
1712 EXTERNAL/PRIVATE LOANS

Subject: Loans and Receivables
Effective: July, 2007
Last Reviewed: April, 2015
Revised: April 2017
Responsible Office: OSFS
Approval: Associate VP SRFS

PURPOSE

To assist students in financing their cost of education.

POLICY

1. The Office of Student Registration and Financial Services (SRFS) is responsible for the administration of private student loans.
2. Preferred lender lists and appropriate disclosures require approval by SRFS.
 - A. No school or department shall recommend any lender, or publish a preferred lender list without prior approval from SRFS. (Associate VP SRFS or University Director of Financial Aid).
 - B. When and if the student is directed to a lender, the referral must be based solely on the best interests of the students and parents who take out the loan.
 - C. The University, or any of its employees, may not accept anything of value from any Lending Institution in exchange for any advantage or consideration provided to the Lending Institution related to education loan activity. This includes, but is not limited to, gifts, revenue sharing, staffing assistance, computer hardware and printing costs and services. To ensure that we are in compliance with this provision as a matter of policy, neither the University, nor any employee, may accept anything of value from a Lending Institution, for any reason, without prior approval of the Vice President for Finance.
3. Preferred Lender Lists – content
 - A. EVERY brochure, web page or other documents that set forth a Preferred Lender List must clearly disclose the process by which the University selected lenders, including but not limited to, the criteria used in compiling the list, and the relative importance of those criteria.
 - B. Every brochure, web page or other documents that set forth a Preferred Lender List, or identifies any lender as being on a Preferred Lender List, must state, in the same font and same manner as the predominant text on the document, that:

- i. **Students and their parents have the right to select the education loan provider of their choice.**
 - ii. **Students and their parents are not required to use any of the lenders on the Preferred Lender List.**
 - iii. **Students and their parents will suffer no penalty for choosing a lender that is not on the Preferred Lender List.**
 - iv. **The University may not refuse to certify, or delay the certification of, a loan based on the borrower's choice of lender.**
 - C. **The decision to include a lender on any list and the decision as to where the lender's name appears shall be determined solely by consideration of the best interests of the students or parents who may use the list without regard to the interests of the University.**
 - D. **Preferred Lender Lists must be reviewed no less than annually.**
 - E. **Lenders on the list must provide assurance to the University that the advertised benefits upon repayment will continue to benefit the borrower regardless of whether the lender's loans are sold.**
 - F. **No Lending Institution that, to the University's knowledge after reasonable inquiry, has an agreement to sell its loans to another unaffiliated Lending Institution shall be included on any preferred Lender List unless the agreement is disclosed in the same font and same manner as the predominant text on the document in which the Preferred Lender List appears.**
 - G. **No Lending Institution shall be placed on any of the University's Preferred Lender Lists or in a favored placement on any list, in exchange for benefits provided to the University or to the University's students in connection with a different type of loan.**
4. **The University may not allow and must ensure that no employee or other agent of a Lending Institution is ever identified to students, or prospective students of the University or their parents, as an employee or agent of the University. No employee or other agent of a Lending Institution may staff the University Financial Aid Office(s) at any time.**
5. **The University may not link or direct potential borrowers to a lender's Master Promissory Notes, or other loan agreements.**
6. **No University employee who has responsibilities with respect to education loans may accept from any lending institution or its affiliate any compensation for any type of consulting or services relating to education loans.**
7. **No University employee may serve on a "for profit" lending institution advisory board or committee.**
8. **University employees may serve on not-for-profit advisory boards; however, the employee may not receive any remuneration for serving as a member or participant on the board or receive reimbursement from a Lending Institution for lodging, meals, or travel to conferences.**