

DIGRIGOLI SCHOOL OF COSMETOLOGY - TITLE IV LOAN CODE OF CONDUCT

- 1) Revenue-sharing arrangements with any lender are strictly prohibited. This is defined as any arrangement between the school and a lender that results in the lender paying a fee or other benefits (including a share of the profits) to the school, its officers, employees or agents, as a result of the school recommending the lender to its students or families of those students.
- 2) Employees of the school's Financial Aid office are strictly prohibited from receiving gifts from any lender, guaranty agency or loan servicer. This is not limited just to those providers of Title IV loans, but to lenders of private education loans offered to students at the school. Specific types of activities or literature may be acceptable as an exception to this rule. These exceptions include:
 - a) Brochures or training material related to default aversion or financial literacy.
 - b) Food, training or informational materials as part of training as long as that training contributes to the professional development of those individuals attending the training.
 - c) Favorable terms and benefits to a student employed by the school as long as those same terms are provided to all students at the school.
 - d) Entrance and exit counseling, as long as the school's staff are in control and they do not promote the services of a specific lender.
 - e) Philanthropic contributions from a lender, guaranty agency or loan servicer unrelated to education loans.
 - f) State education, grants, scholarships, or financial aid funds administered by or on behalf of the State.
- 3) Employees of the school's Financial Aid office may not enter any contracting arrangements whereby the employee accepts any fee, payment or financial benefit as compensation for any type of consulting arrangement or contract to provide services to or on behalf of a lender relating to education loans.
- 4) Steering borrowers to particular lenders or delaying loan certifications is strictly prohibited. This includes assigning any first-time borrower's loan to a particular lender as part of their award packaging or other methods.
- 5) The school may not request or accept offers of funds for private loans. This includes any offer of funds for loans to students at the school, such as funds for an opportunity pool loan, in exchange for providing concessions or promises to the lender for a specific number of loans, or inclusion on a preferred lender list.
- 6) The school may not request or accept any assistance with call center staffing or Financial Aid office staffing from a lender. However, the school may request or accept assistance from a lender related to:
 - 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 the school with Financial Aid-related functions during emergencies, including State-declared or federally declared natural disasters, and other localized disasters and emergencies identified by the Secretary.
- 7) Employees of the school may not receive compensation or anything of value from a lender, guarantor, or group in exchange for serving on an advisory board. They may, however, accept reimbursement for reasonable expenses incurred while serving in this capacity.