

Code of Conduct

Guiding Principles

Ray J's College of Hair understands that the primary goal of the institutional financial aid professionals is to help students achieve their educational potential and to obtain appropriate financial assistance therefore, Ray J's College of Hair adopts this Code of Conduct to assist its students to make knowledgeable choices regarding the financing of their education.

Prohibition of Certain Remuneration to Ray J's College of Hair Employees

Ray J's College of Hair shall require and ensure that no future or current, officer, Board member, director, employee or agent of the Institution, accepts anything of more than nominal value on his or her own behalf or on behalf of another from or on behalf of a Lending Institution (other than an institution of higher education or governmental entity such as the U.S. Department of Education), except that this provision shall not be construed to prohibit any officer, Board member, director, employee, or agent of the University from conducting (a) non-College business with any Lending Institution; or (b) College business unrelated to educational loans. As used in the preceding sentence and throughout the Agreement, a Lending Institution is defined as:

- a. Any entity that itself or through an affiliate engages in the business of making loans to students, parents or others for purposes of financing higher education expenses or that securitizes such loans; or
- b. Any entity, or association of entities, that guarantees educational loans ; or
- c. Any industry, trade or professional association that, to the best of the Institution's knowledge after reasonable inquiry, receives money from any entity described above in subsections a and b, unless:
 - i. Such money received by the association is in the form of membership dues or some comparable type of payment;
 - ii. Such money is fixed for all members of the association; and
 - iii. Such association's membership is comprised by at least 51% of entities and individuals who do not originate, service, or guarantee student loans.

Nothing in this provision shall prevent the Institution from holding membership in any nonprofit professional association.

The prohibition set forth in the previous paragraph shall include, but not be limited to, a ban on any payment or reimbursement by a Lending Institution to a School employee for lodging, meals, or travel to conferences or training seminars unless such payment or reimbursement is related solely to non-School business or School business unrelated to education loans.

Limitations on Employees Participating on Lender Advisory Boards

Ray J's College of Hair shall prohibit any officer, Board member, employee, or agent of the College 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 that participation on advisory boards that are unrelated in any way to higher education loans shall not be prohibited by the Agreement. Understanding that such service by persons affiliated with the Institution can be of value to the institution and the community, such service is not prohibited, nor is receipt of reimbursement for expenses or participation in activities of the Lending Institution, as long as there is abstention from any votes and board meeting discussion regarding higher education loan programs, and activities on behalf of the Lending Institution are limited to non-School business and School business unrelated to educational loans.

Prohibition of Certain Remuneration to the College

Ray J's College of Hair may not accept on its own behalf anything of value from any Lending Institution in exchange for any advantage or consideration provided to the Lending Institution related to its education loan activity. This prohibition shall include, but not be limited to, (i) "revenue sharing" by a Lending Institution with the University, (ii) the University's receipt from any Lending Institution of any computer hardware for which the University pays below-market prices and (iii) printing costs or services. Notwithstanding anything else in this paragraph, the

Institution may accept assistance as contemplated in 34 CFR 682.200(b) (definition of "Lender")(5)(i), and may enter into contracts with Lending Institution primarily involving activities unrelated loan activity. Receipt of gifts from Lending Institutions unrelated to education loan activity is not prohibited.

Preferred Lender List

In the event that the School promulgates a list of preferred or recommended lenders or similar ranking or designation ("Preferred Lender List") then

- a. Every brochure, web page or other document that sets forth a Preferred Lender List must clearly disclose the process by which the School selected lenders for said Preferred Lender List, including but not limited to the criteria used in compiling said list and the relative importance of those criteria; and
- b. Every brochure, web page or other document that sets forth a Preferred Lender List or identifies a 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 students and their parents have the right and ability to select the education loan provider of their choice, are not required to use any of the lenders on said Preferred Lender List, and will suffer no penalty from the College simply for choosing a lender that is not on said Preferred Lender List;
- c. The School's decision to include a Lending Institution on any such list and the School's decision as to where on the list the Lending Institution's name appears shall be determined solely by consideration of the best interests of the students or parents who may use said list without regard to the pecuniary interests of the School;

- d. The constitution of any Preferred Lender List shall be reviewed no less than every other year;
- e. No Lending Institution shall be placed on any Preferred Lender List unless the said lender provides assurance to the School and to student and parent borrowers who take out loans from said Lending Institution that the advertised benefits upon repayment will continue to inure to the benefit of student and parent borrowers regardless of whether the Lending Institution's loans are sold;
- f. No Lending Institution that, to the best of School's knowledge after reasonable inquiry, has an agreement to sell its 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;
- g. No Lending Institution shall be placed on any one of the School's Preferred Lender Lists or in favored placement on any one of the School's Preferred Lender Lists for a particular type of loan, in exchange for benefits provided to the School or to the School's students in connection with a different type of loan;
- h. Beginning August 1, 2008, no Lending Institution shall be placed on any one of the School's Preferred Lender Lists unless said Lending Institution has agreed with the Attorney General to abide by a Lending Code of Conduct, or have adopted a comparable set of standards such as those required by the Federal government, or as approved by the Attorney General of any other state.

Prohibition of Lending Institutions' Staffing of Financial Aid Offices

The University will ensure that no employee or other agent of a Lending Institution is ever identified to students or prospective students of the University or their parents as an employee or agent of the University. No employee or other agent of a Lending Institution may staff the University Office of Student Financial Services at any time.

Proper Execution of Master Promissory Notes

Ray J's College of Hair has not and will not link or otherwise direct potential borrowers to any electronic Master Promissory Notes or other loan agreements that do not allow students to enter the lender code or name for any lender offering the relevant loan, unless the University provides an additional link to provide information to students regarding the process for borrowing with institutions not on the Preferred Lender List. Understanding that lenders are identified on the Preferred Lender List on the basis of their superior service and other benefits to students, the University will not be considered in violation of this Code of Conduct if the student fails to meet published guidelines for payment of fees and a standard response is implemented.

School as Lender

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

School as Lender loans as if the loans were provided by another lender.

Prohibition of Opportunity Loans

As used herein, "override pool," "opportunity funds," and "opportunity loans" refer to any agreement, understanding or practice in which a lender applies more lenient loan underwriting criteria than it otherwise would to a certain class of loan applicants if the school meets certain milestones or metrics with respect to other loans with that lender, such as the number of loans initiated or in force, or the dollar amount of such loans, or where the lender agrees with your school to lend money to students outside the Federal Family Education Loan Program (FFELP), at the direction of your school, in exchange for your school dropping out of the federal direct loan program and/or marketing the lender's separate FFELP loans to students.

The School shall not arrange with a Lending Institution to participate in any override pools, opportunity funds, opportunity loans, as defined above, if the participation in such program(s) prejudices any other borrower.