

Ferrum College Financial Aid Office
Student and Parent Loan Code of Conduct (Federal and Alternative Loans)

Effective Date: May 16, 2007

Revised January 27, 2009

This policy addresses the relationship between the Ferrum College Financial Aid Office and the lenders utilized by Ferrum College student and parent borrowers in the Federal Family Education Loan Program (FFELP) and Alternative (Private) Loan Programs.

In keeping with the mission of the Financial Aid Office, we feel it is our responsibility to identify lenders that we believe will offer student and parent borrowers the best possible benefits to make their loan repayment as affordable as possible and offer great customer service.

We encourage students and parents to research lenders before making a selection. Ferrum College's Lender List is provided simply as a resource. No one is required to select a lender from Ferrum College's Lender List. Our office will process a loan from any qualifying lending agency a student or parent chooses to utilize. We are required to process the documents required to obtain a loan under Part B from any eligible lender.

We are committed to assisting students and parents with identifying and obtaining resources for higher education, to disbursing funds in a timely manner, and to educating borrowers so an informed decision can be made.

Maximum Amount of Federal Aid Available

Ferrum College offers a comprehensive financial aid award comprised of scholarship, grant, work, and loan programs. The maximum amount of federal grant aid available depends on the results of the Free Application for Federal Student Aid (FAFSA). For the 2008-2009 academic year, the maximum amount of federal grant aid awarded to students was approximately \$24,231. The average amount of federal grant aid awarded to students was approximately \$9955.

Loan Programs

We encourage students to utilize all federal loan options first before moving to an alternative source of educational funding, such as alternative/private loans. Below you will find **the maximum borrowing limits** for Federal Stafford Loan and Federal PLUS Loan borrowers for the **2009-2010 academic year**. Note: Students whose parents are not approved for the PLUS Loan or who are independent based on the results of the Free Application for Federal Student Aid (FAFSA) can only apply for the additional Unsubsidized Stafford Loan funds.

Freshmen (0-23 credits earned)	Stafford Loan (Subsidized and Unsubsidized) Additional Unsubsidized Loan (PLUS Denial/Independents)	\$5500 \$4000
Sophomore (24-55 credits earned)	Stafford Loan (Subsidized and Unsubsidized) Additional Unsubsidized Loan (PLUS Denial/Independents)	\$6500 \$4000
Junior (56-87 credits earned)	Stafford Loan (Subsidized and Unsubsidized) Additional Unsubsidized Loan (PLUS Denial/Independents)	\$7500 \$5000
Senior (88+ credits earned)	Stafford Loan (Subsidized and Unsubsidized) Additional Unsubsidized Loan (PLUS Denial/Independents)	\$7500 \$5000

Alternative Loans

While alternative loans are a resource for educational financing, Ferrum College advises students and parents to use these as a last resort and to use all federal loan eligibility first. Alternative loans vary in respect to interest rates (based on credit of student and cosigner and normally are higher than the federal Stafford Loan and PLUS Loan programs), borrower benefits, and repayment terms.

Gift Policy

The Ferrum College Financial Aid Office does not enter into contracts with lenders promising them a specific amount of loan volume in return for any benefits such as revenue sharing or stock options. Ferrum College has a policy that we will not accept gifts, meals, entertainment or similar incentives from any lender or guarantee agency.

Ferrum College also prohibits the following:

- *Revenue sharing arrangements
- *Accepting/soliciting gifts
- *Requesting accepting private loan funds in exchange for concessions within Title IV Loans
- *Requesting or accepting call center or financial aid office assistance from lender partners
- *Contracting arrangements by an employee in the Financial Aid Office who has responsibility for loans
- *Receiving any gifts (affects all agents, offices, and employees of the College)
- *Using name, logo, mascot of school to promote/market loans

Ferrum College's Lender List is online at www.ferrum.edu/financialaid/SPP.html

A more comprehensive list of lenders can be found on the website of Educational Credit Management Corporation (ECMC) which is the designated guarantee agency for the state of Virginia www.ecmc.org/student/participating_lenders.html

Ferrum College Lender Selection Process

In 2008, Ferrum College issued a Request for Information (RFI) to 9 lenders and to which 7 lenders submitted a proposal. Proposals were reviewed by the Director of Financial Aid. The top lenders with a greater stability in the FFELP market, compatibility with Educational Credit Management Corporation (ECMC), and the most widely used lenders in 08-09 in the Stafford and Parent PLUS loan programs were chosen. Borrower benefits were alike across the board for the lenders chosen.

We asked each lender to provide information regarding their borrower benefits for Stafford, PLUS, and Alternative loans, number of years in student lending, customer service, and mission. These items were rated on a scale of 1 to 5 based on lender response with 1 being poor and 5 being excellent. The 4 lenders with the highest overall scores were chosen for the lender list.

The lender list is reviewed each year and additional information requested to ensure the quality of benefits and customer service. We will also look into other lenders and programs to ensure that we are making the best possible recommendations for Stafford, Parent PLUS, and Alternative Loan borrowers.

Disclaimer

Ferrum College does not assume any liability for the information provided to us by lenders partners nor any change in lender benefits at any time. Ferrum College is releasing this information to consumers in good faith.