Pennsylvania Institute of Technology

Student Loan Code of Conduct

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President

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Applicable Department(s)
Primary/Owner: EX
Secondary: ALL

Pennsylvania Institute of Technology Student Loan Code of Conduct

This Student Loan Code of Conduct complies with the requirements of the Higher Education Opportunity Act (HEOA) of 2008. The HEOA requires all colleges participating in the Title IV Loan Programs to develop, publish, and administer specific bans and prohibitions on certain conduct related to student lending. The Student Loan Code of Conduct is meant to ensure that students and families receive sound and impartial advice from the Financial Aid Office and all offices at the Pennsylvania Institute of Technology as they relate to education loans.

Accordingly, the following policies are in effect for all officers, faculty, employees and agents of the Pennsylvania Institute of Technology.

1. All revenue-sharing arrangements with any lender are prohibited. The HEOA defines “revenue-sharing arrangement” as any arrangement between a college and a lender that results in the lender paying a fee or other benefits, including a share of profits, to the school, its officers, faculty, employees or agents, as a result of the school recommending the lender to its students or families of those students.

2. Employees and faculty of the Pennsylvania Institute of Technology are prohibited from receiving gifts of more than nominal value from a lender, guaranty agency, or loan servicer. This prohibition applies to lenders of both federal and alternative loans. A “gift” is defined by the HEOA as any gratuity, favor, discount, entertainment, hospitality, loan, or other item having monetary value of more than a nominal amount. The HEOA, however, does provide for some exceptions related to specific activities or literature. This includes:

   a. Brochures, workshops, or training using standard materials relating to a loan, default aversion, or financial literacy
   b. Food, training, or informational materials, offered as part of a training session provided the training contributes to the professional development of the college’s officer, faculty member, employee, or agent
   c. Favorable terms and benefits on an education loan provided to a student employed by the college if those terms and benefits are comparable to those provided to all students at the college
   d. Entrance and exit counseling as long as the college’s staff are in control of the counseling and the counseling does not promote the services of a specific lender
   e. Philanthropic contributions from a lender, guarantor, or servicer, that are unrelated to education loans
   f. State education grants, scholarships, or financial aid funds administered by or on behalf of the State
3. No officer, faculty member, or employee of the Pennsylvania Institute of Technology Financial Aid Office (or employee, faculty member, or agent who otherwise has responsibilities with respect to education loans) may accept from a lender, or an affiliate of any lender, any fee, payment, or other 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.

4. For any first-time borrower the Pennsylvania Institute of Technology will not assign, through award packaging or other methods, the student’s loan to a particular lender. The College does not maintain a list of recommend lenders. The College supports all students’ rights to utilize the lender of their choice and we will not refuse to certify, or delay the certification, of any loan based on a student’s selection of a particular lender or guaranty agency.

5. The Pennsylvania Institute of Technology will not accept from any lender any offer of funds for private education loans, including funds for an opportunity pool loan, to students in exchange for providing concessions or promises to the lender for a specific number of loans, or inclusion on a preferred lender list. An “opportunity pool loan” is a private education loan made by a lender to a student (or the student’s family) that involves a payment by the college to the lender for extending credit to the student.

6. The Pennsylvania Institute of Technology will not request or accept from any lender any assistance with either a call center or financial aid office staffing. The HEOA, however, does not prohibit colleges from requesting or accepting assistance from a lender related to:

   a. Professional development training for financial aid administrators
   b. Educational counseling materials, financial literacy materials, or debt management materials to borrowers, as long as the materials identify the lender that provided or prepared the materials
   c. Staffing services on a short-term, nonrecurring basis to assist a school with financial aid related functions during emergencies. These emergencies include State-declared or federally declared natural disasters, and other localized disasters and emergencies identified by the U.S. Secretary of Education.

7. An employee of the Financial Aid Office (or an employee or faculty member who otherwise has responsibilities with respect to education loans or financial aid) who serves on an advisory board, commission, or group established by a lender or guarantor is prohibited from receiving anything of value from the lender, guarantor, or group in exchange for serving in this capacity except that the employee or faculty member may accept reimbursement for reasonable expenses incurred while serving in this capacity.