

HIGHER EDUCATION OPPORTUNITY ACT
CONSUMER INFORMATION COMPLIANCE
July 1, 2011

Financial Aid Code of Conduct

I. Definitions

A. "Lending Institution" or "Lender" shall mean (i) 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 (ii) any entity, or association of entities, that guarantees education loans. "Lending institution" or "Lender" shall not include the College or the state or federal government.

B. "Opportunity Loans" shall mean loans to international students or other students who, because they have poor or no credit history, do not have access to student loans on reasonable terms.

C. "Compensation" shall mean anything of value including, but not limited to, money, credits, loans, discounts, payments, fees, forgiveness of principal or interest, reimbursement of expenses, charitable contributions, stock options, consulting fees, educational grants, vacations, prizes, gifts or other items of value, whether given directly or indirectly.

D. "Outside Director" shall mean a member of a Lender's Board of Directors or Board of Trustees who receives Compensation from such Lender in connection with his or her service on the Board of Directors or Board of Trustees and who receives no other compensation from the Lender as an officer, employee, or agent of the Lender or otherwise.

E. "Agent" shall mean a person acting as a representative of and at the direction of or under the control of the college where such person's responsibilities with

respect to the College relate primarily to the College's activities involving financial aid or the business of higher education loans.

II. Code of Conduct

A. Prohibition of Certain Compensation to College Employees

1. No College trustee, director, officer, or Agent, or any employee who is employed in the financial aid office of the College or who otherwise has responsibilities with respect to higher educational loans or other financial aid at his or her College, and no spouse or dependent children of any such persons ("Family Member"), shall accept any Compensation of more than nominal value (not to exceed \$50), directly or indirectly, during any 12-month period from or on behalf of a Lending Institution or Trade Association, except that this provision shall not be construed to prohibit any officer, trustee, director, Agent or employee of the College, or any of their Family Members, from receiving Compensation for the conduct of non-College business with any Lending Institution or Trade Association or from accepting Compensation that is offered to the general public.

2. Notwithstanding the prohibitions in subsection II.A.1 or any other provision of this Code of Conduct: (a) The College may hold membership in any nonprofit professional association; (h) A College trustee, director, officer, employee who is not employed in the financial aid office of the College and does not have responsibilities with respect to higher educational loans or financial aid, may serve as an outside director of a Lending Institution or Trade Association at the Outside Lending Institution's or Trade Association's established compensation rates for Outside Directors, provided that any College trustee, director, officer or employee serving on the board of the Lending Institution or Trade Association is precluded from participating in such board's discussions or decisions that might affect the interests of the College, and provided

further that such College trustee, director, officer or employee complies with the College's conflict of interest policy, and receives annual written notice of the requirements of both this Code of Conduct and the College's conflict of interest policy; Further, notwithstanding the prohibitions in subsection II.A.1, a trustee, director, officer or employee of a Lending Institution or Trade Association who does not have responsibilities with respect to higher education loans or financial aid shall not be prevented from serving on the Board of Directors of the college solely by virtue of his or her position with the Lending Institution or Trade Association, provided that any such person serving on the board of the College is precluded from participating in such board's discussions or decisions that might affect the interests of such Lender or Trade Association or that relate to financial aid or higher education loans.

3. Nothing in this Code of Conduct shall be construed to conflict with the requirements of Connecticut General Statutes §§10a-201 et seq., including without limitation §10a-203(a), and §§10a-221 et seq.

4. The prohibitions set forth in this subsection ILA shall include, but not be limited to, a ban on any payment or reimbursement by a Lending Institution or Trade Association to a college employee or Family Member for lodging, meals, or travel to conferences or training seminars unless such payment or reimbursement is related solely to non-College business. College employees whose duties relate to financial aid may accept food or refreshments of nominal value provided or paid for by a Lender or Trade Association at a meeting, conference or seminar related to their professional development or training. College employees are not precluded from attending any educational or training program related to financial aid or higher education loans where no registration fee is charged to any attendee because of a Lender's or Trade Association's sponsorship or support of the program, and provided that the registration fee is limited to covering the costs associated

solely with the education or training component of the program.

B. Limitations on College Employees Participating on Lender

Advisory Boards

No College officer, trustee, director, Agent or employee, or any of their Family Members, shall serve on an advisory board for a Lender. Lenders can obtain advice and opinions of financial aid officials on financial aid products and services through Trade Associations, industry surveys or other mechanisms that do not require service on Lender advisory boards and provided such person receives no Compensation for such service. This provision shall not apply to participation on advisory boards that are unrelated in any way to financial aid or higher education loans.

C. Prohibition of Certain Compensation to the College

1. Neither the College, nor any alumni association, booster club, foundation, athletic organization, social organization, academic organization, professional organization or other organization affiliated with the College ("Affiliated Organizations"), may accept any Compensation from any Lending Institution or Trade Association in exchange for any advantage or consideration provided to the Lending Institution or Trade Association related to the Lending Institution's or Trade Association's financial aid or education loan activity. This prohibition shall include, but not be limited to (i) revenue sharing by a Lending Institution or Trade Association with the College or Affiliated Organizations, (ii) the receipt by the College or Affiliated Organizations from any Lending Institution or Trade Association of any equipment or supplies, including without limitation, computer hardware and software, for which the College pays below-market prices, and (iii) printing costs or services, provided that the college or Affiliated Organizations shall not be prohibited from accepting a Lender's or Trade Association's own standard printed brochures or informational

material that does not contain the College's logo or otherwise identify the College.

2. Notwithstanding anything else in this subsection, the College may accept assistance comparable to the *kinds* of assistance provided by the Secretary of the U.S. Department of Education to schools under or in furtherance of the Federal Direct Loan Program.

3. Nothing in this subsection shall prohibit the College from accepting endowment gifts, capital contributions, scholarship funding, or other financial support from a Lender or Trade Association, so long as the College gives no competitive advantage or preferential treatment to the Lender or Trade Association related to its education loan activity in exchange for such support.

D. Preferred Lender Lists

In the event that the College promulgates a list of preferred or recommended lenders or similar ranking or designation ("Preferred Lender List"), then:

1. Every brochure, web page or other document that sets forth a Preferred Lender List must clearly disclose, textually or by clearly designated hyperlink, the process by which the College 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

2. 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 from the College for choosing a Lender that is not on said Preferred Lender List;

3. The College's selection of Preferred Lenders and the College's decision as to where or how prominently on the list the Lending Institution's name appears shall be based solely on the best interests of student and parent borrowers, utilizing stated criteria that are limited to benefits provided to borrowers (such as competitive interest rates and repayment terms, quality of loan servicing, and whether loans will be sold) and the ability to work efficiently and effectively with the College to process loans, without regard to the pecuniary interest of the College or to any benefits provided by Lending Institutions to the College or any of the College's officers, trustees, directors, Agents or employees or their Family Members. The College's selection of any Preferred Lender shall be limited to the types of loans for which that Lender has been selected, based on the benefits to the borrower for those types of loans, and the College's Preferred Lender list shall indicate the types of loans for which each Lender has been selected as a Preferred Lender. Nothing in this provision is intended to restrict the College's ability to exercise its discretion in making its own, final judgment about which lenders best meet the College's criteria and the needs of its student and parent borrowers.

4. The College shall review its Preferred Lender List at least annually;

5. The College shall require that all Preferred Lenders commit, in writing to disclose to the borrower, at the time a loan is issued: (a) whether the loan may be sold to another Lender; (b) that the loan terms and benefits will not change if the loan is sold to another Lender; and (c) that the loan benefits may change if the borrower chooses to consolidate his or her loans; and

6. The College shall ensure that any Preferred Lender list that it publishes to students contain no less than three (3) Lending Institutions.

E. Prohibition of Lending Institutions' Staffing of College Financial Aid Offices

1. No employee or other agent of a Lending Institution may staff the College financial aid offices at any time. The College shall ensure that no employee or other representative of a Lending Institution is ever identified to students or prospective students of the College or their parents as an employee or agent of the College. The foregoing prohibitions notwithstanding, if the College believes that it would benefit students, the College may allow representatives of Lenders to conduct informational sessions, such as exit interviews and presentations on loan payment and loan consolidation options, so long as: (a) student attendance is voluntary; (b) the college representative explains that other Lenders may provide similar services; (c) the affiliation of the Lender representative is disclosed at the start of the presentation; (d) the Lender representative does not promote the products or services of any Lender, and (e) the College takes reasonable steps to ensure compliance with the requirements of this paragraph.

2. In the event that the College permits a Lender to conduct information sessions or exit interviews as set forth in subsection 1. above, the College must retain control of any interview or presentation offered by Lenders. Control may be evidenced by: (a) the College employee attending such interview or presentation; (b) the College recording or videotaping the interview or presentation; or (c) with respect to an exit interview conducted electronically via the internet, the College creating or approving in advance the content of such electronic exit interview.

F. Proper Execution of Master Promissory Notes

The College shall not link or otherwise direct potential borrowers to any electronic Master Promissory Note or other loan agreement unless the Master Promissory Note or agreement allows borrowers to enter the Lender code or name for any Lender offering the relevant loan or the College's link to the electronic Master Promissory Note or agreement informs borrowers of alternative means of entering into a Master Promissory

Note or agreement with any Lender of the borrower's choice. Any information the College provides to borrowers about completing a Master Promissory Note or agreement with a Preferred Lender must provide the information required in subsections ILD.1 and II.D.2 above.

G. Requirements for Opportunity Loans

The College may enter into arrangements with Lenders to provide Opportunity Loans to students whose credit rating would otherwise preclude them from obtaining loans with reasonable rates and terms. The College may enter into such arrangements with a Preferred Lender after the College has selected Preferred Lenders in accordance with the provisions of Section II.D above, or it may use a separate process for selecting Lenders to provide Opportunity Loans, so long as that process also complies with the provisions of Section II.D. above. The College shall not request, accept, solicit or consider a Lending Institution's offer to provide any Opportunity Loans in exchange for the College providing concessions, benefits or promises to the Lender.

H. Revolving Door Prohibition

1. In the event the College hires an employee who will be employed in the financial aid office of the College or who otherwise will have responsibilities with respect to higher educational loans or other financial aid and such employee was employed by a Lender during the 12 month period prior to the date of hire by the College, such employee shall be prohibited from having any dealings or interactions with such Lender on behalf of the College for a period of 12 months from the date such employee's employment with the Lender was terminated.

2. In the event a Lender hires an employee who was employed by the College during the 12-month period prior to the date of such employee's hire by the Lender, the College shall be prohibited from having any dealings or interactions with such employee

that relate to financial aid or higher education loans for a period of 12 months from the date such employee's employment with the College was terminated.