STUDENT LENDING CODE OF CONDUCT

Yale University seeks to help students and their families identify the most competitive and reliable lenders from which to borrow funds for education. In doing so, Yale has always conducted careful research, provided unbiased advice, and acted in the best interests of borrowers. The purpose of this Code of Conduct is to restate existing policies concerning standards of business conduct and to expand Yale's policies to include the provisions of the "Financial Aid Code of Conduct" promulgated by the Attorney General of Connecticut, to which Yale voluntarily subscribes, and the federal Higher Education Opportunity Act of 2008.

AVOIDING CONFLICTS OF INTEREST

1. Compensation to Individuals. During any 12-month period, no Yale representative or employee with financial aid responsibilities ("financial aid personnel") and no Yale trustee or officer may accept anything with a value of more than $50 from a company that makes, guarantees, or services education loans or from an association of such companies ("a lender"). This prohibition also applies to the spouses and dependent children of financial aid personnel, trustees, officers, and representatives. This prohibition does not include benefits received when conducting personal business with a lender.

2. Outside Directors. No trustee or officer who participates in Yale decisions regarding lenders and no Yale financial aid personnel may serve as a lender's paid outside director. Other employees, officers, and trustees may serve as a lender's outside director and receive the lender's standard compensation for that service. A Yale employee, trustee, or officer who serves as a lender's outside director must not participate in the lender's decisions regarding Yale and must comply with Yale's conflict of interest policies: http://www.yale.edu/provost/html/coi.html and http://www.yale.edu/ppdev/PersPracWeb/505.html. A trustee, director, officer, or employee of a lender may serve as a Yale trustee or as a member of other Yale governing or advisory committees so long as he or she does not have responsibilities for the lender related to education loans or financial aid and does not participate in decisions affecting the lender or relating to education loans or financial aid at Yale.

3. Meals. Yale employees may accept business meals valued at $50 or less from a lender, so long as the meal is offered at a conference or similar event and is open to all persons attending the event.

4. Conferences. Yale employees may attend educational conferences that are sponsored by lenders if the conference is directly related to Yale business. Attendance must be approved in advance by the employee's supervisor, and Yale must pay for all travel, lodging, meals, and conference expenses. A lender may not pay the expenses of a spouse or dependent child who joins an employee at a conference. Employees may not attend a conference if the conference registration fee has been paid or subsidized by a lender.

5. Advisory Boards. No Yale trustee, officer, representative, or employee may serve on a lender advisory board relating in any way to financial aid or education loans. This prohibition also applies to the spouses and dependent children of Yale trustees, officers, representatives, and employees.

6. Compensation to Yale. Neither Yale nor a Yale-affiliated organization may accept anything from a lender in exchange for anything provided to the lender relating to financial aid or education loans. This prohibition includes, but is not limited to, revenue sharing, equipment, services, discounts, and opportunity loan funding. Yale can accept a lender's standard printed brochures, so long as they do not contain a Yale mark. Yale can also accept financial support for its educational mission from a lender, so long as the financial support is not given in exchange for anything that Yale provides the lender relating to financial aid or education loans.

7. Use of Lender Staff. No representative or employee of a lender may staff a Yale office, provide Yale with call center services, or identify him/herself as a Yale representative or employee. If Yale believes that it would benefit students, a representative of a lender may conduct information sessions, such as entrance or exit interviews and presentations on loan repayment and consolidation, so long as (a) student attendance is voluntary; (b) the affiliation of the representative is disclosed at the start of the session; (c) a Yale representative explains that other lenders may provide the same or similar services; (d) the lender representative does not promote the lender's products or services; and (e) Yale retains control of the session. Yale may retain control by (i) assigning a Yale employee to attend the session; (ii) recording or videotaping the session; or (iii) in the case of an electronic entrance or exit interview, by creating or approving the content of the interview.

8. Revolving Door Rules. If Yale hires an employee who has worked for a lender during the preceding 12 months, and the new employee's position includes responsibility for financial aid or education loans, the employee may not have any dealings with his or her former employer during his or her first 12 months at Yale. Similarly, if a lender hires an employee who has worked for Yale during the preceding 12 months, the employee may not have any dealings with Yale during his or her first 12 months at the lender.

RULES ON RECOMMENDED LENDER LISTS

1. Criteria. Decisions by Yale to recommend or rank lenders will be based solely on the best interests of borrowers, without regard to the financial interests of Yale, its trustees, officers, representatives, or employees. The criteria for recommending or ranking lenders will be limited to benefits provided to borrowers (primarily competitive interest rates and repayment terms, quality of loan servicing, and whether the loan will be sold) and the ability to work efficiently and effectively with Yale to process loans.

2. Borrower's Right to Select Lender. Borrowers have the right to select the lender of their choice, and Yale will not assign borrowers to a particular lender or require borrowers to use a particular lender. Yale will not penalize borrowers or hinder or delay certification of any loan based on the borrower's selection of a particular lender.

3. Disclosure. Any document or web page that includes a list of recommended lenders will clearly disclose, in the text or through a link, the process, criteria, and the relative importance of the criteria that Yale used to select the recommended lenders. It will also state, in the same font and manner as the predominant text on the page, that borrowers have the right and the ability to select the lender of their choice, that they are not required to use a lender recommended by Yale, and that they will not be penalized if they choose a lender that is not so listed. Any document or web page that lists recommended lenders will include a comparison of interest rates and borrower benefits and all information required by the Higher Education Opportunity Act of 2008.

4. Recommendation by Type of Loan. If Yale recommends a lender, it will state the type of loan for which that lender is recommended. Yale will not recommend a lender for one type of loan based on its evaluation of the benefits that the lender provides for a different type of loan.

5. Number of Lenders. For each type of loan for which Yale recommends lenders, its list must include at least three lenders.

6. Annual Review. Yale must review its recommended lender lists at least once a year.

7. Preservation of Benefits. Yale will not place a lender on a recommended lender list unless the lender agrees in writing that the terms and benefits of its loans will not change if the loans are sold. Any recommended lender must also agree in writing to inform Yale borrowers at the time the loan is issued (a) whether the loan may be sold to another lender; and (b) that, if the loan is sold, the loan terms and benefits will be preserved.

8. Consolidation. Yale will not place a lender on a recommended lender list unless the lender commits in writing to inform Yale borrowers at the time a loan is issued that their loan benefits may change if they consolidate their loans.

9. Master Promissory Notes. If Yale provides a link to a master promissory note or other loan agreement, then the note or agreement must allow the borrower to enter the name or code of any lender that offers the desired loan. If this is not possible, then the Yale link will inform borrowers of an alternative means of securing the loan with the lender of their choice. Any information that Yale provides borrowers on how to complete promissory notes or loan agreements must include the information called for in the Recommended Lender Disclosure (point 3, above).

10. Opportunity Loans. Yale may arrange with a recommended lender to provide opportunity loans, but these arrangements will only be made after the lender has been selected as a recommended lender in compliance with the provisions of this Code. Alternatively, Yale may select lenders to make opportunity loans, as it would any other type of loan, through a process that complies with the provisions of this Code. Yale will not accept opportunity loan funds in exchange for anything sought by the lender.

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