

CODE OF CONDUCT FOR RELATIONSHIPS BETWEEN UNIVERSITIES IN THE DISTRICT OF COLUMBIA AND EDUCATIONAL LOAN PROVIDERS

The undersigned universities, in cooperation with the Attorney General for the District of Columbia, voluntarily adopt this Code of Conduct ("Code") regarding appropriate educational lending practices at their institutions. This Code has been amended to conform with the provisions of the Higher Education Opportunity Act, 20 U.S.C. § 1094 et seq. ("HEOA").

Prohibition of Certain Remuneration to University Officers, Employees, and Agents

1. A university shall prohibit officers, employees, and agents (together "University Agents") who regularly work in its financial aid office in a non-clerical capacity, or who regularly make substantive decisions or policy concerning educational loans, or who regularly counsel prospective borrowers on educational loans, from accepting from any Lending Institution any gift or trip or lodging worth more than nominal value. (As used in this Code, a "Lending Institution" is any entity that engages in the business of making or guaranteeing or servicing loans to students, parents or others for the purposes of financing students' higher education expenses.)

(a) The term "gift" means any gratuity, favor, discount, entertainment, hospitality, loan, or other item having a monetary value of more than a de minimus amount. The term includes a gift of services, transportation, lodging, or meals, whether provided in kind, by purchase of a ticket, payment in advance, or reimbursement after the expense has been incurred.

(b) A gift to a family member of a University Agent, or to any other individual based on that individual's relationship with the University Agent, shall be considered a gift to the University Agent if: (i) the gift is given with the knowledge and acquiescence of the University Agent; and (ii) the University Agent has reason to believe the gift was given because of the official position of the University Agent.

(c) Paragraph 1 shall not be construed to prohibit any Lending Institution from paying conference fees for a university employee where the university employee is presenting at a conference sponsored by that Lending Institution. Moreover, that paragraph shall not be construed to prohibit any University Agent, trustee, or director of a university in his or her personal capacity from conducting business with any Lending Institution when such business is unrelated to, and is not a *quid pro quo* for, business related to the university or to educational loans. Nothing in this paragraph or Code shall prevent a university or any of its University Agents, trustees, or directors from holding membership in any nonprofit professional association. In addition, the term "gift" shall not include any of the exceptions listed in Section 1094(e)(2)(B)(ii) of the HEOA.

2. (a) A university shall prohibit University Agents who regularly work in a financial aid office in a non-clerical capacity, or who regularly make substantive decisions or policy concerning educational loans, or who regularly counsel prospective borrowers on educational loans, from entering into any type of consulting or employment arrangement or other contract to provide services to a

Lending Institution or on behalf of a Lending Institution relating to educational loans.

(b) This Code does not prohibit the following:

(i) A University Agent who does not work in the institution's financial aid office and who does not otherwise have responsibilities with respect to education loans, or a University Agent who does not have responsibilities within the university for education loans, from performing paid or unpaid service on the board of directors of any Lending Institution.

(ii) A University Agent who does not work in the institution's financial aid office but who has responsibilities related to education loans as a result of a position held at the institution from performing paid or unpaid service on a board of directors of a Lending Institution, as long as the university has a written conflict of interest policy that clearly sets forth that University Agents must recuse themselves from participating in any board decisions regarding education loans at the university; or

(iii) An officer, employee or contractor of a Lending Institution from serving on the board of directors or as a trustee of a university, as long as the university has a written conflict of interest policy that the board member or trustee must recuse themselves from any decision regarding education loans at the university.

(iv) Nothing in this section (iii) above or this Code shall prohibit any University Agent from serving, and accepting remuneration and expense reimbursement for serving, on a board of directors of a) any for-profit or

non-profit company that does not provide loans to students, parents, or others for purposes of financing higher education expenses; or b) any non-profit membership corporation of which the university or component of the university is a member.

Limitations on Participation on Lender Advisory Boards, Boards of Directors, and as Trustees

3. A university shall prohibit employees who regularly work in a financial aid office in a non-clerical capacity, or who regularly make substantive decisions or policy concerning educational loans, or who regularly counsel prospective borrowers on educational loans, and who serve on an advisory board, commission, or group established by a Lending Institution or group of Lending Institutions, from receiving anything of more than nominal value from the Lending Institution or group of Lending Institutions.

Prohibition of Certain Remuneration to a University

4. A university shall not receive anything of value from any Lending Institution in exchange for providing the Lending Institution with any advantage in marketing, offering or making educational loans for students enrolled, or expected to be enrolled, at the university; provided, however, that a university shall not be prohibited from receiving from a Lending Institution informational materials for students on that Lending Institution's lending activities and services so long as the materials clearly and conspicuously disclose that the materials are paid for and provided by the Lending Institution. This prohibition on providing the Lending Institution with any advantage in marketing, offering or making educational loans shall include, but not be limited to: (a) "revenue sharing" by a

Lending Institution with the university pursuant to 20 U.S.C. § 1094(e)(1)(B); (b) the university's receipt from any Lending Institution of any computer hardware for which the university pays below-market prices; and (c) printing costs or services. Notwithstanding anything else in this paragraph, a university may accept (a) assistance from a Lending Institution comparable to the kinds of assistance provided by the United States Secretary of Education under, or in furtherance of, the Federal Direct Loan Program; and (b) assistance from a Lending Institution relating to the exclusions listed in 20 U.S.C. § 1094(e)(6)(B).

