



# NMSLGC/NMEAF 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 boards of directors, officers, and employees of New Mexico Educational Assistance Foundation ("the Foundation") and of the New Mexico Student Loan Guarantee Corporation (the "Guarantee Corporation"), and to implement the conflict of interest provisions of the Educational Assistance Act (Section 21-21A-20, et seq. NMSA 1978), to the extent that they apply. The Foundation and the Guarantee Corporation are both non-profit corporations whose purposes are (or were) set forth in the Educational Assistance Act. All members of the board of directors, officers, and employees of the Foundation and the Guarantee Corporation must conduct themselves during the course of their association with the Foundation and the Guarantee Corporation in a manner which will 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 business-related 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 either a member of the board of directors, officer, or employee of the Foundation or the Guarantee Corporation, or a Family Member of the above-listed individuals, as a partner, owner, investor, officer, employee, or board or committee member in an entity which engages in Business Dealings with either or both of the Foundation or the Guarantee Corporation. "Financial Interest" does not include the ownership of less than 5% of any publicly-traded equity security of any entity which engages in Business Dealings with either or the Foundation or the Guarantee Corporation.
- D. "Gift." A voluntary transfer of anything of value, whether tangible or intangible, for the benefit of any person or entity other than either or both of the Foundation or the Guarantee Corporation, unless the transfer is in exchange for a transfer of anything of substantially equal or greater value.
- E. "Gratuities." Means anything having a monetary 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 either the Foundation or the Guarantee Corporation in connection with the issuance of bonds by the Foundation.



- F. “Outside Employment.” Outside employment shall mean engaging in activities as an employee or an independent contractor of any private firm or public entity other than either of the Foundation or Guarantee Corporation while actively employed by either referenced organization.

### III. ACCEPTANCE OF GIFTS

Any member of the board of directors, officer, or employee of either the Foundation or the Guarantee Corporation shall not, 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 the Foundation or Guarantee Corporation, for all officers and employees, or by each chairman of the board of directors of the Foundation or the Guarantee Corporation, for the president or other board members. In particular, no member of the board of directors, officer, or employee of the Foundation or Guarantee Corporation will accept Gratuities in connection with the 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.

Any member of the board of directors, officer, or employee of either the Foundation or the Guarantee Corporation shall not engage in a transaction from which such identified 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 the Foundation or the Guarantee Corporation shall not engage in Outside Employment when such Outside Employment is incompatible or in conflict with the discharge of that person’s official duties with the Foundation or the Guarantee Corporation or when such Outside Employment may impair or appear to impair that person’s independent judgment or action in the performance of that person’s official duties with the Foundation or the Guarantee Corporation. All Outside Employment by executive officers of either organization must be approved by that organization’s board of directors. All Outside Employment by other employees of the Foundation or Guarantee Corporation 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 either the Foundation or Guarantee Corporation (or Family Member of any of such identified persons) has a Financial Interest in an entity (except for an entity which is an agency, instrumentality, department or



political subdivision of the State) which has or, to the actual knowledge of the member of the board of directors, officer, or employee of either the Foundation or the Guarantee Corporation, seeks to have Business Dealings with either of these identified organizations, that member of the board of directors, officer, or employee of the Foundation or Guarantee Corporation: (i) shall fully disclose both in writing and orally, at any meeting of the board of directors considering such

Business Dealings, such Financial Interest and/or Business Dealings; (ii) shall request that such disclosure is reflected in the appropriate minutes of the appropriate board of directors; and (iii) shall refrain from participating in any decisions of the board of directors of either organization directly relating to the entity or to the authorization of such Business Dealings.

#### 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 the Foundation or Guarantee Corporation 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 the Foundation or Guarantee Corporation shall 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 or Guarantee Corporation funds or resources or time for the benefit or detriment of any political candidate.

## VI. DISCLOSURE

#### A. ANNUAL DISCLOSURE.

All members of the board of directors, officers, or employees of the Foundation or Guarantee Corporation will provide, on or before November 1, 1992, and within a reasonable time after



July 1 of each subsequent year that such persons are affiliated with either organization, a complete disclosure statement (“Disclosure Statement”) of their Financial Interests, if any, in entities which have, or to the actual knowledge of such members of the board of directors, officers, or employees of the Foundation or Guarantee Corporation, are seeking to have Business Dealings with either organization. In accordance with Section IV.B. of this Code, all officers and employees of the Foundation or Guarantee Corporation must reference any Outside Employment in their Disclosure Statements. All new members of the board of directors, officers, or employees of the Foundation or Guarantee Corporation shall provide a Disclosure Statement within a reasonable time after the 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 of 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 any Financial Interests or Business Dealings exist, whether such Financial Interests or Business Dealings constitute an actual conflict of interest. The Foundation or the Guarantee Corporation, by action of the board of directors of either entity, may waive the requirements of this Code where the circumstances warrant.

## VII. CONFIDENTIALITY

No member of the board of directors, officer, or employee of either the Foundation or Guarantee Corporation 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 either of the Foundation or Guarantee Corporation which pertains to applicants for, participants in, or recipients of any 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) any 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 officers and employees of either the Foundation or the Guarantee Corporation, 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 either the Foundation or Guarantee Corporation is responsible for knowing and following the policies and procedures pertaining to the specific organization. Any violation of such policies and procedures may subject the violator to disciplinary action up to and including termination. Any person with knowledge of any such violations should immediately report such knowledge to the appropriate manager or officer and/or the human resources department of the Foundation and Guarantee Corporation.

## IX. FALSIFICATION OF DOCUMENTS

Falsifying documents is a critical offense as defined in the Employee Handbook pertaining to the Foundation and Guarantee Corporation. 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 the Foundation and Guarantee Corporation.

## X. SANCTIONS

Violation of any part of this Code by an officer or employee of either the Foundation or Guarantee Corporation may 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 may be cause for official censure, including but not limited to required resignation, taken 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 such laws.

## X. EFFECTIVE DATE

This Code initially became effective August 8, 1992; it was most recently revised on June 27, 2022.