

**BOARD OF GOVERNORS
STATE UNIVERSITY SYSTEM OF FLORIDA
December 5, 2007**

SUBJECT: Approval of Student Loan Practices Code of Conduct

PROPOSED BOARD ACTION

Consideration and Approval of Student Loan Practices Code of Conduct.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Section 7(d), Art. IX, Florida Constitution

BACKGROUND INFORMATION

As previously reported at the June board meeting, Board staff and university representatives have been working with the Florida Attorney General's Office to develop a set of guidelines for the Board of Governors and the university boards of trustees to adopt that are designed to avoid the potential for conflicts of interest in connection with student loan practices at state universities. The Code of Conduct that resulted from this cooperative effort ensures that universities will take all reasonable steps to ensure the integrity of the student financial aid process, eliminate potential conflicts of interest, and provide a transparent process for students and their parents when selecting a lender.

The guidelines prohibit university officers, trustees, and employees from accepting anything of more than nominal value from any lending institution in connection with student loan activities or transactions. It further prohibits universities officers, trustees and employees who make financial aid decisions for the university from receiving any remuneration serving as a member or participant of a student loan advisory board of a lending institution. The Code precludes a university from accepting anything of value from a lending institution in exchange for any advantage or consideration provided to the lender related to its student loan activities. Finally, the Code outlines the parameters that must be followed if a university established a preferred list of lenders for its students and parents to consider.

Supporting Documentation: Provided in Committee Materials

Facilitators/Presenters: Vikki Shirley, General Counsel