

Technical Career Institutes Code of Conduct for Educational Loans

Technical Career Institutes (TCI) is committed to the highest standards of ethical conduct in all of its operations, including those associated with student financial aid. In carrying out his or her job duties, every TCI officer, employee, or agent is required to comply with not only legal and regulatory/statutory requirements applicable to TCI's operations, but also those internal policies, practices, and procedures which TCI implements.

Among other things, the Higher Education Opportunity Act of 2008 (HEOA) requires that institutions participating in federal student loan programs – which TCI does – develop, publish and enforce a code of conduct with respect to its administration of educational loans. This code of conduct also applies any time a TCI officer, employee, or agent interacts with an enrolled or prospective TCI student regarding educational loans.

To ensure its ongoing compliance with the HEOA, TCI has adopted all provisions stated in Section 493 as its Code of Conduct related to federal student loan programs. For clarity and ease of reference, TCI lists the following specific items from Section 493, as they are particularly relevant to employees' day-to-day job duties and employment obligations:

1. Ban on Revenue-Sharing Arrangements:

- TCI does not share revenue with any lender. A lender is defined as a person or entity that provides or issues loans that are made, insured, or guaranteed under the HEOA.
- TCI's officers, employees, and/or agents, shall not, as private individuals or as institutional representatives, enter into any revenue-sharing agreement or arrangement with any lender. A revenue-sharing arrangement is defined as any instance when a lender pays a fee or provides a material benefit to TCI (or any TCI officer, employee, or agent) in exchange for a recommendation that a prospective or enrolled student (or his/her family member(s)) use a lender's loan product(s).

2. Gift Ban:

- TCI bans officers, employees, and agents of the school who are employed in the Student Financial Services Department (SFSD), or, who otherwise work with student loans, from receiving any gift, compensation, or other benefit from a lender, servicer, or guarantor in return for a consulting contract or any other services (including recommendations or other such advantages) associated with education loans.
- Gifts to a family member of a TCI officer, employee, or agent are also banned. A gift to a family member shall be considered a gift to the TCI officer, employee, or agent if: (i) the gift is given with the knowledge and acquiescence of the officer, employee, or agent, and (ii) the officer, employee, or agent (or his/her family member) has reason to believe the gift was given because of the official position of the officer, employee, or agent.
- A "gift" is defined as any gratuity, favor, discount, entertainment, hospitality, loan, stock or any other item having a monetary value of more than a *de minimis* amount (\$25 per year). The term includes a gift of services, transportation,

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lodging, and/or meals, whether provided in kind, by purchase of a ticket, payment in advance, or through reimbursement after the expense has been incurred.

- The term “gift” does not include any of the following:
 - Standard material, activities, or programs on issues related to student loans, default management/prevention, or financial literacy (such as, though not limited to, a brochure, workshop, or training).
 - Food, refreshments, training, or information material furnished as an integral part of a training session designed to improve the service of the lender, guarantor, or servicer, if such training contributes to the professional development of the TCI officer, employee, or agent.
 - Favorable terms, conditions, and borrower benefits on an education loan provided to a student employed by TCI provided that such terms, conditions, or borrower benefits are comparable to those provided to all TCI students.
 - Entrance and exit counseling services provided to borrowers as long as: (i) TCI staff are in control of the counseling; and (ii) the counseling does not, in any way, promote or recommend the products of any specific lender.
 - Philanthropic contributions to an institution from a lender, servicer, or guarantor of education loans that are unrelated to education loans or made in exchange for any advantage related to education loans.
 - State education grants, scholarships, or financial aid funds administered by, or on behalf of, a state.

3. Prohibited Contracting Arrangements:

- A TCI officer, employee, or agent employed in TCI’s SFSD, or any other department who has responsibilities for/around 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.
- TCI officers, employee, or agents employed in TCI’s SFSD or any other department who has responsibilities for/around education loans are not permitted to own stock or hold any another financial interest in a lending company, except for publicly traded mutual funds or similar investment vehicles in which the stock owner does not have any discretion with regard to the investment of the assets of the investment vehicle.

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4. Interactions With Borrowers:

- TCI acknowledges that borrowers can choose any private lender to finance their studies. TCI will not refuse certifying, denying, or otherwise delaying certification of a loan based on the borrower's choice of a private lender.

5. Prohibition on Offers of Funds for Private Loans:

- TCI will not request or accept from any lender any offer of funds to be used for private education loans, including funds for an opportunity pool loan, in exchange for TCI providing concessions or promises regarding providing the lender with: (i) a specified number of federal loans made, insured, or guaranteed; (ii) a specified volume of such loans; or (iii) a preferred lender arrangement for such loans.

6. No Preferred Private Lenders:

- TCI does not assign private lenders to first-time borrowers through financial aid packaging or any other means. TCI does not have preferred private lenders or arrangements with such lenders.

7. Ban on Staffing Assistance:

- TCI prohibits lenders from assisting with any functions associated with educational loans in the SFSD or any other departments at the College.

8. Sanctions:

- Violations of TCI policy, including failure to avoid a prohibited activity or disclose a conflict of interest or potential violation in a timely manner, will be dealt with in accordance with applicable TCI policy and procedure, which may include disciplinary action up to, and including, termination.