Institutional Code of Conduct for Educational Loans

Good Samaritan College of Nursing and Health Science, as a participant in federal loan programs, is required to have a code of conduct applicable to the institution's officers, employees, and agents including without limitation individuals who are employed in the financial aid office or who otherwise have responsibilities with respect to education loans. The code of conduct requirements are set forth in the Higher Education Opportunity Act (HEOA) signed into law on August 14, 2008. The Code of Conduct Related to Student Loan Activities is a requirement specific to certain transactions and activities related to financial aid matters. In addition, the law includes requirements related to publication of the code and annual disclosures. Good Samaritan College of Nursing and Health Science also adheres to the Student Lending, Accountability, Transparency and Enforcement (SLATE) Act.

Code of Conduct

Good Samaritan College of Nursing and Health Science (GSC) hereby adopts the following provisions from the HEOA, Section 493 as its Code of Conduct Related to Student Loan Activities and will annually inform all institutional officers, employees, and agents with responsibilities for student loan activities and decisions of the provisions of this code.

BAN ON REVENUE-SHARING ARRANGEMENTS

Prohibition -- The institution shall not enter into any revenue-sharing arrangement with any lender.

Definition -- For purposes of this paragraph, the term 'revenue-sharing arrangement' means an arrangement between an institution and a lender under which --

- a lender provides or issues a loan that is made, insured, or guaranteed under this title to students attending the institution or to the families of such students; and
- the institution recommends the lender or the loan products of the lender and in exchange, the lender pays a fee or provides other material benefits, including revenue or profit sharing, to the institution, an officer or employee of the institution, or an agent.

GIFT BAN

Prohibition -- No officer or employee of the institution who is employed in the Office of Financial Aid, or an individual who has been assigned by the Good Samaritan College of Nursing and Health Science President with supervisory authority over the Directors of Financial Aid, or who otherwise has responsibilities with respect to education loans, or agent who has responsibilities with respect to education loans, shall solicit or accept any gift or anything of value from a lender, guarantor, or servicer of education loans.

DEFINITION OF GIFT

- In General -- In this paragraph, the term 'gift' means any gratuity, favor, discount, entertainment, hospitality, stock, loan, or other item having a monetary value of more than a nominal amount. The term includes a gift of services, transportation, lodging, or meals, whether provided in kind, by purchase of a ticket, payment in advance, or reimbursement after the expense has been incurred.
- Exceptions -- The term 'gift' shall not include any of the following:

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    - Standard material, activities, or programs on issues related to a loan, default aversion, default prevention, or financial literacy, such as a brochure, a workshop, or training.
    - Food, refreshments, training, or informational material furnished to an officer or employee of an institution, or to an agent, as an integral part of a training session that is designed to improve the service of a lender, guarantor, or servicer of education loans to the institution, if such training contributes to the professional development of the officer, employee, or agent.
    - Favorable terms, conditions, and borrower benefits on an education loan provided to a student employed by the institution if such terms, conditions, or benefits are comparable to those provided to all students of the institution.
    - Entrance and exit counseling services provided to borrowers to meet the institution's responsibilities for entrance and exit counseling as required by subsections (b) and (l) of section 485, as long as –
        - the institution's staff are in control of the counseling, (whether in person or via electronic capabilities); and
        - such counseling does not promote the products or services of any specific lender.
    - Philanthropic contributions to an institution from a lender, servicer, or guarantor of education loans that are unrelated to education loans or any contribution from any lender, guarantor, or servicer that is not made in exchange for any advantage related to education loans.
    - State education grants, scholarships, or financial aid funds administered by or on behalf of a State.
- Rule for Gifts for Family Members -- For purposes of this paragraph, a gift to a family member of an officer or employee of an institution, to a family member of an agent, or to any other individual based on that individual's relationship with the officer, employee, or agent, shall be considered a gift to the officer, employee, or agent if –
    - the gift is given with the knowledge and acquiescence of the officer, employee, or agent; and
    - the officer, employee, or agent has reason to believe the gift was given because of the official position of the officer, employee, or agent.

CONTRACTING ARRANGEMENTS PROHIBITED

Prohibition -- An officer or employee who is employed in the Office of Financial Aid 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 lender or affiliate of any lender 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 lender or on behalf of a lender relating to education loans.

Exceptions -- Nothing in this subsection shall be construed as prohibiting –

- an officer or employee of an institution who is not employed in the institution's Office of Financial Aid and who does not otherwise have responsibilities with respect to education loans, or an agent who does not have responsibilities with respect to education loans, from performing paid or unpaid service on a board of directors of a lender, guarantor, or servicer of education loans;
- an officer or employee of the institution who is not employed in the Office of Financial Aid but who has responsibility with respect to education loans as a result of a position held at the institution, or an agent who has responsibility with respect to education loans, from

performing paid or unpaid service on a board of directors of a lender, guarantor, or servicer of education loans, if the institution has a written conflict of interest policy that clearly sets forth that officers, employees, or agents must excuse themselves from participating in any decision of the board regarding education loans at the institution; or

- an officer, employee, or contractor of a lender, guarantor, or servicer of education loans from serving on a board of directors, or serving as a trustee, of an institution, if the institution has an interest policy that the board member or trustee must excuse themselves from any education loans at the institution.
- an officer or employee, of the institution may own shares in a publicly traded mutual fund or similar investment vehicle in which the person does not exercise any discretion regarding the investment of the assets of the investment vehicle.
- or serving as a trustee, of an institution, if the institution has an interest policy that the board member or trustee must excuse themselves from any education loans at the institution.

GSC'S AFFIRMATIONS

- GSC does not require students to use a particular lender or in any way limit the choice of lenders for students.
- GSC does not recommend external lenders to students or their parents, and does not maintain a list of lenders that are preferred over other lenders (GSC may provide a list of lenders as possible suggestions – which in no way should be recognized as preferring one over another).
- GSC processes loan applications through any lender a student or parent chooses.
- GSC prohibits external lenders' employees, representatives, or agents from providing staffing services to the financial aid office.
- GSC prohibits external lenders' employees, representatives, or agents from identifying themselves to students of GSC or their parents as employees, representatives or agents of the financial aid office.
- GSC does not assign for any borrower, through award packaging or other methods, a loan to a particular lender, and does not refuse to certify or delay certification of any loan based on the borrower's selection of a particular lender or guaranty agency.
- GSC does not arrange for opportunity loans, which is where a lending institution agrees to make loans up to a specified aggregate amount for students with poor or no credit history in exchange for promises from GSC that may prejudice other borrowers.

Sanctions

Violations of College policies, including the failure to avoid a prohibited activity or disclose a conflict of interest in timely manner, will be dealt with in accordance with GSC's policies and procedures, which may include disciplinary actions up to and including termination from the institution.