

Student Loan Code of Conduct

Kentucky Wesleyan College supports and complies with the Higher Education Opportunity Act's (HEOA) provisions regarding the Code of Conduct required to be adopted and enforced by institutions participating in the Title IV loan program. All Kentucky Wesleyan College employees with responsibilities for the administration of student educational loans are informed annually of the provisions of the Student Loan Code of Conduct.

Student Loan Code of Conduct Purpose

Kentucky Wesleyan College recognizes that ensuring the integrity of the student financial aid process is critical to providing fair and affordable access to higher education. Therefore, KWC has developed the following guidelines to avoid any potential for a conflict of interest between KWC, and its students or their parents, in the student financial aid process. For purposes of this Code of Conduct, a "Lending Institution" is any entity (other than an institution of higher education or a governmental entity such as the U.S. or Kentucky Department of Education) involved in the making, holding, consolidating or processing of any student loans.

Policy

- KWC employees shall not receive personal benefit.** No employee or officer of KWC shall accept or solicit anything of more than nominal value on his or her behalf or on behalf of another person or entity from any Lending Institution. Specifically, no employee or officer of Kentucky Wesleyan College shall accept or solicit, from any Lending Institution: (i) payment for entertainment expenses or any lodging, rental, transportation or other gratuities related to lender-sponsored activities; (ii) payments for registration, transportation or lodging at lender-sponsored conferences and trainings; and (iii) solicitations or invitations to serve on lender advisory boards and/or payments related to such service. Additionally, Kentucky Wesleyan College employees and officers shall not accept or solicit, from any student loan guarantee agency: (i) payments for entertainment expenses or any lodging, rental transportation or other gratuities related to activities sponsored by the guarantee agency.
- KWC employees shall not serve on lender advisory board for compensation.** No officer or employee of KWC who makes financial aid decisions for KWC or who is employed in, supervises or otherwise has responsibility or authority over KWC's financial aid office shall receive any remuneration for consulting services and/or serving as a member or participant of a student loan advisory board of a Lending Institution or any reimbursement of expenses for such service. Any officer or employee of KWC who serves as a member or participant of a Lending Institutions board shall recuse himself or herself from any board discussions regarding KWC's financial aid operations.
- KWC shall not provide any advantage to a Lending Institution.** KWC shall not accept anything of value from any Lending Institution in exchange for any advantage or consideration provided to the Lending Institution related to its student loan activities, including but not limited to revenue-sharing, printing costs or below-cost computer hardware or software.¹ Likewise, KWC shall not allow any Lending Institution to: (a) staff KWC's financial aid office at any time; or (b) communicate with KWC's students or their parents in such a manner as to create the impression that the Lending Institution is an employee or agent of KWC in connection with KWC's student financial aid operations, including through the use of mascots, logos, and other marks. Finally, KWC shall not enter into any agreement with a Lending Institution to provide alternative (i.e., private, non-federal or

"opportunity") student loan programs if the provision of such alternative loan programs prejudices other students or parents, or if the acceptance of such funds by KWC is conditioned on KWC providing concessions to the Lending Institution.

4. **KWC shall make appropriate use of any Preferred Lender Lists.** If KWC decides to promulgate a list or lists of preferred or recommended lenders for student loans or similar ranking or designation ("Preferred Lender List"), the selection of Lending Institutions for inclusion on the Preferred Lender List shall be based on the best interests of KWC's students and their parents without regard to the financial interests of KWC. In addition, any Preferred Lender List shall clearly indicate:

- That KWC shall not steer borrowers to particular lenders. Nor shall it refuse to certify, or delay the certification, of any loan based on the borrower's selection of a particular lender or guaranty agency. Students and their parents are free to select the Lending Institution of their choice and will suffer no penalty imposed by KWC for using a Lending Institution that is not a "preferred lender. Further, for any first-time borrower, KWC shall not assign, through the award packaging or other methods, the borrower's loan to a particular lender;
- That students and their parents are not required to use any of the "preferred lenders";
- Where to find information on their Lending Institutions for student loans;
- That KWC will promptly certify any loan from any Lending Institution selected by a borrower, in accordance with U.S. Department of Education Regulations;
- The process KWC utilized to select "preferred lenders," including but not limited to the criteria used and the relative importance of such criteria.

Kentucky Wesleyan College shall review any Preferred Lender List on an annual basis to determine that the information appearing on the list is accurate and that any website links are still available.