

## **Code of Conduct for Education Loans**

Oklahoma City Community College now participates in the Federal Direct Loan Program (DL) effective with the 2010-2011 academic year. Student loans offered for periods of enrollment beginning after July 1, 2010 will be Federal Direct Loans.

Students who do not qualify for a Direct Loan or who may be seeking additional loan funds, may contact the OCCC Financial Aid Office Loan Unit to discuss private education loans.

Private education loans are not funded or guaranteed by the U.S. Government. Students should always seek Federal Pell Grants, Direct Loans, Federal Work Study, or college student employment before turning to private education loans.

Representatives of OCCC who have responsibilities for assisting students with various student loans or who serve on advisory boards for lending institutions must be aware of required code of conduct standards established by the Higher Education Opportunity Act Sec. 493(a) and HEOA Sec. 493(c). The College and its representatives who have responsibility for student loans must follow the code of conduct for education loans as stated below. Representatives are prohibited from:

- revenue-sharing arrangements with any lender;
- receiving gifts from a lender, guarantor or loan servicers;
- any contracting arrangements providing financial benefit from any lender or a affiliate of a lender;
- directing borrowers to particular lenders or refusing or delaying loan certifications;
- offers of funds for private loans;
- staffing assistance by private lenders or their affiliate for call center or financial aid office operations;
- advisory board compensation.

**Penalties for Recipients of Federal Title IV Student Financial Aid for Drug Law Violations. How to regain eligibility (HEA 484(c); 34 CFR 668.40) (HEOA 488(g))**

Students who are convicted for possession or sale of illegal drugs during a period of enrollment for which the student received Federal Title IV financial aid funds results in a loss of eligibility for Title IV funds: Pell Grant, Direct Loan, Federal SEOG, Federal Work-Study, Federal Academic Competiveness Grant.

If you lose eligibility for Federal Title IV funds, you may regain eligibility after a standard period of ineligibility based on the type of offense (sale or possession) and whether it is the 1<sup>st</sup>, 2<sup>nd</sup>, or 3<sup>rd</sup> conviction. You regain eligibility the day after the standard period ends or when you complete a qualified drug rehabilitation program.

If you lose eligibility for an indefinite period of time you can generally regain eligibility after successfully completing a rehabilitation program or if a conviction is reversed, set aside, or removed from your record.

Check with the Financial Aid Office for specific information about your particular situation.