



ACADEMY *of* ART  
UNIVERSITY

FOUNDED IN SAN FRANCISCO 1929  
BY ARTISTS FOR ARTISTS

Institutional Code of Conduct  
for Educational Loans

## **Purpose**

In accordance with Section 487(a)(25) of the Higher Education Act of 1965, as amended (HEA), and applicable federal regulations, ArtU has adopted this Institutional Code of Conduct to ensure that all educational loan activities are conducted ethically, transparently, and in the best interests of students and their families.

This Code applies to all officers, employees, contractors, agents, trustees, and any individual with responsibilities related to the administration of federal or private educational loans.

Educational loans include loans made under the William D. Ford Federal Direct Loan Program and private education loans as defined by federal law.

## **General Principles**

ArtU is committed to:

- Administering financial aid with integrity and impartiality.
- Ensuring students and families receive unbiased information regarding borrowing options.
- Avoiding actual or perceived conflicts of interest.
- Complying with all applicable federal and state laws governing educational loans.

Employees shall always act in the best interests of students and their families when providing financial aid information.

## **Revenue – Sharing Arrangements**

ArtU shall not enter into any revenue-sharing arrangement with any lender. No officer, employee, or agent shall receive any fee, payment, or other financial benefit from a lender or loan servicer in exchange for recommending a lender or loan product.

Revenue-sharing arrangement means any arrangement between ArtU and a lender under which a lender provides or issues educational loans to students attending ArtU and the lender pays a fee or provides other material benefits to ArtU or its employees in exchange for loan volume or loan recommendations.

## **Gifts**

Employees with responsibilities related to educational loans shall not solicit or accept gifts directly or indirectly from any lender, loan servicer, or other entity engaged in educational lending. For purposes of this policy, a gift includes:

- Cash
- Gift cards

- Entertainment
- Meals
- Travel
- Lodging
- Discounts
- Hospitality
- Services
- Loans
- Any item of monetary value

Employees may accept:

- Informational materials
- Modest promotional items of nominal value
- Refreshments offered to all conference attendees as part of a professional conference or training event
- Items otherwise available to the general public

### **Consulting Arrangements**

No officer, employee, or agent shall accept compensation from a lender or loan servicer for consulting, advisory, or other services relating to educational loans.

This prohibition includes:

- Consulting fees
- Honoraria
- Stock options
- Equity interests
- Other financial benefits

### **Preferred Lender Arrangements**

ArtU maintains a Preferred Lender List for private education loans through an electronic lender comparison platform. The lenders included on the list are selected annually using objective, documented criteria designed to identify lenders that provide products and services that are in the best interests of borrowers.

ArtU does not require students or parents to use a lender included on the Preferred Lender List. Borrowers may select any eligible private education lender, and ArtU will certify loans from any eligible lender without delay or prejudice.

ArtU annually reviews its Preferred Lender List and required disclosures to ensure continued compliance with the Higher Education Act and applicable federal regulations.

ArtU receives no financial compensation, revenue sharing, gifts, or other material consideration from lenders for inclusion on the Preferred Lender Lis

### **Packaging of Private Education Loans**

ArtU may package private educational loans in a student's financial aid award under any one of the following conditions:

- The borrower is ineligible for additional funding
- The borrower has exhausted the limits of his or her eligibility for Title IV loans (Federal Direct Subsidized and Unsubsidized Loans, and, as applicable, Direct PLUS Loans for Parents)
- The borrower has not filled out a Free Application for Federal Student Aid (FAFSA)
- The borrower does not desire, or refuses to apply for, a Title IV loan (including a Direct PLUS Loans for Parents)

The packaging of private educational loans will be clearly and conspicuously disclosed to the borrower, in a manner that distinguishes them from loans made under Title IV of the HEA, prior to the borrower's acceptance of the financial aid package.

### **Loan Counseling**

ArtU will provide federally required loan counseling in accordance with federal regulations.

If outside organizations assist with educational materials or presentations, ArtU staff shall remain responsible for the content and delivery of counseling.

Educational materials provided by lenders or servicers must:

- Clearly identify the organization providing the materials.
- Be educational in nature.
- Not promote specific loan products.

### **Staffing Assistance**

ArtU will not permit a private lender to staff our financial aid offices or call center under any circumstances.

### **Technology and Services**

ArtU may accept financial aid-related software, electronic data exchange services, or other operational tools that improve financial aid administration, provided acceptance complies with applicable federal regulations and does not create a conflict of interest.

ArtU shall not accept technology or services intended to influence lending decisions or provide an improper benefit.

### **Training and Professional Development**

Employees may attend conferences, workshops, and professional development activities sponsored by governmental agencies, nonprofit organizations, professional associations, or educational organizations.

Employees may accept reasonable refreshments provided to all attendees during educational sessions.

ArtU employees shall not accept payment from lenders or loan servicers for travel, lodging, conference registration, or similar expenses except as expressly permitted under applicable law.

### **Conflicts of Interest**

Employees responsible for administering financial aid shall avoid any actual or perceived conflict of interest.

Employees shall disclose any potential conflict to institutional leadership immediately.

No employee shall use their position to secure personal financial benefit for themselves or others.

### **Compliance**

Violations of this Code of Conduct may result in disciplinary action up to and including termination of employment, consistent with institutional policies and applicable law.

Questions regarding interpretation of this policy should be directed to the Student Financial Services Office