

**For Students Participating In
Consumer Loans**

Important Notice:

***All students** attending The Salon Professional Academy may **choose** to use a lender not on The Academy's preferred lender list. The Academy is required to process loan documents for any eligible lender selected by students.*

Students are not required to use any private lender recommended by The Academy and may select any lender of the student's choice.

***Terms** offered by preferred lenders are **equally available** to **all** of The Academy's eligible students.*

*The Academy's financial assistance staff shall conduct a **performance review** of its preferred lenders at least once every 12 months and make changes when appropriate.*

The Salon Professional Academy's primary goal is to assist students in achieving the educational career goals by providing appropriate financial resources. The financial assistance office is committed to:

- Making every effort to assist students and families with their financial need
- Inform students and remove financial barriers for those desiring to further their education
- Educating students and families concerning consumer information and all forms of aid available for those who qualify
- Protecting and respecting the privacy of students
- Ensuring the confidentiality of student records and personal circumstances
- Performing a needs analysis in a consistent manner for each student
- Providing services that do not discriminate on the basis of race, gender, religion, age, economic status, ethnicity or sexual orientation
- Remaining at the highest level of ethical behavior
- No Co-branding or sharing of logos with the lender(s)

The Salon Professional Academy financial assistance office is expected to always maintain ideal standards of professionalism in relation to interacting with students and families while carrying out the responsibilities of their position. All Academy staff involved will:

- Remain objective in making decisions and advising in relation to the student's financial needs
- Provide accurate information without any personal bias
- Abstain from taking any actions for personal benefit
- Will keep the best interest of the student and families first and foremost
- Refrain from soliciting or accepting gifts from loan agencies

Code of Conduct / Academy Ethics

Federal Reserve Board final rules for private education loans replaces prior special rules for student credit extension.

The Federal Reserve Board (FRB) regulates required disclosures on private education loans and defines certain key terms.

The Higher Education Opportunity Act (HEOA) defines:

- **An Institution-affiliated organization** is an entity directly or indirectly related to a covered institution that recommends, promotes, or endorses education loans.
- **Lender**-an eligible private education lender or any other person engaged in the business of securing, making or extending education loans on behalf of the lender.
- **Private education loan**-is a non-Title IV loan provided by a private educational lender expressly for post-secondary educational expenses and does not include an extension of credit under an open-end consumer credit plan or secured by real property.
- *Private educational loans and Title IV loans are not in any way related.*
- The Academy is not considered a private lender if the extension of credit is 90 days or less and interest will not be applied to the credit balance and the term is one year or less, even if payable in more than 4 payments.
- **Preferred lender arrangement** is an arrangement or agreement between a lender and covered institution in which a lender provides education loans to students/families and the covered institution recommend, promotes or endorses the education loan products of the lender.
 - Includes arrangements between a lender and an institution-affiliated organization
 - Does not include:
 - Direct Loan Program Loans through the Dept. of Ed
 - Education funds covered by The Academy's own funds
 - Funds by donor-directed contributions
 - State funded financial aid programs if the terms and conditions of the loan include a loan forgiveness option for public service
- **An Education loan** is a Direct Loan or a private education loan.
- **Preferred Lender Arrangement (PLA)** – The Academy will provide disclosures annually for each type of education loan offered pursuant to the PLA before a student borrows.
 - **Informational materials**-publications, mailings or electronic messaging will be distributed to prospective and current students describing the available financial assistance opportunities.
 - The disclosure will not include any co-branding and must conspicuously disclose that The Academy does not endorse the product in question.
 - The Academy has **not less than two** unaffiliated **private education lenders**. The following chart lists the lenders and the reasons The Academy chose these lenders in respect to loan terms and conditions and the methods or criteria used to select these lenders in relation to why they are favorable to borrowers.

Code of Conduct-Non Title IV

| Preferred Private Lenders | Criteria for Selection | Reason favorable to borrower | Related to other lenders on list <i>Yes or No</i> |
|---------------------------|------------------------|---|--|
| 1. Climb | Dependable lending | Option of no payments during the program | No |
| 2. TFC | Payment Plan | Favorable payment options | No |
| 3. F&M Bank | Dependable lender | Ability to look what the best fit for lending is per person | No |

- The Academy offering private loans will concurrently provide information in the form of a private lender model disclosure form.
 - The Academy does not require students to borrow from any of the preferred lenders.
 - The Academy will not deny the borrowers choice of lender.
 - Method/criteria used to choose lenders is without prejudice, based on the borrowers best interest and for the sole benefit of students attending The Academy.
 - The Academy will provide borrowers or notify borrowers where to find the Truth in Lending Act (TILA) disclosures for each lender.
 - The Academy will not agree to use in marketing, the private lenders name, emblem, or share the logo or pictures of The Academy with the lender, which could imply the loan is offered or made by The Academy or affiliate.
 - The Academy will ensure the lender’s name is shown in all information/documentation related to the loan.
- **Code of Conduct Requirements for The Academy – Affiliated Organizations**
 - The Academy will administer, enforce, and review the Code of Conduct annually for all Academy staff involved.
 - Lenders are also required to enforce and review the same Code of Conduct with the affiliate’s agents annually.
 - The Academy prohibits a conflict of interest between The Academy’s financial assistance staff member and the preferred lenders.
 - The Academy does not promise any loan volume to any preferred lender.
 - The Code of Conduct prohibits revenue-sharing arrangements with any lender.
 - The Academy will not collect a fee in exchange for promoting a lender nor collect any revenue or profit sharing.
 - Staff members / owner will not receive gifts from any preferred lender.
 - “Gifts” include: gratuity, favor, discount, entertainment, hospitality, loan, services, transportation, lodging, meal, or other items deemed as a “gift”.
 - The term “gift” does not include: food or refreshments during a professional training session meant to improve service and does not include favorable terms to student, standard marketing material, and

- philanthropic contributions from a lender in exchange for advantages to related loans, or any state aid.
- The Academy will utilize marketing materials advantageous to the applicant from the lender(s) to counsel, aid in financial literacy and debt management as long as the lender discloses that the lender prepared the provided materials.
- The Academy prohibits a contracting arrangement providing financial benefit from any lender or affiliate of a lender.
 - Prohibits offers of funds for private loans
 - Prohibits call center or financial staffing assistance
 - Prohibits Advisory Board compensation
- The Academy does not hire any consultants contracted by any private lender.
- The Academy does not have any affiliates of lenders serve on their Advisory Board.
- The Academy owners/staff will not participate on any affiliated lenders Advisory Board.
- The Academy's financial assistance office is prohibited from directing borrowers to certain lenders or delaying loan certifications.
- The Academy does not assign lenders to any student's aid award package and does not refuse or delay loan certification based on the borrowers choice of lender.
- The Academy is not involved in payment to any lenders, whether directly or indirectly, in exchange for points, premiums, or interest of financial support in exchange for extending credit to a student.
- **Right to Cancel**
 - The applicant may cancel within 3 business days of receipt of the lenders final disclosure form.
 - Funds will not be received until the cancellation period expires.