



The freshman/sophomore UW campuses

UW Colleges Policy on Relationships with Student Loan Lenders Administrative Policy #52

I Introduction

The UW Colleges and the Student Financial Aid Office (SFAO) are committed to providing beneficial and timely assistance to students and families in understanding the processes associated with all aspects of applying for and receiving financial aid. Furthermore, the SFAO is dedicated to insuring that all financial aid information is provided in an objective, fair, clear and unbiased manner.

Consistent with this commitment, the SFAO, in conjunction with the Financial Aid Advisory Council, has developed a Policy on Relationships with Student Loan Lenders to provide clarification with respect to appropriate conduct for all UW Colleges SFAO and campus employees who may have professional interaction with student loan lenders or their representatives. In particular, this policy is designed to assist SFAO personnel and campus staff who work extensively with financial aid matters on behalf of the students served at their respective campuses and communities.

This policy recognizes the diverse nature of the UW Colleges and its thirteen campuses, and is intended to provide a consistent framework through which staff at the SFAO and all of the UW Colleges campuses may positively interact with lenders and their representatives while maintaining the highest standards of ethical behavior. This policy seeks not only to provide clarification for appropriate conduct, but also to establish an environment for decision making consistent with avoidance of any appearance of conflict or impropriety.

The (a) NASFAA Statement of Ethical Principles and Code of Conduct and (b) UW System Policy on Institutional and Employee Relationships with Educational Loan Lenders serve as a foundation to the UW Colleges Policy on Relationships with Student Loan Lenders. The following documents referenced in the UW System Policy serve as a basis for general code of conduct standards for UW employees:

- Wis. Stats. 19.41, et seq., Code of Ethics for Public Official and Employees
- UWS 8, Wis. Adm. Code
- ER-MRS 24, Wis. Adm. Code
- UW Financial Administration Policy F-30
- University of Wisconsin System Policy on Institutional and Employee Relationships with Educational Loan Lenders 13-5 www.uwsa.edu/bor/policies/rpd/rpd13-5.htm

The first four documents referenced above may be accessed through the following UWS website:
<http://www.uwsa.edu/gc-off/deskbook/ethics.htm>

It is intended that statements of appropriate standards of conduct, interaction, processes or procedures between UW Colleges staff and lenders incorporated into the UW Colleges Policy on Relationships with Student Loan Lenders are consistent with and in compliance with all aspects of the fore mentioned documents.

II Lender List Development

Background

The UW Colleges previously utilized a lender list consisting of more than two hundred different lenders, comprised of both banks and credit unions of varying sizes. There were no specific requirements that the lenders had to meet to be on the original lender list. The size of the original lender list was not only unmanageable, but often caused confusion for students with respect to identifying which lenders offered the most advantageous borrower benefits.

With the goal of developing a manageable and diverse lender list based on specific criteria that would assist students in selecting a lender, the Financial Aid Advisory Council researched processes to consider in redefining the UW Colleges lender list. The NASFAA Monograph issued in May 2005 was used as a foundation to develop the UW Colleges Lender Questionnaire for use in collecting information from lenders concerning their loan products. Based on this information, a revised lender list was implemented in the fall of 2006 consistent with the criteria noted below.

Lender List Criteria

The SFAO in collaboration with the Financial Aid Advisory Council has identified the following criteria that must be met in order for a lender to be approved for inclusion on the UW Colleges lender list:

- utilize Great Lakes Higher Education Corporation (GLHEC) as the loan guarantor
- use electronic transfer of funds for both receiving and returning funds (EFT)
- utilize GLHEC to service the loan for the 'life of the loan'
- offer at least one borrower benefit or incentive (front-end and/or back-end)
- have trained customer service department with dedicated student and school contacts available to assist with any issues or concerns
- not require students to have a membership with the lender institution in order to obtain a student loan [example: a credit union that requires membership in order to do business]
- offer a variety of products and services (such as alternative loans, consolidation, etc)

The UW Colleges Lender List is updated annually. In order to be considered for inclusion on Lender List, any lender may submit a Lender Questionnaire for review by contacting the SFAO Loan Coordinator. The information provided on completed questionnaires is evaluated once every year in April, in accordance with the UW Colleges criteria. Lenders who qualify are added to the UW Colleges Lender List effective for the following fall term. All lenders on the UW Colleges Lender List meet with the SFAO Loan Coordinator 1-2 times annually to provide information regarding updates and changes to their loan products. Lenders who discontinue meeting the approved criteria are removed from the Lender List.

