
Policy Title: FINANCIAL AID LENDERS

This policy incorporates the elements of state and federal professional ethics requirements, Federal Higher Education Opportunity Act (HEOA) legislation, the Code of Conduct established by the New York Attorney General and the University of Wisconsin System Policy. The Wisconsin Technical College System (WTCS) policy on Student Financial Aid and Lender Relations requires each technical college district to establish policies that:

- Prohibit colleges or their employees from recommending specific lenders in exchange for anything of material value from the lenders.
- Require written notice to students that they may use any lender that is eligible to make educational loans and of the availability of federally-sponsored educational loans that may be more advantageous to students.
- Allow colleges to maintain lender lists only if they use a documented selection process and notify students that they are not required to use lenders on the list.
- Identify services and resources that colleges may accept from lenders, such as counseling and educational materials and training for college staff that improves the quality of service provided to students and their families.

MID-STATE TECHNICAL COLLEGE CODE OF CONDUCT ON LENDER RELATIONS

The Mid-State Technical College Code of Conduct on Lender Relations addresses the HEOA institutional and private loan disclosures and requirements with the purpose to ensure an informed student loan borrower, provide choice of lender transparency and high ethical standards in the student lending process, and the selection of preferred lenders based on the best interest of borrowers.

Beginning July 1, 2010, the College implemented the Federal Direct Loan Program with the Department of Education. This means all Federal Subsidized and Unsubsidized Stafford Loan and Parent Loans for Undergraduate Students (PLUS) will be disbursed directly by the federal government and not private lenders. Students are informed that all loans are processed through the Department of Education as lender.

Students are notified that they may also have loans through the Federal Family Education Loan Program (FFELP) prior to July 1, 2010 and are provided the Department of Education National Student Loan Data System and Loan Consolidation websites as resources to monitor unique student loan provisions.

The College's Financial Aid staff will process private educational loan funds on behalf of a student request for certification to their selected lender of choice. The College believes it is a student's decision to select a lender based on their personal needs and, therefore, does not provide a lender list of selection.

RELATIONSHIPS WITH PRIVATE LENDERS

This policy applies to all college staff and has been developed to govern interactions between college staff and lenders and to ensure that these relationships are in the best interest of students.

The conflicts of interest and perceived conflicts of interest that the policy seeks to prevent can occur if any district staff member has an inappropriate or perceived inappropriate relationship with the vendor.

This policy is supplemental to other state or federal laws.

The College and its employees will not:

- Solicit, accept, or enter into any agreement in which an educational loan lender provides fees, revenue sharing, or material benefits to the district institution in exchange for the institution or its employees recommending the lender or its loan products.
- Enter into an agreement with a lender of education loans for, or solicit or accept from a lender of education loans, any funds that would be allocated or used for opportunity loan pools or any similar arrangements.
- Solicit or accept assistance for call center or financial aid staffing from a lender of education loans.
- Solicit, accept, or enter into any agreement in violation of the College policy on student financial aid operations and may not engage in conduct that violates the college code of ethics under TCS 6.06(1), Wisconsin Administrative Code or any applicable provisions of Chapter 19.41, et seq. of the Wisconsin State Statutes.
- Receive compensation or reimbursement from an educational loan lender for any costs incurred as part of participating on an advisory council of the lender.

College employees may participate on an advisory council of an educational loan lender for the purpose of improving services to students.

The District must inform students who apply for financial aid:

- Of the availability of federal loans and will encourage students to explore and weigh the use of federal loans that are guaranteed, regulated, and may be more advantageous, before pursuing private or alternative loans.
- That the student may use any lender who is eligible to make private education loans.

In the event that the College determines the need to offer or maintain a list of private educational loan lenders for the benefit of students, the College will comply with the following guidelines:

- The College must use an evaluative process for the inclusion of lenders on the list and information regarding the selection of lenders, the evaluative process used, and the criteria used for such selection must be available to the public upon request.
- Any college lender list must be accompanied by a statement explaining that students are not limited to the lenders included on the list.
- A lender list must include a minimum of two lenders and the district must work with the educational loan lenders on the list to ensure that specific loan information and key details (including, but not limited by enumeration to, the terms, interest rate, and repayment requirements) are available from the lender in a clear and understandable manner.

The College and its employees may accept from lenders of education loans:

- Counseling and educational materials for use by students and their families regarding student lending laws, education loans, financial literacy, debt management and other topics relevant to providing students and their families with financial aid assistance; any such materials must clearly disclose the source of said materials and may not use trademarks, logos, mascots, or other symbols associated with the district.
- Training to college employees regarding student lending laws, education loans, financial literacy, debt management, and other topics relevant to providing students and their families with financial aid.
- The College will only accept contributions or donations given for strictly philanthropic purposes not related to financial aid, and the College will compile annually a list of all donations and make available if requested.

Adopted: August 2011

Last Reviewed: August 2024

Last Revised: