

**NEW JERSEY STUDENT LOAN CODE OF CONDUCT
FOR INSTITUTES OF HIGHER EDUCATION**

1 Prohibition Against Certain Remuneration to the College

1.1. The College shall not solicit, accept, or agree to accept anything of value from any Lending Institution in exchange for any advantage or consideration provided to the Lending Institution related to its Student Loan activity. This prohibition shall include, but not be limited to:

1.1.1 Any Revenue Sharing agreements;

1.1.2 The College's receipt from any Lending Institution of any computer hardware for which the College pays below market prices; and

1.1.3 Printing costs or services.

1.2 The prohibition of Section 1.1 shall not be constructed to prohibit the College from soliciting, accepting or agreeing to accept favorable terms or conditions of a Student Loan inuring directly to Borrowers.

1.3 Notwithstanding anything else in this Code of Conduct, the College may accept assistance as contemplated in regulations promulgated by the Department of Education under Title IV of the Higher Education Act as amended.

2 Prohibition Against Remuneration to College Employees

2.1 The College shall prohibit any officer or employee of the College from accepting anything more than nominal value on his or her own behalf or on behalf of another during any 12 month period from, or on behalf of, a Lending Institution.

2.2 The prohibition of Section 2.1 shall include, but not be limited to, a ban on any payment or reimbursement by Lending Institutions to any College employee for lodging, meals, or travel to conferences or training seminars.

2.3 The prohibition of Section 2.1 shall not be constructed to prohibit any officer, employee or agent of the College from conducting non-Student Loan business with any Lending institution.

3 Limitations on College Employees Participating on Lender Advisory Boards

3.1 The College shall prohibit any officer or employee or agent of the College who is involved in the day to day affairs of student lending or who has the authority to influence College decisions related to student lending from receiving any remuneration for serving as a member or participant of an advisory board of a Lending Institution that has a business relationship with the College or that is on the College's preferred lender list, or receiving any reimbursement of expenses.

3.2 The prohibition of Section 3.1 shall not prohibit any officer or employee or agent of the College from serving on a Board of Directors of a publicly traded or privately held company so long as that company does not have a business relationship with the University and is not on an institution's preferred lender list.

4 Preferred Lender Lists

4.1 The College shall not provide or otherwise disseminate or make available a Preferred Lender List that:

4.1.1 is used to deny or otherwise impede a Borrower's choice of lender; or

4.1.2 contains fewer than three unaffiliated Lending Institutions

4.2 Every brochure, web page or other document that sets forth a Preferred Lender List must disclose in plain language the process by which the College selected lenders for the list, including but not limited to the criteria used in compiling the list and the relative importance of those criteria.

4.3 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 a borrower has the right and ability to select the Lending Institution of his or her choice, is not required to use any to the lenders on the Preferred Lender List, and will suffer no penalty or unnecessary delay by the College for choosing a lender that is not on the preferred lender list.

4.4 The College's decision to include a Lending Institution on any Preferred Lender List shall be determined solely by consideration of the best interests of the Borrowers who may use the Preferred Lender List, without regard to the pecuniary interests of the College.

4.5 The composition of any Preferred Lender List shall be reviewed and updated at least once a year by the College.

4.6 No Lending Institution shall be placed on any Preferred Lender List unless the Lending Institution provides assurance to the College and to Borrowers that advertised benefits upon repayment will continue to inure to the benefit of Borrowers regardless of whether the lending institution's Student Loans are sold.

4.7 No Lending Institution that, to the College's knowledge after reasonable inquiry, has an agreement to sell its Student 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.

5 **Prohibition of Lending Institution's Staffing of College Financial Aid Offices**

5.1 The College shall prohibit any employee or other agent of a Lending Institution from being identified to students of the College or their parents as an employee or agent of the College.

5.2 The College shall prohibit any employee, representative, or agent of a Lending Institution from providing staffing services to the College's financial aid office.

5.2.1 The prohibition of Section 5.2 shall not be construed to prohibit any Lender from providing "entrance" and "exit" interviews allowed by regulations promulgated by the Department of Education under Title IV of the Higher Education Act as amended, or emergent and temporary assistance from the New Jersey Higher Education Student Assistance Authority; provided, however, that the College shall provide that any such employee, representative, or agent of a Lending Institution conducting such interview identifies himself or herself as a representative of the Lending Institution and does not promote the Lending Institution's products during such interview.

6 **Electronic Loan Documents and Processing**

6.1 The College shall not direct in any manner potential Borrowers to electronic loan applications, electronic master promissory notes or other loan agreements that do not provide a reasonable and convenient alternative for the Borrower to complete such a document with any federally approved Lending Institution offering the relevant loan in this State.

6.2 The College shall provide a reasonable and convenient alternative for loan certification and processing of student loans from Lending Institutions that do not participate in an electronic processing system used by the College or is not on the College's Preferred Lender List.

6.3 The College shall not refuse to provide loan eligibility certification to a Lending Institution because the Lending Institution does not participate in an electronic processing system used by the College.

7 **School as Lender**

7.1 If the College participates in the "school as lender" program under 20 U.S.C. 1085(d)(1)(E), the College may not treat School as Lender loans any differently than if the loans originated directly from another lender; all sections of this Code apply equally to such School as Lender loans as if the loans were provided by another lender.

8 Prohibition Against "Opportunity Loans"

8.1 The College shall not arrange with a Lending Institution to provide any Opportunity Loans to Borrowers. Nothing in the Agreement, however, shall be construed to prevent the College from offering or arranging loans to international students, at fair market rates, when those students would be otherwise unable to secure a domestic loan.

9 Definitions

9.1 "Borrower" means a student attending a College in New Jersey, or a parent or guardian of the student, who obtains an Student Loan from a Lending Institution to pay for or finance higher education expenses.

9.2 "College" means a public or private institution of collegiate grade in New Jersey licensed by the Commission on Higher Education or otherwise authorized to grant academic degrees under N.J.S.A. 18A:68-6 and accredited by the Middle States Association of Colleges and Schools or a post-secondary vocational institution or vocational school in New Jersey which is licensed or approved by the appropriate agency or department and accredited or pre-accredited by a nationally recognized accrediting association.

9.3 "Lending Institution" means any entity that directly or through an affiliate engages in the business of making or securitizing Student Loans, or any entity or association of entities that guarantees Student Loans.

9.4 "Opportunity Loans" means Student Loans that a Lending Institution agrees to make up to a specified aggregate amount to students with poor or no credit history, who the Lending Institution claims would otherwise not be eligible for the lender's alternative loan program, which are made in exchange for certain minimum loan volume or other benefit that a College agrees to provide to the Lending Institution.

9.5 "Preferred Lender List" means any list of Lending Institutions that a College publishes in print or any other medium or form that recommends or suggests Lending Institutions to borrowers.

9.6 "Revenue Sharing" means any arrangement in which a Lending Institution pays a College or an affiliated entity or organization of a College a percentage of the principle of each loan directed towards the Colleges from a Borrower at the College or any form of commission related to the loan.

9.7 "Student Loan" means any loan that is made, insured, or guaranteed under "Part B of Title IV of the federal "Higher Education Act of 1965" or any private loan issued by a Lending Institution or any loan issued pursuant to a New Jersey statutorily established loan program for the purposes of paying for or financing higher education expenses but not including credit cards or home equity loans.