

KEAN UNIVERSITY

STUDENT LOAN CODE OF CONDUCT

I. DEFINITIONS

- A. "Borrower" means a student attending KEAN University, 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.
- B. "Lending Institution" or "Lender" means any entity that directly or through an affiliate engages in the business of making or securitizing Student Loans, or any entity or association of entities that guarantees Student Loans.
- C. "Preferred Lender List" means any list of Lending Institutions published in any medium or form that recommends or suggests Lending Institutions to Borrowers.
- D. "Revenue Sharing" means any arrangement whereby a Lending Institution pays KEAN or an affiliated entity or organization a percentage of the principle of each loan directed towards KEAN from a Borrower at KEAN or any form of commission related to the loan.
- E. "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 purposes of paying for or financing KEAN expenses, but not including credit cards or home equity loans.
- F. "Opportunity Loans" means Student Loans that a Lending Institution agrees to make up to a specified aggregate amount to KEAN University 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 that KEAN agrees to provide to the Lending Institution.

II. CODE OF CONDUCT

A. Prohibition Against Certain Remuneration to KEAN University

KEAN University 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. This prohibition shall include, but not be limited to:

1. Any Revenue Sharing agreements;
2. KEAN University's receipt from any Lending Institution of any computer hardware for which KEAN University pays below market prices; and
3. Printing costs or services.
4. The prohibition of Section A shall not be constructed to prohibit KEAN University from soliciting, accepting or agreeing to accept favorable terms or conditions of a Student Loan inuring directly to Borrowers.
5. Notwithstanding anything else in this Code of Conduct ("Code"), KEAN University may accept assistance as contemplated in regulations promulgated by the Department of Education under Title IV of the Higher Education Act as amended.

B. Prohibition Against Remuneration to KEAN Employees

1. KEAN University prohibits any employee from accepting anything more than nominal value on his or her own behalf or on behalf of another, during any 12 month period from, or on behalf of, a Lending Institution.
2. The prohibition of B.1 shall include, but not be limited to, a ban on any payment or reimbursement by Lending Institutions to any KEAN University employee for lodging, meals, or travel to conferences or training seminars.

3. The prohibition of Section B.1 shall not be constructed to prohibit any employee or agent of KEAN University from conducting non-Student Loan business with any Lending Institution.

4. The prohibition of Section B.1 shall not prohibit any officer, trustee, director, employee or agent of a Lending Institution who is uninvolved in the day to day affairs of the Lending Institution's Student Loan business from serving as a board member of KEAN University.

C. Limitations on KEAN Employees Participation on Lender Advisory Boards

1. KEAN University prohibits any employee who is involved in the day to day affairs of student lending from receiving 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 that are unrelated in any way to Student Loans shall not be prohibited.

2. The prohibition of Section C.1 shall not prohibit any employee of KEAN University, who is uninvolved in the affairs of the University's Office of Financial Aid, from serving on a Board of Directors of a publicly traded or privately held company.

D. Preferred Lender Lists

KEAN University shall not provide or otherwise disseminate or make available a Preferred Lender List that (a) is used to deny or otherwise impede a Borrower's choice of Lender; or (b) contains fewer than three unaffiliated Lending Institutions.

1. Every brochure, web page or other document that sets forth a Preferred Lender List must disclose in plain language the process by which KEAN University selected Lenders for the list, including but not limited to the criteria used in compiling the list and the relative importance of those criteria. If it is not practicable to include such disclosure on a brochure or other document that sets forth a Preferred Lender List, the brochure or other document shall state that the lender selection process is described on KEAN University's web page or other designated documentation provided by the Office of Financial Aid.

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 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 by KEAN University for choosing a Lender that is not on the Preferred Lender List. If it is not practicable to include such disclosure on a brochure or other document that sets forth a Preferred Lender List, the brochure or other document shall state that the lender selection process is described on KEAN University's web page or other designated documentation provided by the Office of Financial Aid.

3. KEAN University's decision to include a Lending Institution on any 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 the University.

4. The composition of any Preferred Lender List shall be reviewed and updated at least once a year by the University.

5. No Lending Institution shall be placed on any Preferred Lender List unless the Lending Institution provides reasonable assurance to KEAN University and to 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.

6. No Lending Institution that, to the University's knowledge after reasonable inquiry, has an agreement to sell its Student 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. For the purposes of this subparagraph, reasonable inquiry shall be defined as having asked for and received information on this issue from prospective lenders under consideration for the Preferred Lender List.

E. Prohibition of Lending Institution's Staffing of KEAN's Office of Financial Aid

1. KEAN University shall prohibit any employee or other agent of a Lending Institution from being identified to students of the University or their parents as an employee or agent of KEAN University.
2. KEAN University shall prohibit any employee, representative or agent of a Lending Institution from providing staffing services to KEAN's Office of Financial Aid.
3. The prohibition of Section E.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; provided, however, that the University shall provide that any such employee, representative or agent of a Lending Institution conducting such interview identifies himself or herself as a representative of the Lending Institution and does not, to best of the University's knowledge, promote the Lending Institution's products during such interview.

F. Electronic Loan Documents and Processing

1. KEAN University shall not direct in any manner potential Borrowers to electronic loan applications, electronic master promissory notes or other loan agreements that 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 this State.
2. KEAN University shall provide a reasonable and convenient alternative for loan certification and processing of student loans from Lending Institutions that do not participate in an electronic processing system used by the University or is not on the University's Preferred Lender List.
3. KEAN University shall not refuse to provide loan eligibility certification to a Lending Institution because the Lending Institution does not participate in an electronic processing system used by the University.

G. KEAN as Lender

If KEAN University participates in the "school as lender" program under 20 U.S.C. 1085(d)(1)(E), it may not treat "School as Lender" loans any differently than if the loans originated directly from another Lender; all sections of this Code apply equally to such "School as Lender" loans as if the loans were provided by another Lender.

H. Prohibition Against "Opportunity Loans"

KEAN University shall not arrange with a Lending Institution to provide any Opportunity Loans to Borrowers. Nothing in the Agreement, however, shall be construed to prevent the University from offering or arranging loans to international students, at fair market rates, when those students would be otherwise unable to secure a domestic loan.

I. Application of Other Law

1. Nothing in this Code shall in any manner prohibit student loan activities

allowed by State law and which require, pursuant to such law, the participation of University employees, including, but not limited to, participation of Directors and Trustees governance while employed by lending institutions.

2. Nothing in this Code shall supersede any applicable provision of the New Jersey Code of Ethics, N.J.S.A 52:13D-23, et seq., or other executive orders governing conflicts of interest.