

CODE OF CONDUCT

STUDENTS PARTICIPATING IN CONSUMER LOANS OR FEDERAL FINANCIAL AID

The Federal Reserve Board (FRB) regulates required disclosures on private education loans and defines certain key terms. The Department of Education (ED) regulates the required disclosures on Title IV Aid, HEA loans and private education loans.

THE HIGHER EDUCATION OPPORTUNITY ACT (HEOA) DEFINES:

Institution-affiliated organization – an entity directly or indirectly related to a covered institution that recommends, promotes, or endorses education loans.

Lender – an eligible private education lender or any other person engaged in the business of securing, making or extending education loans on behalf of the lender.

Education Loan – a Direct Loan or a private education loan

Private Education Loan – a non-Title IV loan provided by a private educational lender expressly for post-secondary educational expenses and does not include an extension of credit under an open-end consumer credit plan or secured by real property.

The Academy is not considered a private lender if the extension of credit is 90 days or less and interest will not be applied to the credit balance and the term is one year or less, even if payable in more than 4 payments.

Preferred Lender Arrangement – is an agreement between a lender and covered institution in which a lender provides education loans to students/families and the covered institution recommends, promotes or endorses the education loan products of the lender. Includes arrangements between a lender and an institution-affiliated organization

THIS DOES NOT INCLUDE:

- Direct Loan Program Loans through the Department of Education
- Education funds covered by the Academy's own funds
- Funds by donor-directed contributions
- State funded financial aid programs if the terms and conditions of the loan include a loan forgiveness option for public service

CODE OF CONDUCT – LENDER RELATIONSHIPS & EDUCATIONAL LOANS

Prohibited Relationships

- No Institutional Representative shall act as an officer, employee, consultant or sales representative for any guaranty agency or lender.
- No Financial Aid Officer or employee of the Institution (including any officer of the Institution with responsibility for overseeing the financial aid office and/or the Institution's relationships with lenders) shall serve on the board of directors of a lender.
- No other employee, officer and director of the Institution shall serve as an uncompensated member of the board of directors of any lender, unless such individual has confirmed in writing that he/she will abide by the Institution's published conflict of interest policy and has obtained written permission from legal counsel or president of the Institution.
- No financial aid officer or employee of the Institution shall serve on any advisory board for any guaranty agency or lender, nor shall any other Institutional Representative serve on such a board, unless such service has been approved in writing by legal counsel or president for the Institution.

Prohibited Investments

- No Institutional Representative shall purchase or accept any stock, bond or other equitable or legal interest in any guaranty agency or lender, nor any option to acquire such an interest. This prohibition shall not preclude ownership of units in a mutual fund holding such stocks or bonds.

Prohibited Benefits to Individuals

- No Institutional Representative shall accept any prize, gift, compensation, entertainment (including concert and sporting event tickets), meals, travel cost reimbursement or other benefit from any guaranty agency or lender ("Prohibited Benefits"), but this does not include promotional items of nominal value, conference meals and refreshments open to all attendees, and reimbursement of reasonable costs for domestic travel to attend conferences or seminars providing training on the administration of loans or to attend advisory board meetings focused on best practices. If any lender or guaranty agency attempts to offer any Institutional Representative any Prohibited Benefit, he or she shall promptly report this to the Institution's legal counsel or president

Prohibited Benefits or Inducements to Institution

- The Institution shall not accept any payment or benefit of any kind from any guaranty agency or lender, including without limitation any rebate or share of revenue and any computer software or hardware (at no charge or at below market rates), as consideration for entering into a contractual relationship or for placing a lender on a preferred lender list.
- The Institution shall not accept from any lender any 'opportunity pool,' revenue sharing arrangements or similar funding arrangements offered for use in making private loans to higher risk students in exchange for promises or concessions by the Institution.
- The Institution may accept philanthropic contributions from a lender or guaranty agency, only if such contributions are made without any expectation or promise of any preferred status, advantage, recommendation, business volume, or other benefit.

Prohibited Promotions

- The Institution shall not allow its name, logo, emblem or mascot, or any other words, symbols or photographs readily associated with the Institution to be used by any guaranty agency or lender in any advertisement, publication or other communication suggesting that the Institution has endorsed loans or services offered or guaranteed by the guaranty agency or lender. The Institution shall assure that all materials provided to students about federal or private educational loans shall prominently identify the name of the lender.

Prohibited Representations & Services

- The Institution shall not allow any employee, agent or representative of any lender or guaranty agency to represent themselves to the public, or to otherwise act, as an agent or representative of the Institution.
- No Institutional Representative shall represent themselves to the public, or otherwise act, as an agent or representative of any lender or guaranty agency.
- The Institution generally shall not accept any assistance from a lender or guaranty agency for financial aid office or call center staffing, but may accept: staffing assistance on a short term basis in the event of a disaster creating emergency needs; entrance and exit counseling services when supervised by a financial aid officer of the Institution; and financial literacy materials not promoting any lender or guaranty agency.

