perception thereof.
- Maintain the highest level of professionalism, reflecting a commitment to the goals of the National Association of Student Financial Aid Administrators.

## **NASFAA - Code of Conduct for Institutional Financial Aid Professionals**

An institutional financial aid professional is expected to always maintain exemplary standards of professional conduct in all aspects of carrying out his or her responsibilities, specifically including all dealings with any entities involved in any manner in student financial aid, regardless of whether such entities are involved in a government sponsored, subsidized, or regulated activity. In doing so, a financial aid professional should:

- Refrain from taking any action for his or her personal benefit.

- Refrain from taking any action he or she believes is contrary to law, regulation, or the best interests of the students and parents he or she serves.
- Ensure that the information he or she provides is accurate, unbiased, and does not reflect any preference arising from actual or potential personal gain.
- Be objective in making decisions and advising his or her institution regarding relationships with any entity involved in any aspect of student financial aid.
- Refrain from soliciting or accepting anything of other than nominal value from any entity (other than an institution of higher education or a governmental entity such as the U.S. Department of Education) involved in the making, holding, consolidating or processing of any student loans, including anything of value (including reimbursement of expenses) for serving on an advisory body or as part of a training activity of or sponsored by any such entity.
- Disclose to his or her institution, in such manner as his or her institution may prescribe, any involvement with or interest in any entity involved in any aspect of student financial aid.

Recently, the Higher Education Opportunity Act of 2008 legislated requirements which prohibits a conflict of interest with the responsibilities of an officer, employee, or agent of the school regarding Title IV loans.

The term “employees” refers to any of the school’s officers, employees and agents who are employed in the Financial Aid Office or who have responsibilities with respect to student loans or who have responsibilities with respect to student loans related to Title IV education loans or private loans for educational purposes.

The Code of Conduct establishes that:

Employees shall not enter into any revenue-sharing arrangement with any lender where the lender provides or issues a Title IV loan to the student or student’s family in exchange for the school recommending the lender or the lender’s loan products in exchange for a fee or material benefit including profit or revenue sharing that benefits the school or a school’s employee or agent.

Employees shall not solicit or accept any gift in the form of a gratuity, favor, discount, entertainment, hospitality, loan, service, transportation, lodging, meals, reimbursement, or other item having a monetary value of more than a nominal amount from a lender, guarantor, or servicer.

Employees must not accept any fee, payment, or other financial benefit (including the opportunity to purchase stock) from a lender as compensation for

any type of consulting arrangement or other contract to provide services to a lender or on behalf of a lender.

The school shall not request or accept funds from any lender for private education loans including funds for an opportunity pool loan to its students in exchange for the school providing promises of a specified loan number or volume or a preferred lender arrangement for educational loans.

Employees shall not assign, through award packaging or other methods, a first-time borrower's loan to a particular lender or refuse or delay processing of a loan based on the borrower's selection of a lender or guarantor.

Employees shall not accept or request any assistance with call center or financial aid office staffing from any lender except as allowed by law.

Employees who serve on an advisory board, commission, or group established by a lender, guarantor, or group of lenders or guarantors, shall be prohibited from receiving anything of value from the lender, guarantor, group of lenders or guarantors. However, the employee may be reimbursed for reasonable expenses incurred in serving on the advisory board, commission, or group.