

FINANCIAL AID CODE OF CONDUCT

The Higher Education Opportunity Act, signed into law on August 14, 2008, requires institutions of higher education that participate in the administration of educational loan programs (FFELP or DL) to develop and publish a Code of Conduct. Any Lake Forest Graduate School of Management officer, employee, or agent of the School who has any responsibility in connection with student loans is required to comply as indicated below:

1. LFGSM shall not participate in any revenue sharing agreement with any lender.
2. An LFGSM officer or employee who is employed in the financial aid office or who otherwise has responsibility with respect to education loans is prohibited from soliciting or accepting any gift from a lender, guarantor, or servicer of education loans. The definition of 'gift' means any gratuity, favor, discount, entertainment, hospitality, loan, or other item having a monetary value of more than a *de minimus* amount.
3. An LFGSM officer, employee, or agent employed in the financial aid office or who otherwise has responsibility with respect to education loans is prohibited from accepting any fees, payments, or other financial benefits (including the opportunity to purchase stock) from lenders or lender affiliates as compensation for any type of consulting arrangement or contract to provide such services to a lender or on behalf of a lender relating to education loans.
4. LFGSM shall not assign any first-time borrower's loan (through award process or other methods) to a particular lender.
5. LFGSM shall not refuse to certify or delay certification of any loan based on the borrower's selection of a particular lender or guaranty agency.
6. LFGSM shall neither accept nor request funds from any lender to be used for private loans (as defined in section 140 of the Truth in Lending Act) to students in exchange for LFGSM providing concessions or promises regarding providing the lender with:
 - a specified number of Title IV loans
 - a specified volume of such loans
 - a preferred lender arrangement for such loans
7. LFGSM shall neither request nor accept any assistance from any lender with call center staffing or financial aid office staffing.

Assistance is permitted in the following situations:

- professional development training for financial aid administrators

- providing educational counseling materials, financial literacy materials, or debt management materials to borrowers, provided that such materials identify the lender that assisted with the materials
- staffing services on a short-term, nonrecurring basis to assist the institution with financial aid-related functions during emergencies, including federally or state-declared natural disasters, federally declared national disasters, or local disasters and emergencies declared by the Secretary of Education

8. An LFGSM officer, employee, or agent employed in the financial aid office or who otherwise has responsibility with respect to education loans and who serves on an advisory board, commission, or group of a lender, guarantor, or group of lenders or guarantors, is 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 board, commission, or group.