Disclosure

Beginning with the fall of 2007, the UW Colleges Stafford and PLUS Loan lender lists are communicated to students and parents through the Great Lakes Higher Education Corporation (GLHEC) web-based product called FASTChoice. FASTChoice provides lender specific information including benefits offered, the ability to compare up to three lenders at a time, and easy access to the loan application process for any lender.

When applying for a loan from a lender not on the lender list, then the applicant will need to obtain the lender code for that particular lender. The lender list order rotates randomly each time it is accessed. The SFAO is able to customize text on the FASTChoice website to ensure that all lenders are represented in an unbiased manner. Revisions to lender benefits are updated on FASTChoice as applicable.

In accordance with UW System guidelines, information on the SFAO website clearly states (a) students or parents may borrow from any lender of their choosing, (b) the criteria used to develop the UW Colleges

lender list, and (c) students are encouraged to pursue eligibility for federal/state financial aid before considering alternative loan options.

III Lender Relations

UW Colleges and the Student Financial Aid Office recognize the importance of maintaining good relationships with all lenders. Lenders provide valuable counseling and educational materials for use by students and their families, and to the UW Colleges financial aid professionals.

Lender Materials

The UW Colleges are committed to providing students and families with the best information possible regarding financial aid options and processes. In addition to the information provided via UW Colleges print materials and the UWC website, students can access information to compare various lenders through a link to FASTChoice.

At the discretion of the financial aid staff at the campuses, printed materials provided by *any* lenders can be made available to students. Materials received from lenders must clearly disclose the source of said materials and may not use trademarks, logos, mascots or other symbols associated with the UW Colleges or its campuses that would suggest any UW College institutional endorsement of a specific lender or product. Materials from all lenders should be made available to students in a consistent manner (display racks, information tables, resource files, etc.) to avoid the appearance of favoritism toward a particular lender.

Acceptance of Gifts

According to the NASFAA Code of Conduct for Institutional Financial Aid Professionals, financial aid professionals are expected to “refrain from soliciting or accepting anything of other than nominal value from any entity (other than an institution of higher education or a governmental entity such as the U.S. Department of Education) involved in making, holding, consolidating or processing of any student loans, including anything of value (including reimbursement of expenses) for serving on an advisory body or as part of a training activity of or sponsored by any such entity.”

It is important that UW Colleges financial aid staff maintain impartiality and always act in the best interest of the students and families they serve. Even though a financial aid professional has no intent of providing an advantage to a lender, the appearance of endorsing a particular lender must be avoided. Consistent with this goal, UW Colleges financial aid professionals shall not accept anything of value from a lender representative, including meals, gifts or promotional items. Such gifts that arrive by mail should be returned to the lender.

While accepting items of nominal value such as pens, notepads, post-its, etc. is not prohibited, financial aid professionals and other office staff must be cognizant of the appearance of the impropriety of using promotional items at work that contain a vendor’s logo and/or name. Office staffs therefore should not use promotional items at work that contain a vendor’s logo and/or name.

Gifts or promotional items of nominal value containing a lender logo or other identifying information should be disposed of or donated to a charitable organization that does not have college students as a primary customer. Gifts or promotional items of nominal value that do not contain a logo or other identifying information may be made available to students, faculty, staff and other campus constituents.

Printing Sponsorship

In order to avoid the appearance of endorsing particular lender(s), UW College campuses will not accept printing sponsorship by any lender for materials that are the property of the UW Colleges or are otherwise identified with a particular UW Colleges campus (eg. campus brochures, folders, information sheets, etc).

Lenders and Campus Visits

In an effort to assist campuses with conducting visits from lenders, the UW Colleges SFAO provides the following guidelines.

Whether lenders are allowed or encouraged to visit individual UW Colleges campuses is up to the discretion of the financial aid professionals at each campus and their supervisors, and should be handled in a consistent manner for all lenders.