Preferred Lender Lists

5. In the event that a university promulgates a list of preferred or recommended lenders or similar ranking or designations ("Preferred Lender List"), then:

(a) The university's decision to identify a Lending Institution as a Preferred Lender and the university's prioritization, if any, of Lending Institutions on any Preferred Lender list, shall be

- (i) determined by consideration of the best interests of the prospective borrowers without regard for the pecuniary interests of the university; and
- (ii) based on the merits of the primary loan product of the list concerned without consideration of the terms of other loan products offered by the Lending Institution or other benefits or incentives offered to the university.

- (b) A university shall disclose to prospective borrowers, as part of the Preferred Lender List, the methods and criteria used by the university in placing any Lending Institution on the list.
- (c) Every brochure, web page or other document that sets forth a Preferred Lender List or identifies any Lending Institution as being on said Preferred Lender List shall state, in the same font and in the same manner as the document's predominant text, that students and their parents are not required to use any of the Lending Institutions on said Preferred Lender List and will not be penalized by the university for choosing a Lending Institution that is not on said Preferred Lender List.
- (d) The composition of any Preferred Lender List shall be reviewed by the university no less than annually.
- (e) Universities may not permit a Lending Institution to appear on a Preferred Lender List unless the Lending Institution provides written assurances that it will clearly and conspicuously disclose to students at the time of any loan any pre-existing agreement to sell the loan to another institution (which shall not include sales to the U.S. Department of Education or sales to other federal, state or District of Columbia governmental entities). Universities may seek such assurances during the annual review of a Preferred Lender List required under federal law, or at such other times as may subsequently be required by law.

Prohibition of Lending Institutions' Staffing of University Financial Aid Offices

6. An employee or other agent of a Lending Institution shall not be employed by the university to regularly work in a non-clerical position in a financial aid office or in any position that regularly makes substantive decisions concerning policy on educational loans or that regularly counsels prospective borrowers on educational loans. Moreover, a university shall not request or accept any assistance with call center staffing or financial aid office staffing from any Lending Institution. This prohibition shall not include the certain permissible forms of assistance listed in Section 1094 (e)(6)(B).

Proper Use of Master Promissory Notes

7. A university 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 or select the lender code name for any Lending Institution offering the relevant loan through the relevant guaranty agency or electronic application service. A university's link or direction referred to in this paragraph shall comply with paragraph 5(a) and (b) above. Nothing in this paragraph shall preclude a university from providing in any brochure, website or other document the top-level domain address (e.g. www.samplelender.com) or similar address of a Lending Institution for the purpose of allowing borrowers to review the site, terms, services and offers of that Lending Institution, provided that such website address does not link directly to a promissory note or loan agreement without the potential borrower electing to apply for a loan with that Lending Institution.

School as Lender

8. If a University participates in the federally authorized "School as Lender"

program under 20 U.S.C. §1085(d)(1)(E), then the university shall not treat School As Lender loans any differently than if the loans originated directly from another Lending Institution. All sections of this Code apply equally to such School as Lender loans as if the loans were provided by another lender.

Prohibition on Offers of Funds for Private Loans

9. A university shall not request or accept from any Lending Institution any offer of funds to be used for private education loans, including funds for an opportunity pool loan, to students in exchange for the institution providing concessions or promises regarding providing the Lending Institution with: (i) a specific number of loans made, insured, or guaranteed under Federal Student Assistance Loan Programs or Federal Work-Study Programs; (ii) a specified loan volume of such loans; or (iii) a preferred lender arrangement for such loans. An “opportunity pool loan” is a private education loan made by a Lending Institution to a student attending the institution or the family member of such a student that involves a payment, directly or indirectly, by such institution of points, premiums, additional interest, or financial support to such Lending Institution for the purpose of such Lending Institution extending credit to the student or the family. Nothing in this paragraph or Code shall be construed to prevent a university from offering loans, or arranging for loans to be offered, to international students, at fair market rates, when those students would be otherwise unable to secure a domestic loan, provided that such loans are not loans that prejudice other borrowers.

Interaction with Borrowers

10. The Institution shall not –
- (a) For any first-time borrower, assign, through award packaging or other methods, the borrower's loan to a particular Lending Institution; or
 - (b) Refuse to certify, or delay certification of, any loan based on the borrower's selection of a particular lender or guaranty agency.

