

NASFAA Members Respond to Code of Conduct

By Amit Agarwal

The National Association of Student Financial Aid Administrators (NASFAA) held its annual meeting on Sunday, July 8, whereby it offered its rank-and-file financial aid administrators a platform to respond to the association's new code of conduct.

After months of investigation by New York Attorney General Andrew Cuomo into lender-college relationships and Cuomo's unearthing of serious wrongdoings in the student loan industry, NASFAA reached an agreement on its code of conduct. Cuomo's investigation revealed that a number of financial aid officers had taken questionable gifts like travel arrangements, stocks, and direct payments from student loan companies for favoring them over other lenders.

The code lists six basic requirements for financial aid administrators:

- Desist from any action for personal benefit.
- Abstain from any act that would be, per their judgment, contrary to law or against the best interests of students and parents.
- Make certain that the financial aid information provided to students is accurate and unbiased.
- Make decisions in an objective manner and provide advice to the institution on relationships with all student loan providers.
- Refrain from activities involving advertising or receiving anything of value from any lender for serving on an advisory board or taking part in a training activity of such entity.
- Disclose involvement with, or interest in, any business carrying out any aspect of student financial aid.

Michael B. Goldstein, from Washington-based firm Dow Lohnes, and Sheldon E. Steinbach, also from the same firm, talked about their support for the code. Goldstein said they needed to let the public know that they hear their concern and are "responding to it." The lawyers said that a bold public statement of their principles was important to win back public confidence.

Attendees of the meeting raised a number of questions regarding how they should act in certain situations. Goldstein and Steinbach stated that the code of conduct was a "work in progress" as Congress is still working on legislation outlining the relationships between lenders and colleges.