

TLU Lender Code of Conduct

Effective May 1, 2009

Texas Lutheran University participates in the Federal Family Education Loan Program (FFELP) and processes private – non-federal – loans through lenders that offer such loan programs.

While TLU provides a list of lenders that students and parents may choose from, we do not prefer one lender over another nor are students or parents required to borrow through the lenders that appear on our list. These lenders are on our list because they have either indicated a willingness to loan to TLU students and parents by responding to our Request for Information (RFI) or students/parents have chosen to borrow through the lender in the past.

Students and parents may choose one of the lenders on the list OR choose a lender of their own. If choosing a lender of their own, students and parents are responsible for researching the lender's loan programs and benefits and providing the following information about the lender to TLU: lender name, lender code, servicer name, lender contact and the contact's information.

Our list will be updated periodically as lender participation in the programs change or as needed based on lender's willingness to loan to TLU's students and their parents. TLU reserves the right to not include a lender on the list even if they respond to the RFI, if we feel it would not be in the best interest of our students to use the lender.

TLU promises the following:

- 1) TLU will not enter into a revenue-sharing arrangement with any lender, regardless of whether their appearance on the list mentioned above.
- 2) TLU employees will not accept gifts of more than nominal value from lenders, guarantors and loan servicers. (see definition of gift below)
- 3) TLU employees will not receive compensation for consulting services to lenders.
- 4) TLU will not assign lenders to first-time borrowers or to any other borrower.
- 5) TLU will not refuse to certify or process a loan in a timely manner based on borrower's choice of lender.
- 6) TLU will not participate in opportunity pools with lenders.
- 7) TLU will not permit lender staff to assume school call center or financial aid office staff functions.
- 8) TLU employees will not accept compensation for serving on a lender's advisory board, except for reasonable expenses incurred as a result of that service, such as travel expenses.

This policy will be reviewed annually with employees and agents of TLU who have loan-related responsibilities.

Definitions of terms used:

Revenue Sharing Arrangement – an arrangement between TLU and a lender under which:

- 1) a lender provides or issues a loan that is made, insured, or guaranteed under this title to students attending TLU or to the families of such students; and
- 2) TLU 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 TLU, an officer or employee of TLU, or an agent.

Gift – In general means any gratuity, favor, discount, entertainment, hospitality, loan, or other item having monetary value or more than a de minimus amount. 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 expenses has been incurred. Exceptions: The term gift does not include:

- 1) Standard materials, activities, or programs on issues related to a loan, default aversion, default prevention, or financial literacy, such as a brochure, a workshop, or training.
- 2) Food, refreshments, training, or informational material furnished to an officer or employee of TLU, 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 TLU, if such training contributes to the professional development of the officer, employee, or agent.
- 3) Favorable terms, conditions, and borrower benefits on an education loan provided to a student employed by TLU if such terms, conditions, or benefits are comparable to those provided to all students of the institution.
- 4) Entrance and exit counseling services provided to borrowers to meet TLU's responsibilities for entrance and exit counseling as long as TLU controls the counseling, and such counseling does not promote the products or services of any specific lender.
- 5) Philanthropic contributions that are not made in exchange for loan volume.