



NMSL CODE OF CONDUCT

I. PURPOSE

The purpose of this Code of Conduct ("Code") is to provide general guidelines and a minimum standard of conduct for members of the board of directors, officers, and employees of New Mexico Educational Assistance Foundation ("the Foundation") and the New Mexico Student Loan Guarantee Corporation (the "Guarantee Corporation"), both doing business as New Mexico Student Loans ("NMSL"), and to implement the conflict of interest provisions of the Educational Assistance Act (Section 21-21A-20, et seq. NMSA 1978). The Foundation and the Guarantee Corporation are non-profit corporations whose purposes are set forth in the Educational Assistance Act. All members of the board of directors, officers, and employees of the Foundation and the Guarantee Corporation (referenced hereafter as "members of the board of directors, officers and employees of NMSL") must therefore conduct themselves in the course of their association with NMSL to maintain the respect, trust and confidence placed in them by the residents of New Mexico.

II. DEFINITIONS

In this Code, the following words and phrases have the indicated meaning:

- A. "Business Dealings." Direct or indirect dealings including, but not limited to, contractual arrangements to provide goods or services, commitments to purchase student loans and bond issue transactions.
- B. "Family Member." A spouse, child, mother, father, brother, sister, grandparent, mother-in-law, father-in-law, or first cousin.
- C. "Financial Interest." A direct or indirect interest by a member of the board of directors, officer, or employee of NMSL, or a Family Member of any of them, in an entity as a partner, owner, investor, officer, employee, or board or committee member, but does not include the ownership of less than 5% of any publicly-traded equity security of any company.
- D. "Gift." A voluntary transfer of anything of value, whether tangible or intangible, for the benefit of any person or entity, other than NMSL, unless the transfer is in exchange for a transfer of anything of substantially equal or greater value.
- E. "Gratuities." Gratuities shall mean anything having a value in excess of fifty dollars (\$50.00), but shall not include meals provided to members of the board of directors, officers, or employees of NMSL in connection with the issuance of bonds by the Foundation.
- F. "Outside Employment." Acting as an employee or an independent contractor of any private firm or public entity other than NMSL while employed by NMSL.

III. ACCEPTANCE OF GIFTS

No member of the board of directors, officer, or employee of NMSL will, directly or indirectly, solicit or accept any Gift which has a fair market value of greater than fifty dollars (\$50.00), unless such Gift is approved by the president of NMSL, for all officers and employees, or by each chairman of the board of the Foundation and the Guarantee Corporation, for the president or other board members. In particular, no member of the board of directors, officer, or employee of NMSL will accept Gratuities in connection with any issuance of bonds by the Foundation nor shall any such person be reimbursed for expenses incident to the issuance of bonds except such expenses as would be reimbursed to salaried state officers and employees under the provisions of the New Mexico Per Diem and Mileage Act (Section 10-8-1 et seq. NMSA 1978).

IV. CONFLICT OF INTEREST

A. CERTAIN PROHIBITED TRANSACTIONS.

No member of the board of directors, officer, or employee of NMSL will engage in a transaction in which such person may profit from that person's official position or status or benefit financially from Confidential Information (defined in Section VII) which that person has obtained or may obtain by reason of such position or status.

B. OUTSIDE EMPLOYMENT.

A salaried officer or employee of NMSL will not engage in Outside Employment when that outside Employment is incompatible or in conflict with the discharge of that person's official duties with NMSL or when that Outside Employment may tend to impair that person's independence of judgment or action in the performance of that person's official duties with NMSL. All Outside Employment by executive officers of NMSL must be approved by the appropriate board of directors. All Outside Employment by other employees of NMSL must be approved by the president of the Foundation/Guarantee Corporation.

C. DEALING WITH CONFLICTS.

If a member of the board of directors, officer, or employee of NMSL (or Family Member of any of them) has a Financial Interest in an entity which has or, to the knowledge of the member of the board of directors, officer, or employee of NMSL seeks to have Business Dealings with NMSL, except for any agency, instrumentality, department or political subdivision of the State, the member of the board of directors, officer, or employee of NMSL will: (i) fully disclose in writing and orally at any meeting of the board of directors considering such Business Dealings any such Financial Interest and Business Dealings and such disclosure will be reflected in the appropriate minutes of the appropriate board of directors; and (ii) refrain from participating in decisions of NMSL directly relating to the entity or to the authorization of the Business Dealing.

