

TITLE IV CODE OF CONDUCT

The Higher Education Opportunity Act of 2008 requires educational institutions participating in a Title IV Loan Program to adhere to a Code of Conduct which prohibits conflicts of interest between First Institute officers, employees, and agents with any lender, lender servicer, and/or guarantor. Sections 487 (a) (25) and 487 (e) of the Higher Education Act of 1965, as amended, require the development, administration, and enforcement of a code of conduct to govern federal student aid programs. Staff members of the First Institute Financial Aid Department are bound to act in compliance with the First Institute Code of Conduct, the Illinois State Code of Conduct, and the Statement of Ethical Principles and Code of Conduct from NASFAA.

Officers, employees, contract employees, trustees, professional organizations, and other organizations directly or indirectly associated with or authorized by First Institute, agree to the provisions of the First Institute Code of Conduct and will refrain from the following:

1. Revenue Sharing

No officer, employee, or agent of First Institute shall enter into any revenue-sharing or profit-sharing arrangement with any lender.

2. Accepting Gifts, Goods, and/or Services

No officer, employee, or agent shall solicit or accept impermissible gifts, goods, and/or services from a private/alternative lender, lender servicer, and/or guarantor. A gift to any family member of the above mentioned is also not permissible.

Gifts, goods, and/or services include: gratuities, meals, travel, lodging, entertainment (expenses for shows, sporting events, or alcoholic beverages), favors, loans, discounts, hospitality (such as private parties of select training or conference attendees), and in-kind services, such as printing customized consumer information for borrowers with the First Institute school logo. First Institute financial aid staff may accept only items of nominal value, certain services, and/or certain materials. Permissible gifts would include pens, pencils, notepads, sticky-notes, rulers, calculators, small tote bags, and other individual office supply items. An employee may accept any general items of value from a lender, lender servicer, and/or guarantor provided that the item is also offered to the general public. First Institute financial aid staff may accept informational brochures and can participate in meals, refreshments, and receptions in conjunction with meetings and trainings that contribute to his/her professional development, as well as conference events open to all attendees.

3. Accepting Philanthropic Contributions

No officer, employee, or agent shall accept philanthropic contributions from a lender, lender servicer and/or guarantor that are related to the educational loans provided by the lender, lender servicer, and/or guarantor or that is made in exchange for any advantage related to the educational loan. Educational loans here include loans made by First Institute under the private/alternative loan program. First Institute will not accept scholarships or grants from a lender or guarantor in exchange for applications or referrals.

4. Advisory Board Compensation

First Institute employees with responsibility for any financial aid services will not accept anything of value for serving on or otherwise participating as a member of an advisory council or advisory board for a lender, lender affiliate or lender servicer, except that the employee may be reimbursed for reasonable expenses incurred while serving in such capacities.

5. Accepting Compensation for Consulting

No officer, employee, or agent shall accept from a lender or its affiliate 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 education loan-related services to or on behalf of the lender.

6. Lender Staff Assistance

First Institute will not request or accept from any lender any assistance with call center staffing or financial aid office staffing. First Institute may accept, from a lender, professional development training and training materials, educational counseling materials, or staffing services on a short-term, nonrecurring basis during emergencies or disasters.

7. Competitive Rates Based on Loan Volume

The First Institute Financial Aid Department shall not request or accept competitive rates on private/alternative loans in exchange for a specified amount of loan activity or in exchange for endorsing the lender's FDLP loans.

8. Lender Affiliated Employment

First Institute financial aid staff members shall not accept full time or part time employment with any educational loan lender, lender servicer, and/or guarantor. Staff members who are approached by these entities shall immediately disclose this information to the Executive Director.

First Institute will not use a Preferred Lender List; however, the financial aid office will make use of a Recommended Lender List. The First Institute Financial Aid Department may request and accept assistance from lenders and/or guarantors to conduct entrance and exit loan counseling. First Institute financial aid staff shall always be in control of the counseling sessions and will not permit the lender and/or guarantor representative to promote in any way the specific lender's products or services. First Institute will make use of the various lender and/or guarantor's materials and products to aid students in financial literacy.

First Institute is committed to providing the information and resources necessary to help every student achieve educational success and will consider the individual needs of each student.

The information contained herein has been provided to all First Institute officers, employees, and agents affiliated with this college.