

## **Introduction**

In April 1999, the Board of Directors of the National Association of Student Financial Aid Administrators (NASFAA) adopted the following 12 point *Statement of Ethical Principles* that has served as a common foundation for accepted standards of conduct for financial aid professionals. As financial aid administrators, we embrace the responsibility of ensuring ethical behavior through established standards and guidance, as put forth in the following *Statement* and Code of Conduct.

## **NASFAA's Statement of Ethical Principles**

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.

## **Washington State University Financial Aid Code of Conduct**

The Higher Education Opportunity Act (HEOA) requires educational institutions to develop and comply with a code of conduct that prohibits conflicts of interest for financial aid personnel [HEOA § 487(a)(25)]. Any Washington State University officer, employee, or agent who has responsibilities with respect to student educational loans must comply with this code of conduct. The following provisions bring Washington State University into compliance with the federal law [HEOA § 487(e)].

These principles apply throughout the administration of the programs for which the financial aid professional is responsible. There should never be any difference between “ethical” and “best” practices. The ethical practice is *always* the best practice. As an organization, Washington State University unequivocally supports the principles and practices described in this Code of Conduct. When a practice or policy arises that appears in conflict with these principles, it is the obligation of the financial aid professional to bring this to the attention of those responsible within his or her institution, and to seek a timely resolution consistent with these principles.

The obligations in this Code of Conduct are *in addition to* any requirements imposed by state ethics laws, federal laws, or Washington State University policies, *i.e.*, the stricter standard of ethical behavior will apply in all instances. Violations of this Code of Conduct may result in disciplinary action, including termination of employment.

1. Neither Washington State University as an institution nor any individual officer, employee or agent shall enter into any revenue-sharing arrangements with any lender.
  - Revenue-sharing arrangement includes circumstances where an institution recommends a lender or the loan products of a lender who provides or issues a loan in exchange for a fee or provision of material benefits, including revenue or profit sharing, to the institution, or employee or agent of the institution.
2. No officer or employee of Washington State University who is employed in the financial aid office or who otherwise has responsibilities with respect to education loans, or agent who has responsibilities with respect to education loans, or any of their family members, shall solicit or accept any gift from a lender, guarantor, or servicer of education loans.
  - For purposes of this prohibition, the term "gift" means any gratuity, favor, discount, entertainment, hospitality, loan, or other item having a monetary value of more than a de minimus amount. (The term includes a gift of services, transportation, lodging, or meals, whether provided in kind, by purchase of a ticket, payment in advance, or reimbursement after the expense has been incurred.)
3. An officer or employee of Washington State University who is employed in the financial aid office or who otherwise has responsibilities with respect to education loans, or an agent who has responsibilities with respect to education loans, shall not 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.
4. Washington State University shall not:

- a.) for any first-time borrower, assign, through award packaging or other methods, the borrower's loan to a particular lender; or
- b.) refuse to certify, or delay certification of, any loan based on the borrower's selection of a particular lender or guaranty agency.

5. Washington State University 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 the institution providing concessions or promises regarding providing the lender with:

- a.) a specified number of loans made, insured, or guaranteed under Title IV;
- b.) a specified loan volume of such loans; or
- c.) a preferred lender arrangement for such loans.

- "Opportunity pool loan" means a private education loan made by a lender to a student attending the institution or the family member of such a student that involves a payment, directly or indirectly, by such institution of points, premiums, additional interest, or financial support to such lender for the purpose of such lender extending credit to the student or the family. (20 U.S.C.A. § 1094(e)(5)(B)).

6. Washington State University shall not request or accept from any lender any assistance with call center staffing or financial aid office staffing.

7. Any Washington State University employee who is employed in the financial aid office, or who otherwise has responsibilities with respect to education loans or other student financial aid, and who serves 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, or group of lenders or guarantors, except that the employee may be reimbursed for reasonable expenses incurred in serving on such advisory board, commission, or group.

- Any and all reimbursement received for any service on advisory boards, commissions or other groups by lenders, servicers or guarantors must be reported annually to the Department of Education by Washington State University.