

Institutional Code of Conduct for Education Loans

Purpose

Central Connecticut State University (CENTRAL) is committed to providing students and their families with accurate, unbiased, and transparent information to help them make informed decisions regarding educational loans. In compliance with the Higher Education Opportunity Act (HEOA) and state regulations, CENTRAL adopts the following Institutional Code of Conduct to ensure the integrity of the student loan process and the ethical conduct of all university employees involved in student financial aid matters.

1. Prohibition on Revenue-Sharing Arrangements

CENTRAL and its employees will not enter into any revenue-sharing arrangements with any lender. This includes any arrangement under which the lender makes payments or provides benefits to the institution or its employees in exchange for loan referrals or for the institution recommending the lender to students or parents.

2. Gifts

Employees of CENTRAL's Office of Financial Aid, as well as any other university employees who have responsibilities related to education loans, shall not solicit or accept any gift, gratuity, favor, or entertainment having more than nominal value from a lender, guarantor, or servicer of education loans.

Definition: Gifts include services, hospitality, or any other item of value.

Exceptions: Standard materials, activities, or programs that provide information about loans or financial literacy, as well as meals or refreshments of nominal value offered as part of professional development, are permissible.

3. Contracting Arrangements

No officer, employee, or agent of CENTRAL shall accept from any lender or servicer any fee, payment, or other financial benefit (including opportunities for investment) as compensation for any type of consulting arrangement, advisory board service, or other contract related to education loans.

4. Preferred Lender Lists and Preferred Lender Arrangements

CENTRAL does not maintain a preferred lender list. If CENTRAL were ever to provide such a list, the university would:

- Clearly disclose the process and criteria used to select lenders.
- Assure that students and parents have the right and ability to select any lender of their choice.
- Refrain from assigning a lender to a borrower or delaying loan certification for any borrower who selects a lender not on the list.

5. Interaction with Borrowers

CENTRAL will not assign a borrower's loan to a particular lender or servicer. CENTRAL will not refuse to certify or delay certification of any loan based on the borrower's selection of lender or guarantor. The university will process loan certifications promptly and accurately to ensure timely disbursement of funds.

6. Advisory Board Compensation

Any university employee who serves on an advisory board, commission, or group established by a lender or guarantor must receive no compensation or reimbursement for expenses beyond reasonable, standard reimbursement for travel and lodging related to participation in such service.

7. Staffing Assistance

CENTRAL will not request or accept assistance from any lender to staff institutional offices or call centers, except for:

- Providing professional development training to financial aid administrators.
- Providing educational materials that identify the lender as the author/source.
- Short-term, non-recurring assistance during emergencies (e.g., natural disasters), provided there is no cost to the institution and no influence over aid decisions.

8. Financial Literacy and Borrower Education

CENTRAL will provide students with access to clear, accurate, and impartial information on student loans, debt management, repayment options, and financial literacy. The Financial Aid Office and Financial Literacy Center work collaboratively to educate students and families to make informed borrowing decisions that minimize debt and promote financial well-being.

9. Enforcement and Accountability

Violations of this Code of Conduct will result in disciplinary action consistent with university policies and collective bargaining agreements. All employees involved in financial aid administration must annually acknowledge their understanding and adherence to this Code.

Central Connecticut State University
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