

## Financial Aid Lending Practices

Willamette University's first priority in conducting business with student loan providers is to act in the best interest of student borrowers. Our students deserve the opportunity to make good choices for their future, and they depend upon the University to give them honest counsel. Until such time as federal regulations or statutory changes occur, the following policy will be our practice in financial aid.

### Financial Aid Practices

The purpose of the federal student loan program is to provide optimal loan terms for students and parents who borrow to help finance higher education. Private student loans are an important additional resource for students. Students and families must receive trustworthy, reliable and unbiased guidance from Willamette about financial aid. Willamette University's practice in conducting business with student loan providers is to act in the best interest of student borrowers. The following policies are designed to identify the most favorable loan terms and choices for students served by Willamette University, to inform students about their loan choices, and to avoid conflicts or the appearance of conflicts of interest by the University.

- 1. Preferred Lender List:** We will offer a list of lenders that is solely based upon the best interest of the student including, but not limited to, interest rates, terms, fees, customer service, borrower benefits and ease of application. We will include no fewer than three lenders on the lender list, make the information available on the website and provide it to students during the financial aid process.
- 2. Lender List Review:** Willamette evaluates candidates for preferred-lender status through a Request for Information (RFI) process. Lenders are asked to complete a comprehensive questionnaire that enables staff to select preferred partners based upon benefits to students and parents. Lender list status is reviewed annually.
- 3. Lender List Disclosure:** The process by which lenders are selected for the lender list will be fully disclosed to students and parents via the website and provided to students during the financial aid process. Students must be informed that they have the right to use a lender of their own choosing, will not be penalized in any way for exercising such an option, and will receive assistance from the University in processing the loan of their choice.
- 4. Private Loan Disclosure to Students:** When Willamette provides information to any student or parent regarding a private educational loan from a lender, we will also inform them of:
  - The student's or parent's eligibility for assistance and loans under Title IV of the Higher Education Act
  - The terms and conditions of private educational loans that are less favorable than the terms and conditions of other educational loans for which the student or parent is eligible, including interest rates, repayment options and loan forgiveness

Information regarding private educational loans will be presented in such a manner as to be distinct from information regarding loans that are made, insured, or guaranteed under Title IV of the Higher Education Act.

- 5. Use of Mascot, Logo, Emblem or Name by Lenders:** Lenders may not use Willamette's name, emblem, mascot or logo in the marketing of private educational loans to current or prospective students in any way that implies that Willamette University endorses the private educational loans offered by the lender.

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6. **Acceptable Gifts to University Personnel:** All staff members involved in the admission, student financial aid and student loan processes shall not accept gifts from a lender or consolidator of student loans other than advertising items of nominal value (e.g., notepads, pens).
  7. **Professional Development Training and Conferences:** Financial aid staff members are encouraged to engage in ongoing professional development. Reasonable travel, conference registration fees and other miscellaneous expenses relating to professional development meetings must be paid by Willamette University or the individual attending and should be specifically approved by the appropriate supervisor as travel that will benefit the University. Reimbursement of any expenses by a lender is prohibited.
  8. **Lender Gifts to the University:** Willamette University will not accept any gifts or paid services from a lender that may be construed to constitute buying influence for Willamette's lending partners. Prohibited gifts include, but are not limited to, revenue sharing agreements, printing costs, computer equipment and expense-paid travel.
  9. **Lender Advisory Boards:** Financial aid personnel may participate on lender advisory boards for the purposes of communicating the needs of the University and its students to lenders, but these employees shall not receive any financial remuneration for their participation or any other form of compensation from the lenders, other than meals associated with the meeting.

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