



Hackensack Meridian
School of Medicine

Student Loan Code of Conduct

Hackensack Meridian School of Medicine adopts the following provisions from the HEOA, Section 493 as its Code of Conduct Related to Student Loan Activities and will annually inform all institutional officers, employees, and agents with responsibilities for student loan activities and decisions of the provisions of this code. Note that where language in the law references financial aid office, it has been replaced with Office of Student Financial Services.

(1) BAN ON REVENUE-SHARING ARRANGEMENTS

o (A) Prohibition -- The institution shall not enter any revenue-sharing arrangement with any lender.

o (B) Definition -- For purposes of this paragraph, the term ‘revenue-sharing arrangement’ means an arrangement between an institution and a lender under which --

§ (i) a lender provides or issues a loan that is made, insured, or guaranteed under this title to students attending the institution or to the families of such students; and

§ (ii) the institution recommends the lender or the loan products of the lender and in exchange, the lender pays a fee or provides other material benefits, including revenue or profit sharing, to the institution, an officer or employee of the institution, or an agent.

(2) GIFT BAN

o (A) Prohibition -- No officer or employee of the institution who is employed in the Office of Student Financial Services, or an individual who has been assigned by the Hackensack Meridian School of Medicine Dean with supervisory authority over the Senior Director or Directors of Student Financial Services or who otherwise has responsibilities with respect to education loans, or agent who has responsibilities with respect to education loans, shall solicit or accept any gift from a lender, guarantor, or servicer of education loans.

o (B) Definition of a Gift

§ (i) In General -- In this paragraph, the term ‘gift’ means any gratuity, favor, discount, entertainment, hospitality, loan, or other item such as cash, gift card or equivalent. The term includes a gift of services, transportation, lodging, or meals, whether provided in kind, by purchase of a ticket, payment in advance, or reimbursement after the expense has been incurred.

§ (ii) Exceptions -- The term ‘gift’ **shall not** include any of the following:

§ (I) Standard material, activities, or programs on issues related to a loan, default aversion, default prevention, or financial literacy, such as a brochure, a workshop, or training.

§ (II) Food, refreshments, training, or informational material furnished to an officer or employee of an institution, or to an agent, as an integral part of a training session that is designed to improve the service of a lender, guarantor, or servicer of education loans to the institution, if such training contributes to the professional development of the officer, employee, or agent.

§ (III) Favorable terms, conditions, and borrower benefits on an education loan provided to a student employed by the institution if such terms, conditions, or benefits are comparable to those provided to all students of the institution.

§ (IV) Entrance and exit counseling services provided to borrowers to meet the institution's responsibilities for entrance and exit counseling as required by subsections (b) and (l) of section 485, if --

§ (aa) the Institution's staff are in control of the counseling, (whether in person or via electronic capabilities); and

§ (bb) such counseling does not promote the products or services of any specific lender.

§ (V) Philanthropic contributions to an institution from a lender, servicer, or guarantor of education loans that are unrelated to education loans or any contribution from any lender, guarantor, or servicer that is not made in exchange for any advantage related to education loans.

§ (VI) State education grants, scholarships, or financial aid funds administered by or on behalf of a State.

§ (iii) Rule for Gifts for Family Members -- For purposes of this paragraph, a gift to a family member of an officer or employee of an institution, to a family member of an agent, or to any other individual based on that individual's relationship with the officer, employee, or agent, shall be considered a gift to the officer, employee, or agent if --

§ (I) the gift is given with the knowledge and acquiescence of the officer, employee, or agent; and

§ (II) the officer, employee, or agent has reason to believe the gift was given because of the official position of the officer, employee, or agent.

(3) CONTRACTING ARRANGEMENTS PROHIBITED

o (A) Prohibition -- An officer or employee who is employed in the Office of Student Financial Services or who otherwise has responsibilities with respect to education loans, or an agent who has responsibilities with respect to education loans, shall not accept from any lender or affiliate of any lender any fee, payment, or other financial benefit (including the opportunity to purchase stock) as compensation for any type of consulting arrangement or other contract to provide services to a lender or on behalf of a lender relating to education loans.

o (B) Exceptions -- Nothing in this subsection shall be construed as prohibiting --

§ (i) an officer or employee of an institution who is not employed in the institution's Office of Student Financial Services and who does not otherwise have responsibilities with respect to education loans, or an agent who does not have responsibilities with respect to education loans, from performing paid or unpaid service on a board of directors of a lender, guarantor, or servicer of education loans;

§ (ii) an officer or employee of the institution who is not employed in the Office of Student Financial Services but who has responsibility with respect to education loans as a result of a position held at the institution, or an agent who has responsibility with respect to education loans, from performing paid or unpaid service on a board of directors of a lender, guarantor, or servicer of education loans, if the institution has a written conflict of interest policy that clearly sets forth that officers, employees, or agents must excuse themselves from participating in any decision of the board regarding education loans at the institution; or

§ (iii) an officer, employee, or contractor of a lender, guarantor, or servicer of education loans from serving on a board of directors, or serving as a trustee, of an institution, if the institution has a interest policy that the board member or trustee must excuse themselves from any education loans at the institution.

Sanctions

Violations of university policies, including the failure to avoid a prohibited activity or disclose a conflict of interest in timely manner, will be dealt with in accordance with applicable university policies and/or Hackensack Meridian Health (HMH) Human Resources policy and procedures, which may include disciplinary actions up to and including termination from the institution.