If a campus chooses to allow on-site visits from lenders, the campus may:

- Require lenders to call the campus to arrange for a scheduled appointment.
- Set time limits for the length of the lender visits
- Set up a timeframe during the semester (i.e., one morning, one afternoon, one entire day, etc.) whereby lenders are allowed to visit with campus personnel.

If a campus chooses to not allow on-site visits from lenders, the campus may:

- Request that updated materials be sent to the campus by the lender so that those materials may be made available to students.

IV Campus Financial Aid Information Programs

Presenting financial aid information sessions is an essential role of the financial aid professional as these events help to build relationships with community members and offer valuable information for students and parents. The main content of these financial aid presentations is solely up to the individual(s) doing them. This policy is being instated solely in an effort to assist campuses with these events and to continually maintain an appearance of fairness and transparency for the UW Colleges.

Any presentation formats, hand-out materials for financial aid night sessions, PowerPoint slides, and/or presentation outlines may be obtained through the SFAO training coordinator. Each campus may develop their own materials for financial aid night presentations but should be aware of the availability of these resources through the SFAO.

It is the intent of the UW Colleges to continually maintain fairness and transparency when allowing lenders to participate in campus financial aid events. Lenders may be invited to set up individual information tables or booths at campus financial aid information programs. In these cases, campuses shall invite any and all lenders on the UW Colleges lender lists as well as lenders in their respective service areas, as appropriate. Lenders may meet with interested students/families and distribute printed material and promotional items of nominal value. However, lenders should not assist with any formal presentations

V Lender Relationships with Campus Departments and External Organizations

It is recognized that external organizations, such as campus Foundations, may have relationships with various businesses that include lenders. While Foundation members are generally not employees of the UW Colleges, it is strongly encouraged that all Foundation and/or other external organization activities

that are either directly or indirectly related to a UW College campus follow the guidelines put forth in this document, as well as adhere to principles and guidelines outlined in the supporting documents referenced in Section I.

As an example, if a particular lender is providing any level of corporate sponsorship for campus scholarships or an event which is coordinated by a campus department or an external organization such as a campus Foundation on behalf of a UW Colleges campus, it is important that no special benefits be provided to that lender with respect to gaining access to potential student/family customers or in obtaining an advantage over other lenders to provide information about their student loan products. A school must avoid the perception that it is endorsing a particular lender. Preferential treatment must not be shown to student loan lenders who donate scholarship funds. Scholarship donations should always be made to and negotiated with the campus foundations and not the staff who work with any aspect of financial aid.

VI Campus and Student Financial Aid Office Communications

The organizational structure of the UW Colleges creates layers of communication unique to institutions with multi-campus environments. The SFAO strives to maintain on-going communication with personnel at the various campuses of the UW Colleges and encourages frequent interaction between campuses and the SFAO. Campus staff are encouraged to contact the SFAO at any time with questions concerning any aspect of financial aid, including the Policy on Relationships with Student Loan Lenders or the interpretation of its various components.

If a situation arises for which a campus staff member has questions regarding an appropriate response or action relevant to interaction with a lender, the staff member is encouraged to discuss the situation with her/his supervisor and/or contact one of the following SFAO staff members:

Student Financial Aid Office Contacts

Director of Student Financial Aid 608/263-7727

Associate Director of Student Financial Aid 608/262-6262

Compliance & Training Coordinator 608/263/4726

Financial Aid Coordinator

Loan Processing 608/263-3247

Questions regarding lender list issues or specific loan processing concerns may be directed to the Financial Aid Coordinator responsible for loan processing. Questions regarding content of SFAO publications or information presented on the UWC website concerning financial aid matters may be directed to the Compliance & Training Coordinator.

Related Documents that are available upon request from the UW Colleges Student Financial Aid Office are:

- **NASFAA Statement of Ethical Principles and Code of Conduct**
- **UW Colleges Lender Questionnaire**

UW Colleges Financial Aid Advisory Council approved the initial School & Lender Guideline by e-mail vote on January 4, 2008. The FA Advisory Council approved the revisions and the pursuit of UWCAP status on March 5, 2008.

Proposed policy was presented via e-mail to the UW Colleges Deans and Assistant Deans on March 17, 2008.