

## NORTHWEST TECHNICAL INSTITUTE CODE OF CONDUCT IN REGARD TO PREFERRED LENDER ARRANGEMENTS

This code of conduct is designed to prohibit a conflict of interest for all NWTI employees and agents of the NWTI system that have responsibilities with respect to private education loans and all such employees must be annually informed of the provisions of this code of conduct. This document serves as the "Code of Conduct" portion of the Northwest Technical Institute Policy on Education Loan Practices.

All references to "NWTI" to "NWTI employees" apply to NWTI as a whole, and departments. All references to "lenders" apply to entities, other than the Institute and public agencies, that provide education loans to NWTI students. Unless otherwise noted, references to "lenders" also include loan service providers.

To avoid any conflict of interest, the following conduct is hereby prohibited:

**1. NWTI** must not enter into any revenue-sharing arrangement with any lender. For purposes of this statement, the term revenue-sharing arrangement means an arrangement between NWTI and a lender under which a lender provides a private education loan to students attending NWTI and recommends the lender or their loan products and in exchange, the lender pays a fee or provides other material benefits, including revenue or profit sharing, to the institution.

**2. NWTI employees and agents of the NWTI system who are employed in the financial aid office or** otherwise have responsibilities with respect to private education loans, must not solicit or accept any gift from a lender or servicer of the Federal Family Education Loan Program (FFELP) loans or private education loans. The term gift means any gratuity, favor, discount, entertainment, hospitality, loan, or other item having more than a nominal value. 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 (except for reasonable expenses as specified in paragraph 11 in this code of conduct) after the expense has been incurred.

**3. A gift** to a family member of a NWTI employee or agent of the NWTI system, or to any other individual based on that individual's relationship with the agent, is considered a gift to the agent if:

- a. The gift is given with the knowledge and acquiescence of the NWTI employee or agent of the NWTI system, and
- b. The NWTI employee or agent of the NWTI system has reason to believe the gift was given because of the official position of the agent.

**4. A NWTI** employee or agent of the NWTI system who is employed in the financial aid office of the institution or who otherwise has responsibilities with respect to private education loans must 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 private education loans.

5. A NWTI employee may not direct a borrower to a particular lender by assigning a first-time borrower, through award packaging or other methods, to a particular lender or loan product.

6. No individual or NWTI campus may promote or appear to promote any loan product or lender that has not been selected for inclusion on a NWTI private loan list. However, exceptions to this prohibition would be permissible when a loan program, not included on a NWTI private loan list, has a unique structure such that it is only available to a limited segment of the student population that is not served by the lenders on a NWTI private loan list.

7. A NWTI campus may not refuse to certify or intentionally delay the certification of any loan based on the borrower's selection of a particular lender. However, student borrowers who select lenders that do not have an electronic interface with the campus, might experience a longer processing time due to the manual nature of the process, and such a delay would not be considered a code of conduct violation.

8. A NWTI campus must not request or accept from any lender any offer of funds to be used for private education loans to students, including recourse loans and/or funds for opportunity pool loans, in exchange for the NWTI campus providing concessions or promises to the lender of a specified number or volume of those loans, or entering into a preferred lender arrangement for those loans. The term recourse loans, as used here, refers to arrangements between schools and lenders, in which the school provides funds to a lender to offset the risk of the lender providing loans to students at the school who have a high risk of default. The term opportunity pool loans, as is used here, means private education loans made by a lender to students attending the institution or the family member of such students that involves a payment directly or indirectly by that institution, of points, premiums, additional interest, or financial support to that lender for the purpose of that lender extending credit to the student or family. Regulations do not prohibit recourse loans or opportunity pool loans in all cases. Regulations only prohibit such loans if the funds for those loans are provided in exchange for concessions or promises to the lender of a specified number or volume of private education loans, or entering into a preferred lender arrangement for private education loans.

9. The institution must not request or accept from any lender any assistance with financial aid office staffing.

10. A NWTI employee, who has job responsibilities that directly or indirectly involve the development of NWTI private loan lists or who communicates with students about their education loan options, must not fail to disclose any potential financial interest in a lender or fail to report the offer of a gift from a lender to his or her supervisor or other appropriate University official.

11. Any NWTI financial aid office employee or any NWTI employee who otherwise has responsibilities with respect to private education loans or other forms of student financial aid, and who serves on an advisory board, commission, or group established by a lender or group of lenders, must not receive anything of value from the lender, or group of lenders, except that the employee may be reimbursed for reasonable expenses incurred in serving on such an advisory board, commission or group.