Legal Effect and Applicability of Code

11. This Code is applicable to future practices only, and is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity, by any party against any university signing this Code; its agencies, instrumentalities, or entities; its University Agents; or any other person. The Code applies only to employees of the signatory institutions and is not meant to address non-employee trustees or directors of the universities. The Code applies to business relationships between Lending Institutions and signatories hereto connected to marketing, offering or making educational loans. It does not apply to philanthropic or other business transactions, such as general banking services or advertising relationships, that may exist between Lending Institutions and signatories hereto and that are unconnected with any advantage in marketing, offering or making educational loans provided to the Lending Institutions.

Conflict with Applicable Laws

12. In the event of any conflict between the terms of this Code and any applicable District of Columbia, federal, state or local statutes, rules, regulations,

or guidelines (collectively the "applicable laws"), the provisions of the applicable laws shall prevail.

Re-Negotiation of Code

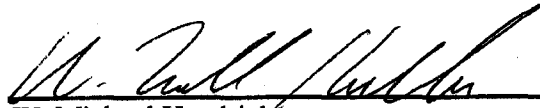
13. The Attorney General for the District of Columbia and the universities that are parties to this Code understand that circumstances may change in relation to student loans, and accordingly commit to re-examine and re-negotiate the terms of this Code at the request of any university or the Attorney General if there is a material change in the law, the relevant lending environment, or other relevant circumstances. If any university or the Attorney General is dissatisfied with the results of such re-negotiation, it shall have the right to withdraw from this Code. In addition, at any time after three years have elapsed from the Code's effective date, any university may withdraw from the Code upon thirty (30) days written notice to the Office of the Attorney General.

ON BEHALF OF AMERICAN UNIVERSITY:

A handwritten signature in black ink, appearing to read "Scott A. Bass", is positioned above a horizontal line.

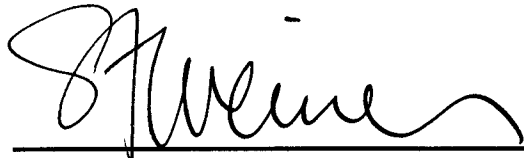
Scott A. Bass
Provost

ON BEHALF OF THE CATHOLIC UNIVERSITY OF AMERICA:

A handwritten signature in dark ink, appearing to read "W. Michael Hendricks", is written over a solid horizontal line.

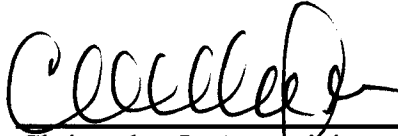
W. Michael Hendricks
Vice President for Enrollment Management

ON BEHALF OF GALLUDET UNIVERSITY:

A handwritten signature in black ink, appearing to read "S. Weiner", written over a horizontal line.

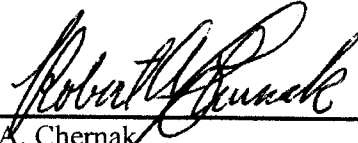
Stephen Weiner
Provost

ON BEHALF OF GEORGETOWN UNIVERSITY:

A handwritten signature in black ink, appearing to read 'C. Augostini', is positioned above a horizontal line.

Christopher L. Augostini
Senior Vice President, Chief Financial Officer and Treasurer

ON BEHALF OF THE GEORGE WASHINGTON UNIVERSITY:

A handwritten signature in cursive script, appearing to read "Robert A. Chernak", positioned above a horizontal line.

Robert A. Chernak
Senior Vice President for Student and Academic Support Services

ON BEHALF OF SOUTHEASTERN UNIVERSITY:

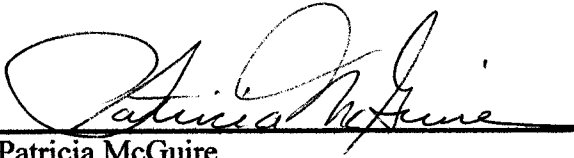
Peter Canine
Chief Financial Officer

ON BEHALF OF HOWARD UNIVERSITY:

Alvin Thornton 12-10-09

Alvin Thornton, Ph.D.
Interim Provost and Chief Academic Officer

ON BEHALF OF TRINITY:

A handwritten signature in cursive script, appearing to read "Patricia McGuire", is written over a solid horizontal line.

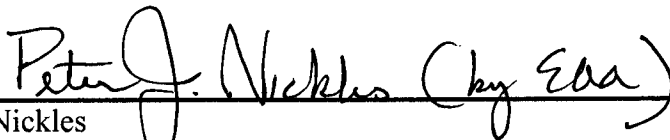
Patricia McGuire
President

ON BEHALF OF THE UNIVERSITY OF THE DISTRICT OF COLUMBIA:

A handwritten signature in black ink, appearing to read "Allen Sessoms", written over a horizontal line.

Dr. Allen Sessoms
President

ACKNOWLEDGED ON BEHALF OF THE DISTRICT OF COLUMBIA:



Peter J. Nickles
Attorney General for the District of Columbia

Date: January 20, 2010