D. EXCEPTIONS.

Nothing in this Code shall be deemed or construed to limit the right of any member of the board of directors, officer, or employee of NMSL to: (i) acquire an interest in any publicly traded bonds or notes of the Foundation; or (ii) have an interest in any financial institution in which the funds of the Foundation or Guarantee Corporation are or are to be deposited or which is or is to be acting as trustee, paying agent or custodian under any trust indenture or custodial agreement to which the Foundation or Guarantee Corporation is a party. Further, nothing in this Code shall be deemed or construed to prohibit (i) an officer, member of the board of directors, or employee of a financial institution from participating as a member of the Foundation's or Guarantee Corporation's board of directors in setting general policies of either company; or (ii) a financial institution of New Mexico from making loans guaranteed pursuant to the provisions of the Educational Assistance Act because an officer, member of the board of directors, or employee of the financial institution serves as a member of the board of directors of the Foundation or Guarantee Corporation.

V. POLITICAL ACTIVITIES

A salaried officer or employee of NMSL will not (i) use such person's official status to interfere with or affect the result of an election or nomination for public office; (ii) directly or indirectly coerce, attempt to coerce, command or advise anyone to pay, lend or contribute anything of value to a party, committee, organization, agency or person for political purposes; (iii) be a candidate for public office or be an officer of a political organization without the approval of the appropriate board of directors; or (iv) use the Foundation funds or resources or time for any political candidate.

VI. DISCLOSURE

A. ANNUAL DISCLOSURE.

All members of the board of directors, officers, or employees of NMSL will provide on or before November 1, 1992, and on/around each July 1 thereafter, a complete disclosure statement ("Disclosure Statement") of all their Financial Interests in entities which have or, to the knowledge of such members of the board of directors, officer, or employee of NMSL, seek to have Business Dealings with NMSL. In accordance with Section IV.B. of this Code, all officers and employees of NMSL must include reference to Outside Employment in their Disclosure Statements. All new members of the board of directors, officers, or employees of NMSL will provide this Disclosure Statement after employment or assumption of duties as a board member begins.

B. FORM OF DISCLOSURE STATEMENTS.

Disclosure Statements will be in the form attached to this Code. Disclosure Statements and supplements will be submitted to the president and the chairman of the board of each the Foundation and the Guarantee Corporation for review and will be available for review by any member of either board of directors.

C. ACTION BASED ON DISCLOSURE STATEMENT.



The Foundation or the Guarantee Corporation, by action of either board of directors, will determine, in cases where the appropriate board of directors finds that some exists, whether any Financial Interests or Business Dealings constitute conflicts of interest. The Foundation or the Guarantee Corporation, by action of either board of directors, is authorized to waive the requirements of this Code where the circumstances warrant.

VII. CONFIDENTIALITY

No member of the board of directors, officer, or employee of NMSL will make use of, reproduce, disseminate, or in any way disclose to any outside individual, firm or business, any Confidential Information, except pursuant to the requirements of a governmental agency or as required by law or court order.

As used in this Code, “Confidential Information” means (i) any information gathered or maintained by NMSL which pertains to applicants for, participants in, or recipients of student loan programs, and includes social security numbers, names, addresses, dates of birth and all other nonpublic personal information about such applicants, participants or recipients, whether or not such information is specifically labeled as “confidential”; (ii) trade secrets, works of authorship, inventions, know-how, techniques, design details and specifications, software programs and software source documents; (iii) information regarding research, development, new service offerings and products, marketing and selling plans, business plans, budgets and unpublished financial statements, licensing and distribution arrangements, prices and costs and suppliers and customers; and (iv) any information regarding NMSL officers and employees, including but not limited to social security numbers, names, addresses, dates of birth and any other nonpublic personal information about such persons, whether or not such information is specifically labeled as “confidential”.

VIII. POLICIES AND PROCEDURES

Each employee of NMSL is responsible for knowing and following the NMSL policies and procedures. Any known violation of these policies and procedures may subject the violator to disciplinary action up to and including termination. Any knowledge of such violations should be reported immediately to the appropriate manager or officer and/or the human resources department of NMSL.

IX. FALSIFICATION OF DOCUMENTS

Falsifying documents is a critical offense as defined in the NMSL Employee Handbook. Critical offenses are extremely serious and may justify immediate termination without regard to the employee’s length of service or prior record of conduct. Any knowledge of falsification of documents should be reported immediately to the appropriate manager or officer and/or the human resources department of NMSL.



X. SANCTIONS

Violation of any part of this Code by an officer or employee of NMSL will be cause for dismissal, demotion or suspension. Violation of any part of this Code by a member of the board of directors of the Foundation or the Guarantee Corporation will be cause for official censure, including but not limited to required resignation, at a public meeting of the appropriate board of directors.

IX. NON-EXCLUSIVITY

Nothing in the Code is meant to limit the application of any laws relating to conflicts of interest or other conduct referred to in this Code. Such laws may have criminal and civil sanctions applicable to persons who violate those laws.

X. EFFECTIVE DATE

This Code of Conduct was effective August 8, 1992; it was previously revised on March 30, 2005; this Revised Code of Conduct is effective on May 15, 2007.