

Code Of Conduct for Education Loans

Policy Statement

Robert Fiance Beauty Schools, as a participant in federal loan programs, is required to have a code of conduct applicable to the institution's officers, employees, and agents. The code of conduct requirements are set forth in the Higher Education Opportunity Act (HEOA) signed into law on August 14, 2008. The Code of Conduct Related to Student Loan Activities is a requirement specific to certain transactions and activities related to financial aid matters. In addition, the law includes requirements related to publication of the code and annual disclosures.

Reason for Policy

The HEOA program participation agreement, which must be executed by all institutions participating in Title IV financial aid programs including student loan programs, requires a code of conduct with which the institution's officers, employees, and agents shall comply. Such code must prohibit a conflict of interest with the responsibilities of an officer, employee, or agent of an institution with respect to such loans, and include the provisions set forth in the HEOA related to conflicts. The law further specifies that the code shall be displayed prominently on the institution's website and that all institutional officers, employees and agents with responsibilities related to such loans be annually informed of the provisions of the code of conduct. Robert Fiance Beauty Schools also adheres to the Student Lending, Accountability, Transparency and Enforcement (SLATE) Act.

Code of Conduct

Robert Fiance Beauty Schools hereby adopts the following provisions from the HEOA, Section 493 as its Code of Conduct Related to Student Loan Activities and will annually inform all institutional officers, employees, and agents with responsibilities for student loan activities and decisions of the provisions of this code. Note that where language in the law references financial aid office, it has been replaced with Office of Financial Aid and Student Employment. Where New Jersey State law under the SLATE Act is stricter than federal law inserts are in bold.

(1) BAN ON REVENUE-SHARING ARRANGEMENTS

- o (A) Prohibition -- The institution shall not enter into any revenue-sharing arrangement with any lender.

o (B) Definition -- For purposes of this paragraph, the term 'revenue-sharing arrangement' means an arrangement between an institution and a lender under which --

§ (i) a lender provides or issues a loan that is made, insured, or guaranteed under this title to students attending the institution or to the families of such students; and

§ (ii) the institution recommends the lender or the loan products of the lender and in exchange, the lender pays a fee or provides other material benefits, including revenue or profit sharing, to the institution, an officer or employee of the institution, or an agent.

(2) GIFT BAN

o (A) Prohibition -- No officer or employee of the institution who is employed in the Office of Financial Aid and Student Employment, or an individual who has been assigned by the Robert Fiance Beauty Schools President with supervisory authority over the Directors of Financial Aid and Student Employment, or who otherwise has responsibilities with respect to education loans, or agent who has responsibilities with respect to education loans, shall solicit or accept any gift from a lender, guarantor, or servicer of education loans.

o (B) DEFINITION OF GIFT

§ (i) In General -- In this paragraph, the term 'gift' means any gratuity, favor, discount, entertainment, hospitality, loan, **stock**, or other item having a monetary value of more than a *de minimus* amount (**\$25 per year**). The term includes a gift of services, transportation, lodging, or meals, whether provided in kind, by purchase of a ticket, **computer hardware, printing costs or services for which the recipient pays below-market value**, payment in advance, or reimbursement after the expense has been incurred.

§ (ii) Exceptions -- The term 'gift' shall not include any of the following:

§ (I) Standard material, activities, or programs on issues related to a loan, default aversion, default prevention, or financial literacy, such as a brochure, a workshop, or training.

§ (II) Food, refreshments, training, or informational material furnished to an officer or employee of an institution, or to an agent, as an integral part of a

training session that is designed to improve the service of a lender, guarantor, or servicer of education loans to the institution, if such training contributes to the professional development of the officer, employee, or agent. **Reimbursement of expenses to a covered institutional employee for serving on the board of bona-fide professional association recognized by the Commissioner of NJ Education Dept., related to student financial aid.**

§ (III) Favorable terms, conditions, and borrower benefits on an education loan provided to a student employed by the institution if such terms, conditions, or benefits are comparable to those provided to all students of the institution.

§ (IV) Entrance and exit counseling services provided to borrowers to meet the institution's responsibilities for entrance and exit counseling as required by subsections (b) and (l) of section 485, as long as --

§ (aa) the institution's staff are in control of the counseling, (whether in person or via electronic capabilities); and

§ (bb) such counseling does not promote the products or services of any specific lender.

§ (V) Philanthropic contributions to an institution from a lender, servicer, or guarantor of education loans that are unrelated to education loans or any contribution from any lender, guarantor, or servicer that is not made in exchange for any advantage related to education loans.

