USM
Student Loan
Code of Conduct

The Higher Education Opportunity Act (HEOA), which reauthorizes the Higher Education Act (HEA) of 1965, was passed into law on August 14, 2008. The HEOA stipulates that an institution of higher education participating in the Title IV loan programs must create, manage and implement a code of conduct with respect to educational loans.

This Code of Conduct applies to all of the officers, employees, and agents of the institution who have responsibilities related to educational loans. This code of conduct is to reinforce our commitment to maintaining the highest standards for our educational loan borrowers. The code of conduct reads as follows:

1. All officers, employees, and agents of the college who deal directly with educational loans shall not enter into any revenue-sharing arrangement with any lender. Thus, USM will not recommend a lender or its products to a student or a student’s family in exchange for the lender paying a fee or providing any other material benefits, including revenue or profit-sharing to the institution or its officers, employees, or agents.

2. No officer or employee of the institution's Financial Aid Office (or an employee or agent who otherwise has responsibilities with respect to education loans) may solicit or accept any gift from a lender, guarantor, or servicer of education loans. A "gift" is defined as any gratuity, favor, discount, entertainment, hospitality, loan or other item having monetary value of more than a nominal amount. However, a gift does not include (1) brochures, a workshop, or training using standard materials relating to a loan, default aversion, or financial literacy; (2) food, training, or informational material provided as part of a training session designed to improve the service of a lender, guarantor, or servicer if the training contributes to the professional development of the institutions Officer, employee or agent; (3) favorable terms and benefits on an education loan provided to a student employed by the institution if those terms and benefits are comparable to those provided to all students at USM; (4) entrance and exit counseling as long as the institution's staff are in control of the counseling and the counseling does not promote the services of a specific lender; (5) philanthropic contributions from a lender, guarantor, or servicer that are unrelated to education loans or any contribution that is not made in exchange for advantage related to education loans, and; (6) State education grants, scholarships, or financial aid funds administered by or on behalf of a State;

3. No officer or employee of an institution's Financial Aid Office (or employee or agent who otherwise has responsibilities with respect to education loans) may accept from a lender, or an affiliate of any lender, any fee, payment, or other financial benefit as compensation for any type of consulting arrangement or contract to provide services to or on behalf of a lender relating to education loans;

4. No officer or employee will steer borrowers to particular lenders. For any first time borrower, USM will not assign, through award packaging or other methods, the borrower's loan to a particular lender. In addition, USM may not refuse to certify, or delay the certification of any loan based on the borrower's selection of a particular lender or guaranty agency;

5. No officer or employee may receive offers of funds for private loans. An institution may not request or accept from any lender any offer of funds for private loans, including funds for an opportunity pool loan, to students in exchange for providing concessions or promises to the lender for a specific number of Title IV loans made, insured or guaranteed, a specific loan volume, or a preferred lender arrangement. An "opportunity pool loan" is defined as a private education loan by a lender to a student (or the student's family) that involves a payment by the institution to the lender of extending credit to the student.

6. USM may not request or accept from any lender any assistance with call center staffing or financial aid office staffing, except as permitted through The Higher Education Opportunity Act where it is allowable for a lender to provide professional development training, educational counseling materials (as long as the materials identify the lender that assisted in preparing the materials), or staffing services on a short-term, nonrecurring basis during emergencies or disasters.

7. No officer or employee of USM's financial aid office (or employee who otherwise has responsibilities with respect to education loans or financial aid) who serves on an advisory board, commission, or group established by a lender or guarantor (or a group of lenders or guarantors) may receive anything of value from the lender, guarantor, or group except for reimbursement for reasonable expenses incurred by the employee for serving on the board.