



Standard Administrative Procedure (SAP)

07.02.99.L0.01 Texas Higher Education Fair Lending Practices

First Approved: August 30, 2013
Revised: January 22, 2019
Next Scheduled Review: January 22, 2024

Procedure Statement and Reason for Procedure

The purpose of this SAP is to establish Texas A&M International University's (TAMIU) Financial Aid Employee code of conduct as required under the Higher Education Opportunity Act of 2008 and Texas A&M University System (System) [Policy 07.01, Ethics](#) for all financial aid programs adhering to Texas Higher Education Fair Lending Practices.

Procedures and Responsibilities

1. Financial Aid Employee Training

- 1.1 The TAMIU Director of Financial Aid will review and/or conduct training for the following with Financial Aid employees annually:
 - 1.1.1 [TAMIU Financial Aid Employee Code of Conduct](#)
 - 1.1.2 [System Policy 07.01, Ethics](#)
 - 1.1.3 [Texas Education Code, Section 61.003](#)
 - 1.1.4 [National Association of Student Financial Aid Administrators \(NASFAA\) Statement of Ethical Principles](#)
 - 1.1.5 [NASFAA Code of Conduct for Institutional Financial Aid Professionals](#)
 - 1.1.6 [System Policy 07.02, Texas Higher Education Fair Lending Practices](#)
 - 1.1.7 The Texas ethics laws relating to state employment training will be done online and will be assigned automatically by the Office of Human Resources via TrainTraq.

1.2 Financial Aid employees will sign a document indicating that they have read, understand, and will comply with the policies, rules, requirements, and regulations contained within.

2. Prohibition Regarding Revenue Sharing

2.1 Refer to the definition of “revenue sharing” in [System Policy 07.02, Texas Higher Education Fair Lending Practices](#).

2.2 No TAMIU employee or affiliate contractor shall enter into any revenue-sharing arrangement with any lender.

3. Prohibition Regarding Gifts

3.1 Refer to the definition of “gift” in [System Policy 07.02, Texas Higher Education Fair Lending Practices](#).

3.2 No employee of TAMIU’s Office of Financial Aid (OFA) or an employee or agent who otherwise has responsibilities with respect to educational loans, nor any family member of such, may solicit or accept any gift from a lender, guarantor, or servicer of education loans.

3.3 TAMIU is not prohibited from accepting endowment gifts, capital contributions, scholarship funding, or other financial support from a lender, guarantor, or servicer of education loans, as long as TAMIU gives no competitive advantage or preferential treatment to the lender, guarantor, or servicer of education loans related to its education loan activity in exchange for such support.

4. Prohibition Regarding Compensation for Consulting, Contracting, or Advising

4.1 No employee of the TAMIU OFA or an employee or agent who otherwise has responsibilities with respect to educational loans, nor any family member of such, shall accept any fee, payment, other financial benefit for any type of consulting arrangement or contract to provide services to or on behalf of a lender relating to education loans.

4.2 No employee of the TAMIU OFA or an employee or agent who otherwise has responsibilities with respect to educational loans, nor any family member of such, shall accept any fee, payment, or other financial benefit as compensation for serving on an advisory board, commission, or group established by a lender or guarantor or a group of lenders or guarantors, except for reimbursement of reasonable expenses incurred by the employee for serving on the board.

4.3 The TAMIU OFA may hold membership in any non-profit professional association and may hold individual membership in any non-profit professional association.

- 4.4 TAMIU OFA employees are not precluded from attending any educational session or training program related to financial aid or higher education loans where no registration fee is charged to any attendee because of a lender's, guarantor's, or loan servicer's sponsorship or support of the program, provided that the registration fee is limited to covering the costs associated solely with the education or training component of the program.
- 4.5 These exclusions shall not apply to participation on advisory boards that are unrelated in any way to financial aid or higher education loans.

