

AGREEMENT ON CODE OF CONDUCT

Prohibition of Certain Remuneration to School Employees

1. The School shall require and ensure that no officer, trustee, director, employee, or agent of the School accepts anything of more than nominal value on his or her own behalf or on behalf of another from or on behalf of a Lending Institution, except that this provision shall not be construed to prohibit any officer, trustee, director, employee, or agent of the School from conducting (a) non-School business with any Lending Institution; or (b) School business unrelated to education loans. As used in the preceding sentence and throughout the Code of Conduct, a Lending Institution is defined as:
 - (a) Any entity that itself or through an affiliate engages in the business of making loans to students, parents or others for purposes of financing higher education expenses or that securitizes such loans; or
 - (b) Any entity, or association of entities, that guarantees education loans; or
 - (c) Any industry, trade or professional association that, to the best of School's knowledge after reasonable inquiry, receives money from any entity described above in subsections (a) and (b).

2. Nothing in this provision or throughout the Code of Conduct shall prevent the School from holding membership in any nonprofit professional association.

3. The prohibition set forth in the previous paragraph shall include, but not be limited to, a ban on any payment or reimbursement by a Lending Institution to a School employee for lodging, meals, or travel to conferences or training seminars unless such payment or reimbursement is related solely to non-School business or School business unrelated to education loans.

Limitations on School Employees Participating on Lender Advisory Boards

4. The School shall prohibit any officer, trustee, director, employee, or agent of the School from receiving any remuneration for serving as a member or participant of an advisory board of a Lending Institution, or receiving any reimbursement of expenses for so serving, provided, however, that participation on advisory boards that are unrelated in any way to higher education loans shall not be prohibited by the Code of Conduct.

Prohibition of Certain Remuneration to the School

5. The School may not accept on its own behalf anything of value from any Lending Institution in exchange for any advantage or consideration provided to the Lending Institution related to its education loan activity. This prohibition shall include, but not be limited to, (i) “revenue sharing” by a Lending Institution with the School, (ii) the School’s receipt from any Lending Institution of any computer hardware for which the School pays below-market prices and (iii) printing costs or services. Notwithstanding anything else in this paragraph, the School may accept assistance as contemplated in 34 CFR 682.200(b)(definition of “Lender”)(5)(i).

Preferred Lender Lists

6. In the event that the School promulgates a list of preferred or recommended lenders or similar ranking or designation (“Preferred Lender List”), then

- (a) Every brochure, web page or other document that sets forth a Preferred Lender List must clearly disclose the process by which the School selected lenders for said Preferred Lender List, including but not limited to the criteria used in compiling said list and the relative importance of those criteria; and
- (b) Every brochure, web page or other document that sets forth a Preferred Lender List or identifies any lender as being on said Preferred lender List shall state in the same font and same manner as the predominant text on the document that students and their parents have the right and ability to select the education loan provider of their choice, are not required to use any of the lenders on said Preferred Lender List, and will suffer no penalty for choosing a lender that is not on said Preferred Lender List.
- (c) The School’s decision to include a Lending Institution on any such list and the School’s decision as to where on the list the Lending Institution’s name appears shall be determined solely by consideration of the best interests of the students or parents who may use said list without regard to the pecuniary interests of the School;
- (d) The constitution of any Preferred Lender List shall be reviewed no less than annually;

- (e) No Lending Institution shall be placed on any Preferred Lender List unless the said lender provides assurance to the School and to student and parent borrowers who take out loans from said Lending Institution that the advertised benefits upon repayment will continue to inure to the benefit of student and parent borrowers regardless of whether the Lending Institution's loan are sold;
- (f) No Lending Institution that, to the best of School's knowledge after reasonable inquiry, has an agreement to sell its loans to another unaffiliated Lending Institution shall be included on any Preferred Lender List unless such agreement is disclosed therein in the same font and same manner as the predominant text on the document in which the Preferred Lender List appears;
- (g) No Lending Institution shall be placed on any one of the School's Preferred Lender Lists or in favored placement on any one of the School's Preferred Lender Lists for a particular type of loan, in exchange for benefits provided to the School or to the School's students in connection with a different type of loan;
- (h) Beginning August 1, 2007, no Lending Institution shall be placed on any one of the School's Preferred Lender Lists unless said Lending Institution has agreed with the Attorney General to abide by a Lending Code of Conduct.

Prohibition of Lending Institutions' Staffing of School Financial Aid Offices

7. The School may not allow and shall ensure that no employee or other agent of a Lending Institution is ever identified to students or prospective students of the School or their parents as an employee or agent of the School. No employee or other agent of a Lending Institution may staff the School financial aid offices at any time.

Proper Execution of Master Promissory Notes

8. The School shall not link or otherwise direct potential borrowers to any electronic Master Promissory Notes or other loan agreements that do not allow students to enter the lender code or name for any lender offering the relevant loan.

