

FAIRLEIGH DICKINSON UNIVERSITY STUDENT LOAN PRACTICES CODE OF CONDUCT

Introduction

Loans have become a principal by means by which many students fund the costs of their educations. Since their modest beginnings in the 1960s, student loan programs have matured into a big business. At Fairleigh Dickinson University, student loan programs, in common with all programs and services, are operated with the highest degree of ethics and transparency. Using a template suggested by the Office of Attorney General of New Jersey, Fairleigh Dickinson University has adopted this Code of Conduct to affirm and assure all constituents and stakeholders of its continuing commitment to ethical conduct and transparency in connection with student loan programs.

1. Prohibition Against Certain Remuneration

1.1 Fairleigh Dickinson University ("FDU") 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, including, but not be limited to:

1.1.1 Revenue Sharing agreements;

1.1.2 Receipt from any Lending Institution of any computer hardware at a price which is below market price; and

1.1.3 Printing costs or services.

1.2 Section 1.1 shall not be construed to prohibit FDU from soliciting, accepting or agreeing to accept favorable terms or conditions of a Student Loan inuring directly to Borrowers.

1.3 FDU 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 Individuals at the College

2.1 No officer, trustee or employee shall accept anything more than nominal value on his or her own behalf, or on behalf of another, during any 12 month period from a Lending Institution, or anyone acting on behalf of Lending Institution, which relates in any way to student lending.

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

2.3 Section 2.1 shall not be construed to prohibit any officer, trustee, employee, or agent from conducting non-Student Loan business or engaging in a non-Student Loan relationship with any Lending Institution, and the prohibitions against receiving anything of value, as set forth in Section 2.1, do not apply to any such non-Student Loan business or relationship.

3. Limitations on Participating on Lender Advisory Boards

3.1 No officer or employee who is involved in the day-to-day affairs of student lending shall receive 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 which are unrelated in any way to Student Loans is not prohibited.

3.2 Section 3.1 shall not be construed to prohibit any officer, trustee or employee of the College from serving on the board of directors of any publicly-traded or privately-held company.

4. Preferred Lender Lists

4.1 FDU shall not provide or otherwise disseminate or make available a Preferred Lender List which:

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 in which a Preferred Lender List is set forth must disclose in plain language the process by which the Lenders were selected, 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 of the lenders on the Preferred Lender List, and will suffer no penalty or unnecessary delay for choosing a lender that is not on the Preferred Lender List.

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

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

4.6 No Lending Institution shall be placed on a Preferred Lender List unless the Lending Institution provides assurance to FDU and 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 which has an agreement to sell its Student Loans to another unaffiliated Lending Institution shall be included on the Preferred Lender List unless such agreement is disclosed to Borrowers 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 No employee or other agent of a Lending Institution shall be identified to students or their parents as an employee or agent of FDU.

5.2 No employee, representative, or agent of a Lending Institution shall provide staffing services to the Financial Aid Office.

5.2.1 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. However, any employee, representative, or agent of a Lending Institution conducting an interview shall identify himself or herself as a representative of the Lending Institution and shall not promote the Lending Institution's products during the interview.

6. Electronic Loan Documents and Processing

6.1 FDU shall not, in any manner, direct potential Borrowers to electronic loan applications, electronic master promissory notes or other loan agreements which 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 New Jersey.

6.2 FDU shall provide a reasonable and convenient alternative for loan certification and processing of student loans from Lending Institutions which do not participate in the electronic processing system used by FDU, or are not on the Preferred Lender List.

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

7. Prohibition Against “Opportunity Loans”

7.1 FDU shall not arrange with a Lending Institution to provide Opportunity Loans to Borrowers but may offer or arrange loans, at fair market rates, for International students who would be otherwise unable to secure a domestic loan.

8. Definitions

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

8.2 “FDU” means Fairleigh Dickinson University.

8.3 “Lending Institution” means any entity that directly or through an affiliate engages in the business of making or securitizing Student Loans which are used at FDU, or any entity or association of entities which guarantees Student Loans at FDU.

8.4 “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 which a College or University agrees to provide to the Lending Institution.

8.5 “Preferred Lender List” means any list of Lending Institutions which a College or University publishes in print or any other medium or form that recommends or suggests Lending Institutions to borrowers.

8.6 “Revenue Sharing” means any arrangement in which a Lending Institution pays a College or University, or an affiliated entity or organization, a percentage of the principal of each loan or any form of commission related to the loan.

8.7 “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 purpose of paying for or financing higher education expenses, but not including credit cards or home equity loans.