

## OFFICE OF GENERAL COUNSEL

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### MEMORANDUM

TO: Presidents, Chief Business Officers, Chief Legal Officers and Vice-Presidents for Student Affairs

FROM: Barry Burgdorf, Vice Chancellor and General Counsel

COPY: Francisco Cigarroa, Chancellor  
Kenneth Shine, Executive Vice Chancellor for Health Affairs  
David Prior, Executive Vice Chancellor for Academic Affairs  
Amy Shaw Thomas, Vice Chancellor and Counsel for Health Affairs  
James Studer, Associate Vice Chancellor for Student Affairs  
Anthony de Bruyn, Director of Public Affairs

RE: Announcement of New Policy UTS 171, the Student Financial Aid Code of Conduct

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UTS 171, the Student Financial Aid Code of Conduct, is now available on the web in the UT System Policy Library at <http://www.utsystem.edu/policy/policies/uts171.html>.

As you may recall, federal law now requires all institutions of higher education that participate in the student loan program under Title IV of the Higher Education Act to adopt and comply with a Student Financial Aid Code of Conduct, the terms of which are mandated by federal law. Because of this federal requirement, UT System institutions are no longer required to comply with the agreement entered into with the Texas Attorney General (the Texas Higher Education Fair Lending Practices Agreement).

Instead, covered UT System institutions must comply with UTS 171 and the Student Financial Aid Code of Conduct provided by UTS 171. Please note that UTS 171, as well as federal law, requires each covered institution to post the Student Financial Aid Code of Conduct prominently on its website. Additionally, each covered institution must annually inform its employees who have responsibilities with respect to education loans of the provisions of the Student Financial Aid Code of Conduct.

UTS 171 is a system-wide policy, and thus institutions are not required to adopt this policy as part of their Handbook of Operating Procedures. However, if your institution's conflict of interest policy references the Texas Higher Education Fair Lending Practices Agreement in the section dealing with gifts, we recommend deleting the reference to that agreement as obsolete.

Please share this information with those on your staff who may be impacted by these changes. If you have any questions, please contact Karen Lundquist in my office.