School as Lender

9. If the School participates in the “School as Lender” program under 20 U.S.C. § 1085(d)(1)(E), the School may not treat School As Lender loans any differently than if the loans originated directly from another lender; all sections of the AVC apply equally to such School as Lender loans as if the loans were provided by another lender.

Prohibition of Opportunity Loans

10. As used herein, “override pools,” “opportunity funds,” and “opportunity loans” refer to any agreement, understanding or practice in which a lender applies more lenient loan underwriting criteria than it otherwise would to a certain class of loan applicants if the school meets certain milestones or metrics with respect to other loans with that lender, such as the number of loans initiated or in force, or the dollar amount of such loans, or where the lender agrees with your school to lend

money to students outside the Federal Family Education Loan Program (FFELP), at the direction of your school, in exchange for your school dropping out of the federal direct loan program and/or marketing the lender's separate FFELP loans to students.

11. The School shall not arrange with a Lending Institution to participate in any override pools, opportunity funds, or opportunity loans, as defined above, if the participation in such program(s) prejudices any other borrower.

Cooperation

12. The School shall continue to cooperate fully and promptly with the Attorney General with regard to the Preferred Lender Investigation and any related proceedings and actions. The School shall use its best efforts to ensure that all of its officers, directors, employees and agents also fully and promptly cooperate with the Attorney General in the Investigation and any related proceedings and actions, subject to their individual rights and privileges and those of the School.
13. Cooperation shall include without limitation:

- (a) Production, voluntarily and without service of subpoena or other process, by the School of any information and all documents or other tangible evidence related to education loan practices reasonably requested by the Attorney General, and any compilations or summaries of information or data that the Attorney General

reasonably requests be prepared, subject to recognized privileges and protections for confidential information;

- (b) Using the School's best efforts to cause the School's officers, directors, employees and agents to attend any proceedings at which the presence of any such persons is reasonably requested by the Attorney General and having such persons answer any and all inquiries that may reasonably be put by the Attorney General to any of them at any proceedings or otherwise ("proceedings" include but are not limited to any meetings, interviews, depositions, hearings, grand jury hearing, trial or other proceedings) voluntarily, and without service of a subpoena or other process, subject to their individual rights and privileges and those of the School; and
- (c) Fully, fairly and truthfully disclosing all information and producing all records and other evidence in its possession relevant to all reasonable inquiries made by the Attorney General in connection with this Investigation concerning any alleged fraudulent or criminal conduct by anyone whatsoever about which the School, its officers, trustees, directors, employees and agents may have any knowledge or information, subject to recognized privileges and protections for confidential information.

14. In the event any document otherwise required to be provided under the terms of the Code of Conduct is withheld or redacted on grounds of privilege, work-

product or other legal doctrine, a statement shall be submitted in writing by the School indicating: the type of document; the date of the document; the author and recipient of the document; the general subject matter of the document; the reason for withholding the document; and the Bates number or range of the withheld document. The Attorney General may challenge such claim in any forum of its choice and may, without limitation, rely on all documents or communications theretofore produced or the contents of which have been described by the School, its officers, directors, employees, or agents.

15. The School shall not knowingly jeopardize the confidentiality of any aspect of the Investigation, including sharing or disclosing evidence, documents, or other information with others during the course of the investigation without the consent of the Attorney General. Nothing herein shall prevent the School from conferring with counsel or consultants, issuing public statements, or providing such evidence or information to other regulators or as otherwise required by law.

Miscellaneous Provisions

16. This Code of Conduct shall apply to the School and any other names under which it now does business or will in the future do business. This Code of Conduct also applies to each and every agent, representative, employee, and any other individual acting on behalf of, or at the direction of, the School.
17. The School shall not represent to any person, natural or otherwise, that the Attorney General sanctions, endorses, or approves of any methods, acts, uses, practices, or solicitations undertaken by or on behalf of the School.

18. This Code of Conduct shall not be revised unless such revisions are made in writing and signed by all parties hereto.
19. This Code of Conduct shall be binding upon the School and its successors, assigns, and/or purchasers of all or substantially all its assets.
20. This Code of Conduct and its provisions shall be effective on the date that it is executed by the parties.
21. Nothing contained herein shall be construed as relieving the School of its obligation to comply with all state and federal laws, regulations or rules, nor shall any of the provisions of the Code of Conduct be deemed permission to engage in any act or practice prohibited by such laws, regulations or rules.
22. The acceptance of the Code of Conduct by the Attorney General shall not be deemed approval by the Attorney General of any of the School's business practices, and the School shall make no representation to the contrary.
23. Nothing in the Code of Conduct shall be construed to prevent any individual from pursuing any right or remedy at law which any consumer may have against the School.