5. Prohibition Regarding Loan Awarding Process

- 5.1 TAMIU, or an employee of the TAMIU OFA, shall not assign, through award packaging or other methods, the borrower's loan to a particular lender or refuse to certify or delay certification of any loan based on the borrower's selection of a particular lender or guaranty agency.
- 5.2 TAMIU, or an employee of the TAMIU OFA, cannot direct a borrower to a specific educational loan lender.

6. Prohibition Regarding Contracting Arrangements for Private Educational Loans

TAMIU may not request or accept from any lender any offer of funds to be used for private educational loans to students in exchange for providing concessions or promises to the lender regarding a number of loans, loan volume, or a preferred lender arrangement for private educational loans. This prohibition extends to "opportunity pool loans," which are defined as a private education loans made by a lender to a student (or the student's family) that involves a payment by the institution to the lender for extending credit to the student.

7. Prohibition Regarding Lending Institutions Providing Staffing Assistance

- 7.1 No employee or other agent of a lending institution can staff the TAMIU OFA at any time, either in-person or as part of a call center. TAMIU shall ensure that no employee or other representative of a lending institution is ever identified to students or prospective students of TAMIU or their parents as an employee or agent of TAMIU.
- 7.2 Representatives of lenders may be allowed to conduct informational sessions, such as exit counseling presentations on loan payment and loan consolidation options, as long as:
 - 7.2.1 student attendance is voluntary;
 - 7.2.2 a TAMIU representative explains that other lenders may provide similar service;
 - 7.2.3 the affiliation of the lender representative is disclosed at the start of the presentation; and
 - 7.2.4 the lender representative does not promote the products or services of any lender.

- 7.3 In the event that TAMIU permits a lender to conduct information sessions or exit counseling presentations as explained above, TAMIU must retain control of the presentation offered by lender. Control may be evidenced by: (a) a TAMIU employee attending such presentation; (b) TAMIU recording or videotaping the presentation; or (c) with respect to an exit counseling session conducted electronically via the internet, TAMIU creating or approving in advance the content of such electronic exit counseling session.
- 7.4 Staffing assistance from a lending institution is permitted on a short-term, non-recurring basis to assist with financial aid-related functions during emergencies, including State-declared or federally-declared natural disasters and other localized disasters and emergencies identified by the U.S. Secretary of Education.
- 7.5 A lender may provide educational counseling materials, financial literacy materials, or debt management materials as long as the materials identify the lender that assisted in preparing the materials.

8. Responsibilities of TAMIU OFA Employees

- 8.1 Avoid all conflicts of interest, potential conflicts of interest, and the appearance of conflicts of interest which would result in personal financial gain to the employee.
- 8.2 Refrain from knowingly taking any action that is contrary to law, regulation, TAMIU policy, or the best interest of students and their families.
- 8.3 Refrain from taking any action for a family member, friend, or business associate that would result in impacting financial aid eligibility, other than running automated processes in which the student is being processed in a batch along with many other students.
- 8.4 Promote the core values and mission of the TAMIU OFA.
- 8.5 Notify their supervisor, or the Director of Financial Aid, of any observed potential conflict of interest by an employee of the OFA.
- 8.6 Notify the Director of Financial Aid if any family member, friend, or business associate has been granted the ability to disburse aid by another office of TAMIU.

Related Statutes, Policies, Regulations, or Rules

[System Policy 07.01, Ethics](#)

[System Policy 07.02, Texas Higher Education Fair Lending Practices](#)

[Texas Education Code, Section 61.003](#)

[Title IV, Higher Education Act of 1965 \(Pub. L. No.89-329\)](#)

[34 CFR, Part 601, Subpart B](#)

Definitions

Refer to **Definitions** in [System Policy 07.02, Texas Higher Education Fair Lending Practices](#).

Appendix

[TAMIU Financial Aid Employee Code of Conduct](#)

[NASFAA Statement of Ethical Principles](#)

[NASFAA Code of Conduct for Institutional Financial Aid Professionals](#)

Contact Office

Office of Financial Aid, 956-326-2225