



## **FINANCIAL AID CODE OF CONDUCT**

The following is National Tractor Trailer School's Financial Aid Code of Conduct which pertains to student lending practices and generally prohibits conflicts of interest with respect to education loan programs. This Code of Conduct is in addition to, and does not replace or supersede, any other policies, rules, or codes of conduct which apply to the School and its officers, directors, employees, agents and contractors.

### **A. Definitions**

In addition to terms defined elsewhere in this Code of Conduct, the following terms shall have the following meanings when used in this Code:

- (1) "School" means National Tractor Trailer School, Inc.
- (2) "Covered Person" means any officer, director, employee, agent or contractor of the School.
- (3) "Lending Institution" means any entity that itself or through an affiliate makes educational loans to pay for or finance higher education expenses or that securitizes such loans; any entity, or association of entities, that guarantees educational loans; or any industry, trade or professional association or other entity that receives money, related to educational loan activities, from any of the aforementioned entities.

### **B. Ban on Revenue-Sharing Arrangements**

The School shall not enter into any revenue-sharing arrangement with any Lending Institution. A "revenue-sharing arrangement" means an arrangement with a Lending Institution under which:

- (1) the Lending Institution provides or issues one or more loans to students attending the School or to the families of such students; and
- (2) the Lending Institution pays a fee or provides other material benefits, including revenue or profit sharing or a percentage of the principal of each loan, to the School or a Covered Person, based upon the making of the loan(s) and/or the School's recommendation of the Lending Institution or the loan products of the Lending Institution.

### C. Gifts

Neither the School nor any of its Covered Persons shall, on his or her own behalf or on behalf of another, directly or indirectly, solicit, accept or receive any gift from or on behalf of a Lending Institution or servicer of education loans; provided, however, that the foregoing shall not restrict a Covered Person who is not employed in the School's financial aid office and who does not otherwise have responsibilities with respect to education loans in his/her conduct of business with a Lending Institution that is unrelated in any manner to the School.

A "gift" includes any gratuity, favor, inducement, discount, fee, money, stock, loan, forbearance, promise, or other item having a monetary value of more than a *de minimus* amount.<sup>1</sup> A "gift" includes, but is not limited to, any services, entertainment, hospitality, transportation, lodging, meals, honoraria, registration fees, computer hardware at prices below market value, or printing costs or services.

The following are not "gifts":

- (1) standard Lending Institution materials, activities, or programs on issues related to a loan, default aversion, default prevention, or financial literacy, such as a brochure or other promotional literature, a workshop, or training;
- (2) reasonable food, refreshments, training, or informational material furnished to a Covered Person as an integral part of a training session that is designed to improve the service of a Lending Institution or servicer of education loans to the School, if such training contributes to the professional development of the Covered Person;
- (3) favorable terms, conditions, and borrower benefits on an education loan provided to a student employed by the School if such terms, conditions, or benefits are comparable to those provided to all students of the School;
- (4) philanthropic contributions to the School from a Lending Institution or servicer of education loans that are unrelated to education loans and are not made in exchange for any advantage related to education loans; and
- (5) state education grants, scholarships, or financial aid funds administered by or on behalf of the State.

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<sup>1</sup> The New York State Education Department has included a \$25 threshold in its proposed SLATE Act regulations. These regulations have not yet been finalized, and the U.S. Department of Education has yet to issue its own proposed regulations implementing the Higher Education Opportunity Act. As a result, the threshold amount may ultimately change.

A gift to a family member of a Covered Person or to any other individual based on that individual's relationship with the Covered Person shall be considered a gift to the Covered Person if:

- (1) the gift is given with the knowledge and acquiescence of the Covered Person; and
- (2) the Covered Person has reason to believe the gift was given because of the official position of the Covered Person.

Covered Persons shall report to the School, and to the New York State Education Department as required by law, any instance of a Lending Institution attempting to give a gift.

D. Ban on Contracting Arrangements

A Covered Person who is employed in the School's financial aid office 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 Lending Institution or affiliate of any Lending Institution 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 Lending Institution or on behalf of a Lending Institution relating to education loans. This ban does not prohibit service on advisory boards or boards of directors to the extent otherwise permitted by this Code of Conduct. *See Section E.*

Covered Persons who are directly involved with or benefit from the functions of the School's financial aid office shall report to the School, and to the New York State Education Department as required by law, all participation or financial interests related to any Lending Institution.

E. Board Service

Any Covered Person who serves as a member or participant on an advisory board, commission, or group established by a Lending Institution or group of Lending Institutions shall be prohibited from receiving remuneration or anything of value (including reimbursement of expenses for serving) from the Lending Institution or group of Lending Institutions. The foregoing shall not prohibit a Covered Person who is not employed or involved in, and does not benefit from the functions of, the School's financial aid office, and who does not otherwise have responsibility over education loans, from receiving remuneration for serving on the board of directors of a publicly traded or privately held company or on an advisory board that is unrelated in any manner whatsoever to educational loans.

F. Interaction with Borrowers

The School shall not, for any first-time borrower, assign, through award packaging or other methods, the borrower's loan to a particular Lending Institution; or refuse to certify, or delay certification of, any loan based on the borrower's selection of a particular Lending Institution.

The School shall not direct in any manner potential borrowers to any electronic promissory note or other loan agreement that does not provide a reasonable and convenient alternative for the borrower to complete a master promissory note with any federally approved lending institution offering the relevant loan in New York State.

The School shall ensure that no employee or agent of a lending institution is identified to borrowers or potential borrowers as a employee, representative or agent of the School.

No employee, agent or representative of a lending institution may staff the School's financial aid office or call center.

G. Ban on Acceptance of Funds for Private Loans

The School shall not enter into any arrangement with a Lending Institution pursuant to which the Lending Institution provides funds for loans to certain School students in exchange for concessions or promises to the Lending Institution that may prejudice other borrowers or potential borrowers. Without limiting the preceding sentence, the School shall not request or accept from any Lending Institution any offer of funds to be used for private education loans, including funds for opportunity pool loans, to students in exchange for the School providing concessions or promises regarding providing the Lending Institution with:

- (1) a specified number of loans made, insured, or guaranteed;
- (2) a specified loan volume of loans; or
- (3) a preferred lender arrangement for loans.

H. Ban on Staffing Assistance

The School shall not request or accept from any Lending Institution any assistance with financial aid office or call center staffing. The School shall not be prohibited, however, from requesting or accepting assistance from a Lending Institution related to:

- (1) professional development training for financial aid administrators; or
- (2) providing educational counseling materials, financial literacy materials, or debt management materials to borrowers, provided that such materials disclose to borrowers the identification of any Lending Institution that assisted in preparing or providing such materials.