

AMERICAN COMMERCIAL COLLEGE

Student Loan Code of Conduct

No officer, employee, or agent of American Commercial College with responsibility for title IV funding shall have conflicts of interest as described in the following Code of Conduct:

1. Ban on Revenue-Sharing Arrangements

American Commercial College shall not enter into any revenue-sharing arrangement with any lender. A “revenue-sharing arrangement” is defined as an arrangement between the institution and a lender under which the lender provides or issues a loan that is made, insured, or guaranteed under this title to students attending the institution or to the families of such students, the institution recommends the lender or the loan products of the lender, and, in exchange, the lender pays a fee or provides other material benefits, including revenue or profit sharing, to the institution, an officer or employee of the institution, or an agent.

2. Ban on Gifts

No officer or employee of American Commercial College who is employed in the financial aid office of American Commercial College or who otherwise has responsibilities with respect to education loans, or agent who has responsibilities with respect to education loans, shall solicit or accept any gift from a lender, guarantor, or servicer of education loans. A “gift” is defined as any gratuity, favor, discount, entertainment, hospitality, loan, or other item having a monetary value of more than a de minimus amount. The term “gift” also 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.

a. The term “gift” does not include the following:

- i. Standard material, activities, or programs on issues related to a loan, default aversion, default prevention, or financial literacy, such as a brochure, a workshop, or training.
- ii. Food, refreshments, training, or informational material furnished to an officer or employee of American Commercial College, or to an agent, as an integral part of a training session that is designed to improve the service of a lender, guarantor, or servicer of education loans to American Commercial College, if such training contributes to the professional development of the officer, employee, or agent.
- iii. Favorable terms, conditions, and borrower benefits on an education loan provided to a student employed by American Commercial College if such terms, conditions, or benefits are comparable to those provided to all students of American Commercial College.
- iv. Entrance and exit counseling services provided to borrowers to meet American Commercial College's responsibilities for entrance and exit counseling as required by subsections (b) and (l) of section 485 [20 USCS § 1092], as long as—

1. American Commercial College's staff are in control of the counseling, (whether in person or via electronic capabilities); and
 2. such counseling does not promote the products or services of any specific lender.
 - v. Philanthropic contributions to American Commercial College from a lender, servicer, or guarantor of education loans that are unrelated to education loans or any contribution from any lender, guarantor, or servicer that is not made in exchange for any advantage related to education loans.
 - vi. State education grants, scholarships, or financial aid funds administered by or on behalf of a State.
- b. A gift to a family member of an officer or employee of American Commercial College, to a family member of an agent, or to any other individual based on that individual's relationship with the officer, employee, or agent, shall be considered a gift to the 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 has reason to believe the gift was given because of the official position of the officer, employee, or agent.

3. Prohibition on Contracting Arrangements

An officer or employee who is employed in the financial aid office of American Commercial College or who otherwise has responsibilities with respect to education loans, or an agent who has responsibilities with respect to 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. Nothing in this subsection shall be construed as prohibiting—

- a. an officer or employee of American Commercial College who is not employed in American Commercial College's financial aid office and who does not otherwise have responsibilities with respect to education loans, or an agent who does not have responsibilities with respect to education loans, from performing paid or unpaid service on a board of directors of a lender, guarantor, or servicer of education loans;
- b. an officer or employee of American Commercial College who is not employed in American Commercial College's financial aid office but who has responsibility with respect to education loans as a result of a position held at American Commercial College, or an agent who has responsibility with respect to education loans, from performing paid or unpaid service on a board of directors of a lender, guarantor, or servicer of education loans, if American Commercial College has a written conflict of interest policy that clearly sets forth that officers, employees, or agents must recuse themselves from participating in any decision of the board regarding education loans at American Commercial College; or
- c. an officer, employee, or contractor of a lender, guarantor, or servicer of education loans from serving on a board of directors, or serving as a trustee, of American Commercial College, if American Commercial College has a written conflict of

interest policy that the board member or trustee must recuse themselves from any decision regarding education loans at American Commercial College.

4. Interaction with Borrowers

American Commercial College shall not—

- a. for any first-time borrower, assign, through award packaging or other methods, the borrower's loan to a particular lender; or
- b. refuse to certify, or delay certification of, any loan based on the borrower's selection of a particular lender or guaranty agency.

5. Prohibition on Offers of Funds for Private Loans

American Commercial College shall not request or accept from any lender any offer of funds to be used for private education loans (as defined in section 140 of the Truth in Lending Act [15 USCS § 1650]), including funds for an opportunity pool loan, to students in exchange for American Commercial College providing concessions or promises regarding providing the lender with—

- a. a specified number of loans made, insured, or guaranteed under this title;
- b. a specified loan volume of such loans; or
- c. a preferred lender arrangement for such loans.

The term "opportunity pool loan" means a private education loan made by a lender to a student attending American Commercial College or the family member of such a student that involves a payment, directly or indirectly, by American Commercial College of points, premiums, additional interest, or financial support to such lender for the purpose of such lender extending credit to the student or the family.

6. Ban on Staffing Assistance

American Commercial College shall not request or accept from any lender any assistance with call center staffing or financial aid office staffing, except American Commercial College is not prohibited from requesting/accepting the following—

- a. professional development training for financial aid administrators;
- b. providing educational counseling materials, financial literacy materials, or debt management materials to borrowers, provided that such materials disclose to borrowers the identification of any lender that assisted in preparing or providing such materials;
- c. staffing services on a short-term, nonrecurring basis to assist American Commercial College with financial aid-related functions during emergencies, including State-declared or federally declared natural disasters, federally declared national disasters, and other localized disasters and emergencies identified by the Secretary.

7. Advisory Board Compensation

Any employee who is employed in the financial aid office of American Commercial College, or who otherwise has responsibilities with respect to education loans or other student financial aid of American Commercial College, and who serves on an advisory board, commission, or group established by a lender, guarantor, or group of lenders or guarantors, shall be prohibited from receiving anything of value from the lender, guarantor, or group of lenders or guarantors, except that the employee may be reimbursed

for reasonable expenses incurred in serving on such advisory board, commission, or group.