

Code of Conduct Policies

Ohio State School of Cosmetology, Corporation

Preamble

This code of conduct applies to all divisions of Ohio State School of Cosmetology, Corporation (The School) and to all employees, officers and agents of the School, including without limitation individuals who are employed in a financial aid office or who otherwise have responsibilities with respect to education loans. This code reiterates and reflects the 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.

Definition

For purpose of this code of conduct, lending institution means:

- (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 or services education loans; or
- (c) Any industry, trade or professional association that receives money from any entity described above in subsections (a) and (b).

I. Prohibition on Revenue Sharing with Lending Institutions and on Solicitation or Acceptance of Remuneration or Assistance from a Lending Institution

The School prohibits any revenue-sharing arrangement with any lending institution. Revenue sharing is any arrangement by which a lender pays the School a percentage of the principal loan taken by a borrower or otherwise compensates the School as a result of a borrower taking a loan.

The School may not accept or solicit anything of value from any 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 School, (ii) the School's receipt from any lending institution of any computer hardware for which the School pays below-market prices and (iii) printing costs or services.

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

II. Ban on Opportunity Loans

The School shall not arrange with a lending institution to provide any opportunity loans, if the provision of such opportunity loans prejudices any other borrower.

The School also may not accept or solicit any funds to be used for private educational loans or opportunity pool loans in exchange for providing a lending institution with a specified number of federal loans, a specified loan volume or a preferred lender arrangement.

For purpose of this code, an opportunity loan agreement is an arrangement whereby a lending institution agrees to make loans up to a specified aggregate amount to students with poor or no credit history, or to international students whom the lending institution claims would not otherwise be eligible for its loan programs, in exchange for concessions or promises by a School that may prejudice other borrowers.

III. Ban on Actions that Limit a Borrower's Choice of Lending Institutions

The School shall not assign a first-time borrower to a particular lender, or refuse to certify, or delay certification, of any loan based on the borrower's selection of a lending institution.

IV. Prohibition on Gifts and Remuneration to School Employees

The School shall inquire and ensure that no officer, trustee, director, employee, or agent of the School solicits or accepts gifts or anything of more than de minimus value on his or her own behalf or on behalf of another from or on behalf of a lending institution, except that this provision shall not be construed to prohibit any officer, trustee, director, employee, or agent of the School from conducting non-School

business with any lending institution. Nothing in this provision or otherwise shall prevent the School from holding membership in any nonprofit professional association. This prohibition shall include, but not be limited to, any ban on any payment or reimbursement by a lending institution to a School employee for lodging, meals, or travel to conferences or training seminars.

For purpose of this code, “gifts” include any gratuity, favor, discount, entertainment, hospitality, loan, or other item having a monetary value of more than a de minimus amount, including services, transportation, lodging, and meals. A gift does not include standard materials, activities or programs related to a loan being provided; favorable terms, conditions or borrower benefits provided to a student employed by the School if comparable terms are provided to all students of the School; philanthropic contributions to an institution unrelated to education loans; or state education grants, scholarships or financial aid funds.

V. Limitations on School Employees Participating on Lender Advisory Boards

The School prohibits any officer, trustee, director, employee, or agent of the School 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, however, that participation on advisory boards that are unrelated in any way to higher education loans shall not be prohibited by the code. Notwithstanding the above, neither this paragraph nor Part IV of this code of conduct shall prohibit any officer, trustee, director, employee, or agent of the School, who is uninvolved in the affairs of the School’s financial aid office, from serving on a board of directors of a publicly traded or privately held company.

VI. Prohibition on Consulting for Lending Institutions by Financial Aid Officers and Other Employees or Officers who have Student Lending Responsibilities

Individuals employed in a financial aid office and other employees or officers who otherwise have student lending responsibilities are prohibited from consulting or providing other contract services for a lending institution. This article does not prohibit a financial aid officer from consulting for, or serving on advisory board constituted by, the federal government consistent with the School’s Policy on Conflict of Interest and Conflict of Commitment and federal law.

VII. Prohibition on Stock Ownership in Lending Institutions by Financial Aid Officers

A person employed as a financial aid officer of the School shall not own stock or hold any other financial interest in a lending institution, other than through ownership of 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.