

Financial Aid Code of Conduct

This code of conduct pertains to student lending practices and generally prohibits conflicts of interest with respect to education loan programs. This code reflects Albany Law School's continuing commitment to conducting financial aid practices with integrity, free from conflicts of interest, in the interest of students and in compliance with applicable law.

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) "Law School" means Albany Law School.
- (2) "Covered Person" means any trustee, officer, employee, agent or contractor of the Law 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 Law 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 Law School or 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 Law School or a Covered Person, based upon the making of the loan(s) and/or the College's recommendation of the Lending Institution or the loan products of the Lending Institution.

C. Ban on Gifts

Neither the Law School nor any Covered Person may, directly or indirectly, solicit, accept, or receive any gift from or on behalf of any Lending Institution related to its education loan activity. A "gift" includes any gratuity, inducement, discount, fee, money, stock, loan,

forbearance, promise, or any other item having more than a de minimus value, which shall be defined as a monetary value of more than \$25.00.¹

The following activities and literature shall not constitute a “gift” within the meaning of this Policy:

- (1) Brochures or training material related to default aversion or financial literacy.
- (2) Food, training or informational materials as part of a training as long as that training contributes to the professional development of those individuals attending the training.
- (3) Favorable terms and benefits to a student employed by the Law School, as long as those same terms are provided to all students at the Law School.
- (4) Entrance and exit counseling as long as the Law School’s staff are in control and they do not promote the services of a specific lender.
- (5) Philanthropic contributions from a lender, guaranty agency, or servicer unrelated to education loans, as long as they are not made in exchange for any advantage related to education loans.
- (6) State education, grants, scholarships or financial aid funds administered by or on behalf of a State.

A gift to a family member of a Covered Person or to any other individual based on that individual’s relationship with a Covered Person shall be considered a fit 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 Law School and to the New York State Education Department as required by law, any instance of a Lending Institution attempting to give a gift.

¹ The New York State Education Department has included a \$25.00 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, but, in the meantime, we believe the use of a \$25 threshold to be defensible.

D. Ban on Contracting Arrangements

Covered Persons who are employed in the Financial Aid Office or who otherwise have student lending responsibilities are prohibited from consulting or providing contract services for 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.

Covered Persons who are directly involved with or benefit from the functions of the Law School's financial aid office shall report to the Law 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 Law 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

Albany Law School may not limit a borrower's choice of lending institutions by assigning first-time borrowers to particular lenders, or refusing to certify or delaying loan certifications based on the borrower's selection of a lending institution.

The Law 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 mast promissory note with any federally approved lending institution offering the relevant loan in New York State.

G. Ban on Acceptance of Funds for Private Loans

The Law School shall not enter into any arrangement with a Lending Institution pursuant to which the Lending Institution provides funds for loans to certain Law 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 Law 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 Law 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. Staffing Services

Albany Law School may not accept or solicit staffing assistance from a lending institution, including but not limited to call center staffing or financial aid office staffing. Albany Law School shall ensure that it does not identify any employee or other agent of a Lending Institution to students or prospective students of Albany Law School as an employee or agent of Albany Law School.

Albany Law School may accept assistance from a lender related to:

- (1) Professional development training for financial aid administrators.
- (2) 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.