Statement of Ethical Principles and Code of Conduct for Financial Aid Professionals

As approved by NASFAA's Board of Directors, March 2014

PREAMBLE

Professional ethics encompass the personal and organizational standards of behavior expected of professionals who exercise specialist knowledge and skill. Because of their unique experience and training, financial aid professionals make judgments, apply their skills, and reach informed decisions in situations that the general public cannot. This capability comes with responsibility—an implicit or explicit set of ethics that should govern the decisions and actions of all financial aid professionals.

The National Association of Student Financial Aid Administrators (NASFAA) provides professional development for financial aid administrators; advocates for public policies that increase student access and success; serves as a forum on student financial aid issues, and is committed to diversity throughout all activities. NASFAA members are required to exemplify the highest level of ethical behavior in helping students and families find the best ways to pay for college and demonstrate the highest level of professionalism, all while remaining good stewards of public and institutional funds.

As part of the only national association representing financial aid administrators in all sectors of higher education, NASFAA members are expected to adhere to ethical standards.

In April 1999, NASFAA's Board of Directors adopted the 12-point Statement of Ethical Principles that has served as a common foundation for accepted standards of conduct for the financial aid profession. Later, NASFAA expanded on those ethical principles through a more prescriptive Code of Conduct. That Code was first adopted by the NASFAA Board of Directors in May 2007 to provide specific standards and guidance in order to assure the public of the profession's integrity.

The Statement of Ethical Principles is intended to serve as an "aspirational" document—i.e. a set of ideals and ethical goals for all financial aid professionals. The Code of Conduct, on the other hand, is more dogmatic; it is intended to enumerate specific rules and expectations for personal and professional conduct.

In 2013-14, the NASFAA Board again examined the Statement of Ethical Principles and Code of Conduct in light of new issues, challenges, and dynamics in higher education. At the request of 2013-14 National Chair Craig Munier, a task force of Board members was convened to examine the current ethical standards in detail, consult with legal counsel, collect member comment, make updates, and report back to the Board. Led by Mary Sommers from the University of Nebraska-Kearney, the task force presented a revised Code of Conduct and Ethical Principles to the Board in March 2014.

NASFAA thanks the following individuals for their work on the Task Force on Ethical Standards:

- Mary Sommers (Task Force Chair)
- Ron Day
- Jack Edwards
- Pamela Fowler
- Lisa Hopper
- Lisanne Masterson
- Craig Munier
- Eileen O´Leary
- David Page
- Cathleen Patella
- Lori Vedder

The principles contained herein focus on reaffirming our professional commitment to transparency, compliance, and above all students, who have become reliant on federal, state, and institutional aid programs to fulfill their educational goals and dreams.

NASFAA members strive to meet the ***Statement of Ethical Principles*** and are required to comply with the ***Code of Conduct*** as a condition of membership.

NASFAA
NATIONAL ASSOCIATION OF STUDENT FINANCIAL AID ADMINISTRATORS

STATEMENT OF ETHICAL PRINCIPLES

The primary goal of the financial aid professional is to help students achieve their educational goals through financial support and resources. NASFAA members are required to exemplify the highest level of ethical behavior and demonstrate the highest level of professionalism.

We, financial aid professionals, declare our commitment to the following Statement of Ethical Principles.

Financial aid administrators shall:

Advocate for students

- Remain aware of issues affecting students and continually advocate for their interests at the institutional, state and federal levels.
- Support federal, state and institutional efforts to encourage students, as early as the elementary grades, to aspire to and plan for education beyond high school.

Manifest the highest level of integrity

- Commit to the highest level of ethical behavior and refrain from conflict of interest or the perception thereof.
- Deal with others honestly and fairly, abiding by our commitments and always acting in a manner that merits the trust and confidence others have placed in us.
- Protect the privacy of individual student financial records.
- Promote the free expression of ideas and opinions, and foster respect for diverse viewpoints within the profession.

Support student access and success

- Commit to removing financial barriers for those who want to pursue postsecondary learning and support each student admitted to our institution.
- Without charge, assist students in applying for financial aid funds.
- Provide services and apply principles that do not discriminate on the basis of race, gender, ethnicity, sexual orientation, religion, disability, age, or economic status.
- Understand the need for financial education and commit to educate students and families on how to responsibly manage expenses and debt.

Comply with federal and state laws

- Adhere to all applicable laws and regulations governing federal, state, and institutional financial aid programs.
- Actively participate in ongoing professional development and continuing education programs to ensure ample understanding of statutes, regulations, and best practices governing the financial aid programs.
- Encourage colleagues to participate in the financial aid professional associations available to them at the state, regional, or national level and offer assistance to other aid professionals as needed.

Strive for transparency and clarity

- Provide our students and parents with the information they need to make good decisions about attending and paying for college.
- Educate students and families through quality information that is consumer-tested when possible. This includes (but is not limited to) transparency and full disclosure on award notices.
- Ensure equity by applying all need-analysis formulas consistently across the institution's full population of student financial aid applicants.
- Inform institutions, students, and parents of any changes in financial aid programs that could affect their student aid eligibility.

Protect the privacy of financial aid applicants

- Ensure that student and parent private information provided to the financial aid office by financial aid applicants is protected in accordance with all state and federal statutes and regulations, including FERPA and the Higher Education Act, Section 483(a)(3)(E) (20 U.S.C. 1090).
- Protect the information on the FAFSA from inappropriate use by ensuring that this information is only used for the application, award, and administration of aid awarded under Title IV of the Higher Education Act, state aid, or aid awarded by eligible institutions.

CODE OF CONDUCT

Institutional members of NASFAA will ensure that:

1. No action will be taken by financial aid staff that is for their personal benefit or could be perceived to be a conflict of interest.
   a. Employees within the financial aid office will not award aid to themselves or their immediate family members. Staff will reserve this task to an institutionally designated person, to avoid the appearance of a conflict of interest.
   b. If a preferred lender list is provided, it will be compiled without prejudice and for the sole benefit of the students attending the institution. The information included about lenders and loan terms will be transparent, complete, and accurate. The complete process through which preferred lenders are selected will be fully and publically disclosed. Borrowers will not be auto-assigned to any particular lender.
   c. A borrower's choice of a lender will not be denied, impeded, or unnecessarily delayed by the institution, even if that lender is not included on the institution's preferred lender list.
   d. No amount of cash, gift, or benefit in excess of a de minimis amount shall be accepted by a financial aid staff member from any financial aid applicant (or his/her family), or from any entity doing business with or seeking to do business with the institution (including service on advisory committees or boards beyond reimbursement for reasonable expenses directly associated with such service).
2. Information provided by the financial aid office is accurate, unbiased, and does not reflect preference arising from actual or potential personal gain.
3. Institutional award notifications and/or other institutionally provided materials shall include the following:
   a. A breakdown of individual components of the institution's Cost of Attendance, designating all potential billable charges.
   b. Clear identification of each award, indicating type of aid, i.e. gift aid (grant, scholarship), work, or loan.
   c. Standard terminology and definitions, using NASFAA's glossary of award letter terms.
   d. Renewal requirements for each award.
4. All required consumer information is displayed in a prominent location on the institutional web site(s) and in any printed materials, easily identified and found, and labeled as "Consumer Information."
5. Financial aid professionals will disclose to their institution any involvement, interest in, or potential conflict of interest with any entity with which the institution has a business relationship.

NASFAA

NATIONAL ASSOCIATION OF STUDENT FINANCIAL AID ADMINISTRATORS