§ (VI) State education grants, scholarships, or financial aid funds administered by or on behalf of a State.

§ (iii) Rule for Gifts for Family Members -- For purposes of this paragraph, a gift to a family member of an officer or employee of an institution, to a family member of an agent, or to any other individual based on that individual's relationship with the officer, employee, or agent, shall be considered a gift to the officer, employee, or agent if --

§ (l) the gift is given with the knowledge and acquiescence of the officer, employee, or agent; and

§ (II) the officer, employee, or agent has reason to believe the gift was given because of the official position of the officer, employee, or agent.

(3) CONTRACTING ARRANGEMENTS PROHIBITED

o (A) Prohibition -- An officer or employee who is employed in the Office of Financial Aid and Student Employment or who otherwise has responsibilities with respect to education loans, or an agent who has responsibilities with respect to education loans, shall not accept from any lender or affiliate of any lender any fee, payment, or other financial benefit (including the opportunity to purchase stock) as compensation for any type of consulting arrangement or other contract to provide services to a lender or on behalf of a lender relating to education loans.

o (B) Exceptions -- Nothing in this subsection shall be construed as prohibiting --

§ (i) an officer or employee of an institution who is not employed in the institution's Office of Financial Aid and Student Employment and who does not otherwise have responsibilities with respect to education loans, or an agent who does not have responsibilities with respect to education loans, from performing paid or unpaid service on a board of directors of a lender, guarantor, or servicer of education loans;

§ (ii) an officer or employee of the institution who is not employed in the Office of Financial Aid and Student Employment but who has responsibility with respect to education loans as a result of a position held at the institution, or an agent who has responsibility with respect to education loans, from performing paid or unpaid service on a board of directors of a lender, guarantor, or servicer of education loans, if the institution has a written conflict of interest policy that clearly sets forth that officers, employees, or agents must excuse themselves from participating in any decision of the board regarding education loans at the institution; or

§ (iii) an officer, employee, or contractor of a lender, guarantor, or servicer of education loans from serving on a board of directors, or serving as a trustee, of an institution, if the institution has a interest policy that the board member or trustee must excuse themselves from any education loans at the institution.

(4) DIRECTING BORROWERS TO PARTICULAR LENDERS OR REFUSING OR DELAYING LOAN CERTIFICATIONS PROHIBITED

- o (A) Prohibition – The private student loan industry will not be given a preferred status. Robert Fiance Beauty Schools will not produce a preferred lender list that gives any lender an advantage in securing business from Robert Fiance Beauty Schools students. Robert Fiance Beauty Schools will not assign a borrowers private student loans to a particular lender. All decisions will be made by borrower in his/hers independent review of the borrower benefits and lender services. Furthermore, Robert Fiance Beauty Schools will not refuse to certify, or delay certification of any loan based on the borrowers selection of a particular lender or guaranty agency.

(5) OFFERS OF FUNDS FOR PRIVATE LOANS

- o (A) Prohibition – Robert Fiance Beauty Schools will not request or accept from any lender any offer of funds to be used for private education loans (as defined in Section 140 of the Truth in Lending Act) including funds for an opportunity pool loan in exchange for Robert Fiance Beauty Schools providing concessions or promises regarding providing the lender with a specified number of loans made, insured or guaranteed; a specific loan volume of such loans; or a preferred lender arrangement for such loans.

(6) FINANCIAL AID OFFICE STAFFING ASSISTANCE

- o (A) Prohibition – Robert Fiance Beauty Schools will not request or accept from any lender, guarantor or servicer of student loans any assistance with call center staffing or financial aid office staffing. Approved third party servicers who administer student loans programs and other financial aid services are available to assist students with questions regarding specific processes associated with the services provided by the servicer.

(7) ADVISORY BOARD COMPENSATION

- o (A) Prohibition – Employees of the financial aid office who may serve on an advisory board, commission, or group established by a lender, guarantor, or group of lenders or guarantors, are prohibited from receiving anything of value from the lender, guarantor, or group of lenders or guarantors, except that the employee may be reimbursed for reasonable expenses incurred on serving on such an advisory board, commission or group.

Sanctions

Violations of school policies, including the failure to avoid a prohibited activity or disclose a conflict of interest in timely manner, will be dealt with in accordance with applicable school policies and procedures, which may include disciplinary actions up to and including termination from the institution.