

Re: Higher Education Opportunity Act (HEOA) 2008

**Provisions Pertaining to
Institution-Affiliated Organizations***

Policy and Procedures

Contents

- I. Policy Statement**
- II. Purpose**
- III. Procedures**
- * term definition**

University of St. Francis
Re: HEOA 2008 – Provisions Pertaining to Institution-Affiliated Organizations
Policy and Procedures

I POLICY STATEMENT

It is the policy of University of St. Francis to inform annually its institution-affiliated organizations* about their responsibilities under the Higher Education Opportunity Act 2008 for:

- disclosures of preferred lender arrangements and private education loans;
- use of the University name;
- use of lender names;
- code of conduct

A. Disclosures

Institution-affiliated organizations* must disclose preferred lender arrangements and private education loan information.

Disclosures must be readily visible and in an easy to understand format on the organizations' websites and in all their informational materials (i.e., publications, mailings, electronic messages or materials that are distributed to prospective or current students of the University and their families that describe or discuss the financial aid opportunities available to students at an institution of higher education.)

The information shall be provided in a manner that allows for the students or the families to take such information into account before selecting a lender or applying for an education loan.

The institution-affiliated organization* must prepare and submit to the Secretary an annual report, by a date determined by the Secretary, that includes, for each lender that has a preferred lender arrangement with the organization, a detailed explanation of why such institution-affiliated organization entered into a preferred lender arrangement with the lender, including why the terms, conditions, and provisions of each type of education loan provided pursuant to the preferred lender arrangement are beneficial for students attending the University or their families, as applicable. The report must also include the information that the Secretary, in coordination with the Board of Governors of the Federal Reserve System, will determine not later than 18 months after the date of enactment of the HEOA 2008 must be made available. The organization must ensure that the report is made available to the public and provided to students attending or planning to attend the University and their families.

University of St. Francis
Re: HEOA 2008 – Provisions Pertaining to Institution-Affiliated Organizations
Policy and Procedures

a. Preferred lender arrangements

With respect to preferred lender arrangements, affiliates must disclose:

- i. The maximum amount of Federal grant and loan aid under title IV available to students;
- ii. The information that the Secretary, in coordination with the Board of Governors of the Federal Reserve system, and not later than 18 months after the date of enactment of the HEOA, shall determine to be the minimum that such covered institutions participating in preferred lender arrangements shall make available regarding education loans described in part B of Title IV;
- iii. A statement that they are required to process the documents required to obtain a loan under part B of title IV from any eligible lender the student selects;
- iv. The information the Board of Governors of the Federal Reserve System requires to be disclosed under section 128 (e) (1) of the Truth in Lending Act (15 U.S.C. 1638 (e) (1)) for each type of private education loan offered pursuant to a preferred lender arrangement of the University to students of the University or their families

b. Private education loan disclosures

With respect to private education loan disclosures, affiliates must:

- i. Provide the prospective borrower with the information the Board of Governors of the Federal Reserve System requires to be disclosed under section 128 (e) (1) of the Truth in Lending Act (15 U.S.C. 1638 (e) (1)) for such loan;
- ii. Inform the prospective borrower that:
 1. (s)he may qualify for loans or other assistance under title IV;
 2. the terms and conditions of loans made, insured, or guaranteed under title IV may be more favorable than the provisions of private education loans
- iii. Ensure that information regarding private education loans is presented in such a manner as to be distinct from information regarding loans that are made, insured, or guaranteed under title IV.

B. Use of institution name

An institution-affiliated organization* that enters into a preferred lender arrangement with a lender regarding private education loans shall not agree to the lender's use of the name, emblem, mascot, or logo of the University, or other words, pictures, or symbols readily identified with the University, in the marketing of private education loans to students attending the University in any way that implies that the loan is offered by the University instead of the lender.

C. Use of lender name

An institution-affiliated organization* that enters into a preferred lender arrangement with a lender regarding private education loans shall ensure that the name of the lender is displayed in all information and documentation related to such loans.

D. Code of Conduct

Each institution-affiliated* organization shall comply with the code of conduct developed and published by the University under subparagraphs (A) and (B) of section 487 (a) (25) of HEOA 2008.

If the affiliate has a website, the affiliate must publish such code of conduct prominently on the website.

II. PURPOSE

The purpose of this policy is compliance with Higher Education Opportunity Act of 2008 provisions pertaining to institution-affiliated* organizations.

III. PROCEDURES

The chief financial officer of the University is compliance officer for institution-affiliated organizations*.

The compliance officer is required to perform annual due diligence to ensure that all relationships of University affiliation are documented. Due diligence is conducted in May, the last period of the fiscal year. It includes documenting interviews with peer University officers and securing data collection forms from them to ensure that every division is reviewed for the existence of such relationships.

The compliance officer is required to inform annually in writing all University institution-affiliated organizations* about their responsibilities, as outlined in the policy, with respect to disclosures of preferred lender arrangements and private education loans, use of the University name, and use of lender names.

The compliance officer is required to inform annually in writing all University institution-affiliated organizations* of the provisions of the code of conduct, and the requirement that such code must be prominently published on the affiliated organization's website if they have a website.

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*** Term Definition**

In accordance with Section 151 – Definitions of the HEOA 2008, the term **institution-affiliated organization** means any organization that is directly or indirectly related to the University, and is engaged in the practice of recommending, promoting, or endorsing education loans for students attending the University or the families of such students. This may include an alumni organization, athletic organization, foundation, or social, academic, or professional organization of the University. It does not include any lender with respect to any education loan secured, made, or extended by such lender.