Prohibited Inducements by Institution

- The Institution shall not offer or provide to any guaranty agency or lender any inducement to secure any business relationship, any particular kind of loans or scholarships, services or other benefits. This prohibition includes, but is not limited to, any promise of loan volume, preferred status, or any other advantage or benefit.

PREFERRED LENDER LIST

The Institution currently does not utilize a preferred lender list nor does it have and Preferred Lender Arrangements, however, if in the future it chooses to, the Institution shall comply with the following requirements for any list of preferred federal or private student loan lenders given to students and parents:

- The Lender List shall include a prominent reminder that students may choose to use a lender not on the list and that the Institution is required to process loan documents for any eligible lender selected by students
- The Institution shall include on the financial aid webpage of its website a prominent reminder that students are not required to use any federal or private lender recommended by the Institution and may select any other lender
- The Lender List shall clearly disclose the Institution's selection process and selection criteria for selecting preferred lenders shall emphasize student interests and benefits – competitive rates and high quality service, along with business reputation, financial strength and processing capabilities of the lender
- Terms offered by preferred lenders must be equally available to all of the Institution's eligible students
- The Institution's financial aid staff shall conduct a performance review of its preferred lenders at least once every 12 months and make changes when appropriate
- The Lender List shall include comparative information for listed lenders, including interest rates, origination fees and repayment terms, including all information required by the DOE's Model Disclosure Form for presentation of information required by the federal Truth in Lending Act (TILA)
- The Academy will provide or notify borrowers where to find the Truth in Lending Act (TILA) disclosures for each lender.
- The Lender List shall include information on the maximum amount of federal grant and loan aid available to students
- The Lender List shall disclose all types of financial aid that may be available from the Institution
- At least three unaffiliated lenders for federal loans and two unaffiliated lenders for private loans shall be listed (periodic reviews of the DOE lender affiliation webpage shall be conducted in order to determine affiliation status of all listed lenders); if one or more lenders withdraw and fewer than three unaffiliated lenders remain, then the Institution shall cease to use a preferred lender list and instead shall only offer contact information for all lenders willing to make loans
- If any lender listed is affiliated to another lender on the list, such affiliation shall be disclosed.
- No lender will be included which has offered any payments or other benefits to the Institution to seek preferred status
- No lender will be included which is known to sell its loans to another lender but has not disclosed such relationship
- No lender shall be included which offers prizes or other benefits to students for applying for loans
- No lender shall be included which makes unsolicited mailings of loan applications to students.
- The Institution shall annually give written disclosure to the U.S. Secretary of Education and to students about all lenders selected for inclusion on any Preferred Lender List published by the Institution, explaining the reasons why the lenders were selected, identifying the student benefits they provide, and providing the Model Disclosure Form information.

LOAN PROCESSING ARRANGEMENTS

- The Institution shall not use any software or processing system or practices that create a 'default' arrangement through which a student borrower is automatically referred to any one or more federal or private student lenders, whether or not any such lenders have been designated by the Institution as "preferred lenders."
- The Institution shall not use any financial aid processing or packaging practices that delay certification of borrowers choosing federal or private student loan lenders not on the Institution's Lender List.

FEDERAL & PRIVATE COMPARISONS

- If the Institution provides students with information on loans from private lenders, it shall provide each student with a separate written reminder of the potential availability of federal student loans and a written comparison of the principal terms of such loans to the principal terms of federal student loans, including eligibility conditions, interest rates, origination fees, and repayment options & terms.

LIMITATIONS ON STUDENT INFORMATION DISCLOSURES

- In the absence of a signed authorization from specific students or parents (in the case of minors) or documentation showing that the specific students or parents have filed an application with a specific lender, the Institution shall

not disclose any information about the financial needs, resources and loan options or considerations of its students to any prospective lender or to any other person or entity, excluding those entities and persons to which disclosure is authorized under FERPA statutory and regulatory provisions.

PUBLICATION OF THE CODE

- A copy of this Code shall be provided at least annually to all employees of the Institution, each of whom shall be required to sign a written certification confirming that they have received and read the Code. This Code shall be posted on the Institution's website and, upon request; a paper copy of the Code shall be given to all students either in written mailings or email notices.

INSTITUTIONAL DISCLOSURES

- Students are not required to use any federal or private lender recommended by the Academy and may select any lender of the student's choice. The Academy is required to process loan documents for any eligible lender selected by students.
- The Academy will provide a clear distinction between the presentations of the Title IV aid in relation to the presentation of the private loans.
- The Academy will provide, upon the applicant's request, a self-certification form developed by the Department of Education along with any information needed to complete the required form before giving out a self-certification form from a private lender.
- The Academy will ensure the lender's name is shown in all information/documentation related to the loan.
- Students have the right to cancel any private loan within 3 business days of signing paperwork.

INSTITUTIONAL REQUIREMENTS

- The Code of Conduct will be displayed in plain sight on the Academy's website and also on the preferred lenders website (if applicable).
- The Academy will administer, enforce, and review the Code of Conduct annually.
- Lenders are also required to enforce and review the same Code of Conduct with the affiliate's agents annually