

## Code of conduct

If a school participates in an FSA loan program, it must publish and enforce a code of conduct that includes bans on the following:

- ♦ revenue-sharing arrangements with any lender,
- ♦ steering borrowers to particular lenders or delaying loan certifications, and
- ♦ offers of funds for private loans to students in exchange for providing concessions or promises to the lender for a specific number of FSA loans, a specified loan volume, or a preferred lender arrangement.

The code of conduct applies to the officers, employees, and agents of the school and must also prohibit employees of the financial aid office from receiving gifts from a lender, guaranty agency, or loan servicer.

The code must also prohibit financial aid office staff (or other employees or agents with responsibilities with respect to education loans) from accepting compensation for

- ♦ any type of consulting arrangement or contract to provide services to or on behalf of a lender relating to education loans; and
- ♦ service on an advisory board, commission, or group established by lenders or guarantors, except for reimbursement for reasonable expenses.

## Compensation for serving on an advisory board

A person employed in a financial aid office who serves on an advisory board established by a lender or group of lenders cannot receive anything of value from the lender but can receive reimbursement for reasonable expenses associated with participation. A school must report annually to ED any such reasonable expenses paid or provided to any employee who is employed in the financial aid office or who otherwise has responsibilities with respect to education loans or other financial aid of the institution.

The report must include the following:

- ♦ the amount of each specific instance of reasonable expenses paid or provided;
- ♦ the name of the financial aid official, other employee, or agent to whom the expenses were paid or provided;
- ♦ the dates of the activity for which the expenses were paid or provided; and
- ♦ a brief description of the activity for which the expenses were paid or provided.

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### Advisory board compensation

HEOA Section 1011

Section 140 of the Truth in Lending Act  
Disclosures of Reimbursements for Service  
on Advisory Boards

HEOA section 1011 HEA section 485(m)