

## STUDENT LOAN PRACTICES CODE OF CONDUCT

### A. Prohibition of Certain Remuneration to College Employees

1. No employee or agent of the College shall accept anything of more than nominal value on his or her own behalf or on behalf of another from or on behalf of a Lending Institution, except that this provision shall not be construed to prohibit any employee or agent of the College from conducting (a) non-College business with any Lending Institution; or (b) College business unrelated to education loans. As used in the preceding sentence and throughout the Student Loan Practices Code of Conduct, a Lending Institution is defined as:

- (a) 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
- (b) Any entity, or association of entities, that guarantees education loans; or
- (c) Any industry, trade or professional association that, to the best of the College's knowledge after reasonable inquiry, receives money from any entity described above in subsections (a) and (b).

Nothing in this provision or throughout the Student Loan Practices Code of Conduct shall prevent the College from holding membership in any nonprofit professional association.

2. The prohibition set forth in the previous paragraph shall include, but not be limited to, a ban on any payment or reimbursement by a Lending Institution to a College employee for lodging, meals, or travel to conferences or training seminars unless such payment or reimbursement is related solely to non-College business or College

business unrelated to education loans.

- B. **Limitations on College Employees Participating on Lender Advisory Boards** - No employee or agent of the College shall receive any remuneration for serving as a member or participant of an advisory board of a Lending Institution, or receive any reimbursement of expenses for so serving, provided, however, that participation on advisory boards that are unrelated in any way to higher education loans shall not be prohibited by the Student Loan Practices Code of Conduct. This code shall not prohibit College staff members from serving on the MOHELA Board.
- C. **Prohibition of Certain Remuneration to the College** - The College will not accept on its own behalf anything of value from any Lending Institution in exchange for any advantage or consideration provided to the Lending Institution related to its education loan activity. This prohibition shall include, but not be limited to, (i) "revenue sharing" by a Lending Institution with the College, (ii) the College's receipt from any Lending Institution of any computer hardware for which the College pays below-market prices and (iii) printing costs or services. Notwithstanding anything else in this paragraph, the College may accept assistance as contemplated in 34 CFR 682.200(b)(definition of "Lender")(5)(I).
- 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 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 for choosing a lender that is not on said Preferred Lender List.

3. The College's decision to include a Lending Institution on any such list and the College's decision as to where on the list the Lending Institution's name appears shall be determined solely by consideration of the best interests of the students or parents who may use said list without regard to the pecuniary interests of the College;
4. The constitution of any Preferred Lender List shall be reviewed no less than annually;
5. No Lending Institution shall be placed on any Preferred Lender List unless the said lender provides assurance to the College and to student and parent borrowers who take out loans from said Lending Institution that the advertised benefits upon repayment will continue to inure to the benefit of student and parent borrowers regardless of whether the Lending Institution's loans are sold;
6. No Lending Institution that, to the best of College's knowledge after reasonable inquiry, has an agreement to sell its 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;
7. No Lending Institution shall be placed on any one of the College's Preferred Lender

Lists or in favored placement on any one of the College's Preferred Lender Lists for a particular type of loan, in exchange for benefits provided to the College or to the College's students in connection with a different type of loan;

8. Beginning August 1, 2007, no Lending Institution shall be placed on any one of the College's Preferred Lender Lists unless said Lending Institution has agreed with the Missouri Attorney General to abide by a Lending Code of Conduct, unless the Missouri Attorney General informs the College that it no longer offers such agreements.
- E. **Prohibition of Lending Institutions' Staffing of College Financial Aid Offices** - No employee or other agent of a Lending Institution may ever be identified to students or prospective students of the College or their parents as an employee or agent of the College. No employee or other agent of a Lending Institution may staff the College financial aid offices at any time.
- F. **Proper Execution of Master Promissory Notes** - The College shall not link or otherwise direct potential borrowers to any electronic Master Promissory Notes or other loan agreements that do not allow students to enter the lender code or name for any lender offering the relevant loan.
- G. **School as Lender** - 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 the Student Loan Practices Code of Conduct apply equally to such School as Lender loans as if the loans were provided by another lender.
- H. **Prohibition of Opportunity Loans**

1. As used herein, “override pools,” “opportunity funds,” and “opportunity loans” refer to any agreement, understanding or practice in which a lender applies more lenient loan underwriting criteria than it otherwise would to a certain class of loan applicants if the College meets certain milestones or metrics with respect to other loans with that lender, such as the number of loans initiated or in force, or the dollar amount of such loans, or where the lender agrees with the College to lend money to students outside the Federal Family Education Loan Program (FFELP), at the direction of the College, in exchange for the College dropping out of the federal direct loan program and/or marketing the lender’s separate FFELP loans to students.
2. The College shall not arrange with a Lending Institution to participate in any override pools, opportunity funds, or opportunity loans, as defined above, if the participation in such program(s) prejudices any other borrower.