

FINANCIAL AID CODE OF CONDUCT

I. Statement of Intent

In certain instances, students in Questar III's adult education program may be eligible for financial aid.

This Code of Conduct applies to all employees and officers of Questar III. This Code is intended to assure that financial aid practices are carried out with utmost integrity, free from conflicts of interest, in the interest of students, and in compliance with law.

II. Policy and Expectations

- A. No officer, employee or agent of Questar III shall enter into a revenue-sharing arrangement with any lender/lending institution. A "revenue-sharing arrangement" is any arrangement between Questar III and a lender/lending institution under which (1) the lender/lending institution makes an educational loan (including a Title IV loan, any high-risk loan, or any private loan issued by a lending institution for the purpose of paying for or financing higher education expenses) to students, or the families of students, attending Questar III, and (2) Questar III recommends the lender/lending institution or the loan products of the lender/lending institution and, in exchange, the lender/lending institution pays a fee or provides other material benefits, including revenue or profit-sharing, to Questar III or to its officers, employees, or agents.
- B. No Questar III officer or employee on his or her own behalf or on behalf of another may directly or indirectly solicit or accept or receive any gift from a lender/lending institution, guarantor, or servicer of educational loans. Any Questar III officer or employee who is offered such a gift shall report such offer immediately to an Assistant Superintendent who shall, in turn, report to the New York State Education Department any instance of a lender/lending institution, guarantor, or servicer of an educational loan attempting to give a gift to a Questar III employee or officer. A "gift" is defined as any gratuity, favor, inducement, discount, stock, entertainment, hospitality, loan, thing of value, or other item having monetary value of more than a *de minimus* amount. The term "gift" includes, but is not limited to: (a) any money, services, loan, entertainment, honoraria, hospitality, lodging costs, meals, registration fees, travel expenses, discount, forbearance, or promise; (b) gifts

provided in kind, by purchase of a ticket, payment in advance, or reimbursement after the expense has been incurred; (c) any computer hardware for which Questar III pays below market price, and (d) any printing costs or services. The term gift does not include a lender/lending institution's own brochures or promotional literature, workshops, training, or standard training materials relating to student loans, or refreshments which may be provided as an integral part of such training events or workshops if the training contributes to the professional development of Questar III's employees.

- C. No officer or employee of Questar III who has responsibilities with respect to any educational loans may accept from a lender/lending institution, or an affiliate of any lender/lending institution, any fee, payment, or other financial benefit of any kind for any reason.
- D. If a borrower or potential borrower consults Questar III's financial aid office in connection with obtaining an educational loan to pay for or finance higher education expenses, Questar III shall inform the borrower or potential borrower of all available financing options under Title IV, including information on any terms and conditions of available loans under such title that are more favorable to the borrower, before a lender/lending institution may provide a private educational loan to a borrower attending Questar III.
- E. No Questar III officer, agent or employee shall assign, through the award packaging or other methods, the borrower's loan to a particular lender/lending institution nor shall it refuse to certify, or delay the certification, of any loan based on the borrower's selection of a particular lender/lending institution or guaranty agency.
- F. Questar III may not request or accept from any lender/lending institution any offer of funds for private educational loans, including funds for an opportunity pool loan, to students in exchange for Questar III providing concessions or promises to the lender/lending institution for a specific number of Title IV or private educational loans made, insured, or guaranteed, a specified loan volume for such loans, or a preferred lender/lending institution arrangement for such loans. "Opportunity pool loan" means a private educational loan made by a lender/lending institution to a Questar III student (or the student's family) that involves a payment by Questar III to the lender/lending institution for extending credit to the student.
- G. Questar III may not enter into any agreement with any lender/lending institution relating to or request or accept from any lender/lending institution any offer of funds in exchange for the provision of high risk loans.
- H. Questar III shall not utilize preferred lender/lending institution lists.

- I. Questar III may not request or accept from any lender/lending institution any assistance with call center staffing or financial aid office staffing, except that a lender/lending institution may provide professional development training for financial aid administrators, and/or may provide educational counseling materials, financial literacy materials or debt management materials to borrowers (as long as the materials identify any lender/lending institution(s) that assisted in preparing the materials).
- J. No Questar III employee who serves as a member on or participant in an advisory board, commission, or group established by a lender/lending institution or guarantor (or a group of lender/lending institutions or guarantors) shall receive anything of value from the lender/lending institution, guarantor, or group, including but not limited to reimbursement for expenses incurred by the employee serving on the board, commission, or group. This provision does not: (a) prohibit a Questar III employee from participating on an advisory board of a lending institution that is unrelated in any manner whatsoever to educational loans; or (b) a Questar III employee, who does not have a direct interest in or does not benefit from the functions of Questar III's financial aid office, from serving on a board of directors of a publicly traded or privately held company. Questar III employees who are directly involved with or benefit from the functions of Questar III's financial aid office shall be required to report to the New York State Education Department, in a form and manner prescribed by the New York State Education Department, all participation or financial interests relating to any lender/lending institution.
- K. No employee or agent of a lender/lending institution may be identified to borrowers or potential borrowers as an employee, representative or agent of Questar III.
- L. Questar III shall not direct in any manner whatsoever potential borrowers to any electronic master promissory notes or other loan agreements that do not provide a reasonable and convenient alternative for the borrower to complete a master promissory note with any federally approved lender/lending institution offering the relevant loan in New York State.

References:

Education Law, Article 13-B
34 CFR §§ 601.2 & 601.21
Title IV, Higher Education Act
20 USC §1094(a)(25) & (e)

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