

SETON HALL UNIVERSITY STUDENT LOAN CODE OF CONDUCT

1. Prohibition Against Certain Remuneration to the University

- 1.1. The 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:
 - 1.1.1. Any Revenue Sharing agreement;
 - 1.1.2. The University's receipt from any Lending Institution of any computer hardware for which the University pays below market prices; and
 - 1.1.3. Printing costs or services.
- 1.2. The prohibition of Section 1.1 shall not be construed to prohibit the University from soliciting, accepting or agreeing to accept favorable terms or conditions of a Student Loan inuring directly to Borrowers.
- 1.3. Notwithstanding anything else in this Code of Conduct, the University may accept assistance as contemplated in regulations promulgated by the Department of Education under Title IV of the Higher Education Act as amended.

2. Prohibition Against Remuneration to Individuals at the University

- 2.1. The University shall prohibit any officer, trustee, regent, director, or employee of the University from accepting anything more than nominal value (that is, any gift or service) on his or her own behalf or on behalf of another during any calendar year from, or on behalf of, a Lending Institution, which gift or service could reasonably be construed as an inducement or incentive in connection with student lending.
- 2.2. The prohibit of 2.1 shall include, but not be limited to, a ban on any payment or reimbursement by Lending Institutions to any University employee for lodging, meals, or travel to conferences or training seminars regarding student lending.
- 2.3. The prohibition of Section 2.1 shall not be construed to prohibit any officer, trustee, regent, director or employee of the University from

conducting non-Student Loan business or engaging in a non-Student Loan relationship with any Lending Institution, and the prohibitions against receiving anything of value, as set forth in Section 2.1, do not apply to any such non-Student Loan business or relationship.

- 2.4. Impede a Borrower's choice of lender; or the prohibition of Section 2.1 shall not prohibit any officer, trustee, director, employee, or agent of a Lending Institution who is uninvolved in the day affairs of the Lending Institution's Student Loan business from serving as a board member of the University.

3. Limitations on Participating on Lender Advisory Boards

- 3.1. The University shall prohibit any officer, trustee, regent, director or employee of the University 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.
- 3.2. The prohibition of Section 3.1 shall not prohibit any officer, trustee, regent, director or employee of the University from serving on a Board of Directors of a publically traded or privately held company.

4. Preferred Lender Lists

- 4.1. The University shall not provide or otherwise disseminate or make available a Preferred Lender List that:
 - 4.1.1 Is used to deny or otherwise
 - 4.1.2 Contains fewer than three unaffiliated Lending Institutions.
- 4.2 Every brochure, web page or other document that sets forth a Preferred Lender List must disclose in plain language the process by which the 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.
- 4.3 Every brochure, web page or other document that sets forth a Preferred Lender List or identifies any lender as being on said Preferred Lender's List

shall state in the state in the same font an 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 the University for choosing a lender that is not on the preferred lender list.

4.4 The University's decision to include a Lending Institution on any Preferred Lender shall be determined solely by consideration of the best interests or Borrowers who may use the Preferred Lender List, without regard to the pecuniary interests of the University.

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

4.6 No Lending Institution shall be placed on any Preferred Lender List unless the Lending Institution provides assurance to the University and to Borrowers that advertised benefit upon repayment will continue to inure to the benefit of Borrowers regardless of whether the lending institution's Student Loans are sold.

4.7 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.

5. Prohibition of Lender Institution's Staffing of University Financial Aid Offices

5.1. The University shall prohibit any employee or representative of a Lending Institution from being identified to students of the University or their parents as an employee or agent of the University.

5.2. The University shall prohibit any employee or representative of a Lending Institution from providing staffing services to the University's financial aid office.

5.2.1 The prohibition of Section 5.2 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 or representative of a Lending Institution conducting such interview and does not promote the Lending Institution's products during such interview.

6. Electronic Loan Documents and Processing

- 6.1. The University shall not direct in any manner potential Borrowers to electronic loan applications, electronic master promissory notes, or other loan agreements if the University does not also permit 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. The University is expressly permitted to provide contact information for, or web-based links to, Lending Institutions, notwithstanding that such Lending Institutions or their websites may provide electronic loan applications, electronic master promissory notes, or other loan agreements.
- 6.2. The 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 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.
- 6.3. The 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.

7. School As Lender

- 7.1. If the University participates in the "school as lender" program under 20 U.S.C. 1085(d)(1)(E), the University 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.

8. Prohibition Against "Opportunity Loans"

8.1. The 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.

9. Definitions

9.1. “Borrower” means a student attending Seton Hall 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 at the University.

9.2. “University” means Seton Hall University and all of its component schools and colleges, both undergraduate and graduate, including the Law School.

9.3. “Lending Institution” means any entity that directly or through an affiliate engages in the business of making or securitizing Student Loans that are used at the University, or any entity or association of entities that guarantees Student Loans.

9.4. “Opportunity Loans” means Student Loans that a Lending Institution agrees to make up to a specified aggregate amount to 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 the University agrees to provide to the Lending Institution.

9.5. “Preferred Lender List” means any list of Lending Institutions that the University publishes in print or any other medium or form that recommends or suggests Lending Institutions to borrowers.

9.6. “Revenue Sharing” means any arrangement in which a Lending Institution pays the University or an affiliated entity or organization of the University a percentage of the principle of each loan directed towards the University from a Borrower at the University or any form of commission related to the loan.

9.7. “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 higher education expenses but not including credit cards or home equity loans.