

FEDERAL LOAN PROGRAMS

Niagara University Student Loan Code of Conduct

To comply with the 2008 Higher Education Opportunity Act, enacted Aug. 14, 2008, Niagara University adopts the following Student Loan Code of Conduct to serve as formal guidance in ensuring the integrity of the student-aid process and ethical conduct of Niagara employees in regard to student loan practices.

The purpose of this Code of Conduct is to ensure that all employees of the university, particularly those involved in the affairs of the financial aid office, understand their obligations to protect the rights and serve only the interests of students and parents.

Revenue-Sharing Arrangements

Per the 2008 Higher Education Opportunity Act, a "revenue-sharing arrangement," means any arrangement between an institution and lender (making loans per Title IV), wherein the institution recommends the lender or the loan products of the lender and in exchange, the lender pays a fee or provides other material benefits, including revenue or profit sharing, to the institution, an office or employee of the institution. Niagara University and its employees will not enter into any type of revenue-sharing arrangement with any lender.

Gifts

Employees of the financial aid office, or anyone having authority over the financial aid office, are prohibited from soliciting or accepting any gifts from lenders, guarantors or servicers of educational loans. Per the 2008 HEOA, a gift is any gratuity, favor, discount, entertainment, hospitality, loan, or other item having monetary value of more than a de minimus amount. This includes a gift of services, transportation, lodging or meals, purchase of a ticket, payment in advance, or reimbursement after the expense has incurred.

Contracting Arrangements

Employees of the financial aid office may not accept from a lender, or affiliate of any lender any fee, payment or other financial benefit as compensation for any type of consulting arrangement or other contract to provide services to a lender or on behalf of a lender relating to education loans.

Borrower Choice

The Office of Financial Aid may not assign a borrower's student loan to a particular lender. The borrower will be responsible for deciding who to borrow his/her loan through after review of lender benefits and services. Niagara University will not refuse to certify, or delay certification of, any loan based on the borrower's selection of a particular lender or guaranty agency.

Opportunity Pool Loan

Niagara University will not request or accept from any lender any offers to be used for private education loans, including funds for an opportunity pool loan, in exchange for providing concessions or promises to the lender for a specific number of loans made, insured or guaranteed, a specified loan volume, or a preferred lender arrangement.

Staffing Assistance

Niagara University will not request or accept from any lender any assistance with call center staffing or financial aid office staffing.

Advisory Board Compensation

Employees of the Office of the Financial Aid Office who serve on an advisory board, commission, or group established by lender, guarantor, or group of lenders or guarantors, are prohibited from receiving anything of more than de minimus value from the lender, guarantor, or group of lenders, except for reimbursement for reasonable expenses incurred by the employee for serving on the advisory board, commission or group.

In addition to the above, employees are held to the requirements of the Niagara University Conflicts of Interest Policy.

Federal Direct Student Loans

Graduate students who have been accepted as matriculated students and are enrolled at least six credits per semester at Niagara University may apply for a loan through the Federal Direct Student Loan Program. Eligibility is based on students' cost of attendance and financial need.

Graduate students may borrow up to \$20,500 per year on an unsubsidized basis (loan accrues interest during in-school periods).

The maximum aggregate amount a student can borrow for graduate and undergraduate education is \$138,500. (Only \$65,500 of this amount may be in subsidized loans.)

The interest rate is set by the federal government at a fixed rate of 5.31 percent. There may be an origination/ default fee deducted from the loan amount. Students must complete the Free Application for Federal Student Aid (FAFSA) to begin the application process for this loan. First-time borrowers are required to complete a Master Promissory Note and entrance counseling at StudentLoans.gov (<http://StudentLoans.gov>). Exit Counseling is required at graduation, withdrawal from the university, or when a student drops below 6 credit hours in a semester.

The federal student aid ombudsman of the U.S. Department of Education helps borrowers resolve disputes and solve other problems with federal student loans. The ombudsman office is where borrowers can turn after trying other ways to resolve a student loan dispute. Contact the ombudsman by:

- Telephone: 877.557.2575 (toll free)
- Fax: 606.396.4821
- Mail:
 - U.S. Department of Education
 - FSA Ombudsman Group
 - P.O. Box 1843
 - Monticello, KY 42633

Federal Direct PLUS Loans for Graduate Students

Eligible graduate students can borrow under the PLUS Loan Program up to their cost of attendance minus other estimated financial assistance. Requirements include a determination that the applicant does not have an adverse credit history and a fixed interest rate of 6.31 percent. Loan amounts are reduced by 4.276 percent as an origination fee. Applicants for these loans are required to complete the Free Application for Federal Student Aid (FAFSA). They also must have applied for their annual

loan maximum eligibility under the Federal Direct Loan program before applying for a graduate PLUS loan.

NU Student Emergency Loan Program

An emergency student loan fund has been made available by Niagara University which enables students to borrow loans on a short-term emergency basis at a nominal service charge. The office is located in the Office of Student Records and Financial Services, Butler Building.

Other Information

Over-Awards

Each semester a number of financial aid recipients become “over-awarded” as the result of receiving additional assistance after receiving their initial financial aid package or because the students enrollment status changes. As a result, some students may have received refunds for which they are no longer eligible which may result in owing a balance back to the university. To avoid this problem, students are urged to notify the Financial Aid Office promptly when they receive additional funds from any source not listed in their award letters or when students change their enrollment status.

Students must reapply for financial assistance each year. The academic year begins with the summer session and continues with the fall and spring semesters. Students who attend in the fall and spring and then wish to attend Niagara University the **following** summer session must complete a new FAFSA as the summer begins a new academic year. The FAFSA is available at www.fafsa.gov (<http://www.fafsa.gov>).