



Code of Conduct for Lender Relationships

The Higher Education Opportunity Act (HEOA) requires educational institutions to develop and comply with a code of conduct that prohibits conflicts of interest for financial aid personnel [HEOA Section 487 (a) (25)]. This Code of Conduct aims to ensure that our students' best interests are always at the forefront of all decisions we make. Any officer, employee, or agent responsible for student educational loans must comply with this Code of Conduct.

Covered Individuals

Any officer, agent, or employee of Advance Beauty College (ABC), who works in the financial aid office or has responsibilities for education loans, whether those loans are through the federal student loan programs or are private loans, is a covered individual for purposes of the Code of Conduct.

Gifts and Gratuities

- A. No covered individual may accept any gift, gratuity, favor, entertainment, hospitality, loan, discount, or other thing having more than a de minus value from any lender, guarantor, or servicer of education loans unless such gift or thing of value comes within the following exceptions:
 - a. Materials or training programs related to loans, default aversion, default prevention, or financial literacy
 - b. Food, refreshments, training, or informational material provided as part of a training session designated to improve the service of a lender, guarantor, or servicer, as long as the training contributes to the professional development of the Advance Beauty College representative.
- B. A student who is also an employee of Advance Beauty College may accept favorable terms, conditions, and borrower benefits comparable to those provided to all students at Advance Beauty College.
- C. A gift to a family member or other person with a relationship to a covered individual is considered to be a gift to the covered individual if it is given with the knowledge of the covered individual and the covered individual has reason to believe the gift was given because of his or her position with Advance Beauty College.

Services and Contributions

- A. Advance Beauty College may permit a lender, servicer, or guarantor to provide entrance and exit counseling services to borrowers as long as Advance Beauty College staff are in control of the counseling and it does not promote the products or services of any particular lender, servicer, or guarantor.

- B. Advance Beauty College may accept philanthropic contributions unrelated to educational loans and not made in exchange for any advantage or consideration related to education loans.

Contracting and Board Arrangements

- A. A covered individual may not accept any fee, payment, or other financial benefits from a lender or any affiliate of a lender as compensation for any consulting relationship or other contracts to provide services to a lender or on behalf of a lender related to educational loans. With permission of the President of Advance Beauty College, a covered individual may serve on an advisory board or group established by a lender, guarantor, or group of lenders or guarantors and may accept reimbursement for reasonable expenses incurred in such service.
- B. With the advance permission of the President of Advance Beauty College, an officer or employee of Advance Beauty College who is not employed in the financial aid office and does not otherwise have responsibilities for education loans may serve as a paid or unpaid member of the board of directors of a lender, servicer, or guarantor of education loans.
- C. With the advance permission of the President of Advance Beauty College, an officer, agent, or employee of Advance Beauty College who is not employed in the financial aid office but does otherwise have responsibilities for education loans may serve as a paid or unpaid member of the board of directors of a lender, servicer, or guarantor of education loans, so long as that person recuses himself or herself from participating in any decisions of the board relating to education loans at the institution.
- D. An officer, employee, or agent of a lender, guarantor, or servicer may serve on the Advance Beauty College board so long as that board member recuses himself or herself from any decisions of the board relating to education loans.

Interaction with Borrowers

- A. A first-time borrower's loan may not be assigned to a particular lender through award packaging or other methods.
- B. A borrower may choose any lender. Advance Beauty College will not refuse to certify a loan or delay in certifying a loan based on the borrower's lender selection.

Officer of Funds for Private Loans

No officer, employee, or agent of Advance Beauty College shall on the College's behalf request or accept from any lender any offer of funds to be used for private education loans in exchange for the College providing concessions or promises to the lender relating to numbers of loans, loan volume, or preferred lender arrangements.

Staffing Assistance and Materials

- A. Advance Beauty College shall not solicit or accept assistance with staffing a call center or the financial aid office from any lender except as provided below.
- B. In an emergency, such as a federally or state-declared disaster or other emergency identified by the Department of Education, Advance Beauty College may accept short-term assistance in providing financial aid-related functions from a lender.
- C. Advance Beauty College may accept assistance from a lender related to professional development training for financial aid administrators.

D. Advance Beauty College may accept educational counseling materials, financial literacy materials, or debt management materials from a lender so long as those materials disclose the identification of any lender that assisted in preparing or providing those materials.

Failure to adhere to this Code of Conduct may result in disciplinary action, up to and including termination of employment.