

# **Spartanburg Community College (SCC)**

## **Student Loan Code of Conduct**

### **Background**

The College administers this Federal Student Aid Code of Conduct (Code) in compliance with the College's Program Participation Agreement (PPA) with the U.S. Department of Education and with Title IV of the Higher Education Act. The Code places restrictions and duties upon both the business practices of the College and the personal conduct of individuals. Primarily, the Code is administered by the Vice-President of Student Affairs.

### **Definitions**

**"SCC"** – all campuses, sites, departments or other components of Spartanburg Community College.

**"Employee"** – any College employee or agent who has responsibility with respect to student loans, including the President, the Executive Vice-President, the Vice-President of Academic Affairs and the Vice-President of Student Affairs. "Employee" also includes the following officials and any personnel who report to any such officials, directly or indirectly, who have responsibility with respect to student loans:

- Executive Director of the Tyger River Campus
- Executive Director of the Cherokee County Campus
- Director of Financial Aid and Veteran Affairs
- Director of Finance

For the purposes of the Code provisions relating to gifts, "employee" includes family members of the employee living in the same house.

**"Lender"** – any entity involved in making, holding, consolidating, processing, originating, servicing or guaranteeing any loan to students or parents to finance higher education expenses. "Lender" includes those lenders who provide private educational loans as well as lenders who provide loans that are made, insured or guaranteed by the U.S. Department of Education.

### **Policy**

The Vice-President of Student Affairs shall ensure that this Code becomes and remains posted on the financial aid office's website and that this Code is distributed, at least annually, to the officials identified by title in the above definition of "Employee". All such officials shall further distribute the Code to their direct and indirect reports who have responsibility with respect to student loans.

Each employee shall comply with this Code, including the seven prohibitions enumerated below. Confirmed violations of this Code will result in appropriate disciplinary action up to and including termination from employment or other relationships with the College. In some circumstances, civil and criminal charges and penalties may apply.

**1. Prohibition against revenue-sharing arrangements**

The College shall not make any contract with a lender, under which:

- The lender provides federal student aid to students and,
- The College recommends the lender or its loan products and, in exchange, the lender pays a fee or other material benefits to the College or an employee.

**2. Prohibition against soliciting or accepting certain gifts**

Employees shall not solicit or accept any gift of more than nominal value from those who are doing business with, seeking to do business with or are interested in matters before the College – especially from lenders who provide or issue loans that are made, insured or guaranteed as federal student aid to students. Because the term “nominal” can be susceptible to differing interpretations, employees are strongly encouraged to simply refuse all gifts from lenders. Employees are reminded that charitable donations to the College should be processed through the Spartanburg Community College Foundation.

The law does provide for some exceptions related to specific types of activities or literature. The exceptions include:

- a. Brochures or training material related to default aversion or financial literacy.
- b. Food, training or information materials as part of training as long as that training contributes to the professional development of those individuals attending the training.
- c. Favorable terms and benefits to the student employed by the College as long as those same terms are provided to all students at the College.
- d. Entrance and exit counseling as long as the institution’s staff are in control and they do not promote the services of a specific lender.
- e. Philanthropic contributions from a lender, guaranty agency or servicer unrelated to education loans.
- f. State education, grants, scholarships or financial aid funds administered by or on behalf of the State.

**3. Prohibition against certain outside activity and contracting with lenders**

Employees shall not conduct any outside activity to provide services to a lender or on behalf of a lender relating to education loans.

**4. Prohibition against steering borrowers toward particular lenders**

The College shall not for any first-time borrower, assign through award packaging or other methods, the borrower’s loan to a particular lender or refuse to certify or delay certification of any loan based on the borrower’s selection of a particular lender or guaranty agency.

**5. Prohibition relating to funds for private loans**

The College shall not make any contract with a lender under which the lender provides the College funds to be used for private education loans to students, including funds for an opportunity pool loan and, in exchange for which, the College provides concessions or promises regarding providing the lender with a specified amount or volume of federal student aid to students or a preferred lender arrangement for federal student aid with the College.

**6. Prohibition against staffing assistance**

The College shall not request or accept from any lender any assistance with call center staffing or financial aid office staffing except that the College may request or accept assistance from a lender related to:

- Professional development training for financial aid administrators, or
- Providing educational counseling materials, financial literacy materials or debt management materials to borrowers, provided that such materials disclose to borrowers the identification of any lender that assisted in preparing or providing such materials, or
- Staffing services on a short-term, nonrecurring basis to assist the College with financial aid-related functions during emergencies, including State declared or federally declared natural disasters, federally declared national disasters and other localized disasters and emergencies identified by the U.S. Secretary of Education.

**7. Prohibition against advisory board compensation**

An employee who serves on an advisory board, commission or group established by a lender may not receive anything of value from a lender in exchange for serving in this capacity. They may, however, accept reimbursement for reasonable expenses incurred while serving in this capacity.

**Telephone Contacts**

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Executive Vice-President	(864) 592-4619
Vice-President of Academic Affairs	(864) 592-4614
Vice-President of Student Affairs	(864) 592-4806
Financial Aid Office	(864) 592-4810
Business Office	(864) 592-4661