

Code of Conduct

The Higher Education Opportunity Act (HEOA) requires educational institutions to develop and comply with a code of conduct that prohibits conflicts of interest for financial aid personnel [HEOA §487 (a) (25)]. Any Sharp Edgez Barber Institute School (SEBI) officer, employee, or agent who has responsibilities with respect to student educational loans must comply with this code of conduct. The following provisions bring SEBI into compliance with the federal law [HEOA § 487 (e)].

1. Ban on revenue-sharing arrangements with any lender Neither SEBI as an institution nor any individual officer, employee or agent shall enter into any revenue-sharing arrangements with any lender.

The HEOA defines "revenue-sharing arrangement" as any arrangement between an institution and a lender under which the lender makes Title IV loans to students attending the institution (or to the families of those students), 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 or to its officers, employees, or agents.

2. Ban on employees of the financial aid office receiving gifts from a lender, guaranty agency or loan servicer. No officer or employee of SEBI who is employed in the financial aid office, or who otherwise has responsibilities with respect to educational loans, may solicit or accept any gift from a lender, guarantor, or servicer of education loans. For purposes of this prohibition the term "gift" means any gratuity, favor, discount, entertainment, hospitality, loan, or other item having monetary value of more than a de minimus amount. However, a gift does not include (1) a brochure, workshop, or training using standard materials relating to a loan, default aversion, or financial literacy, such as a brochure, workshop, or training; (2) food, training, or informational material provided as part of a training session designed to improve the service of a lender, guarantor, or servicer If the training contributes to the professional development of SEBI's officer, employee or agent; (3) favorable terms and benefits on an education loan provided to a student employed by SEBI if those terms and benefits are comparable to those provided to all students at SEBI; (4) entrance and exit counseling as long as SEBI's staff are in control of the counseling and the counseling does not promote the services of a specific lender; (5) philanthropic contributions from a lender, guarantor, or servicer that are unrelated to education loans or any contribution that is not made in exchange for advantage related to education loans or any contribution that is not made in exchange for advantage related to education loans; and (6) state education grants, scholarships, or financial aid funds administered by or on behalf of the State of New York.
3. Ban on contracting arrangements. An officer or employee of SEBI who is employed in the financial aid office or who otherwise has responsibilities with respect to education loans, shall not accept from any lender or an affiliate of any lender any fee, payment, or other financial benefit as compensation for any type of consulting arrangement or contract to provide services to or on behalf of a lender relating to education loans.

4. Prohibition against steering borrowers to particular lenders or delaying loan certifications. SEBI shall not: (a) for any first-time borrower, assign, through award packaging or other methods the borrower's loan to a particular lender; or (b) refuse to certify, or delay certification, of any loan based on the borrower's selection of a particular lender or guaranty agency.
5. Prohibition on offers of funds for private loans SEBI shall not request or accept from any lender any offer of funds for private loans, including funds for an opportunity pool loan*, to students in exchange for providing concessions or promises to the lender for a specific number of Title IV loans made, insured, or guaranteed a specified loan volume, or a preferred lender arrangement.

*An opportunity pool loan" is defined as a private education loan made by a lender to a student (or the student's family) that involves a payment by the institution to the lender for extending credit to the student.

6. Ban on staffing assistance. SEBI shall not request or accept from any lender any assistance with call center staffing or financial aid office staffing. However, a lender may provide professional development training, educational counseling materials (as long as the materials identify the lender that assisted in preparing the materials) or staffing services on a short-term, nonrecurring basis during emergencies or disasters.
7. Ban on advisory board compensation An employee who is employed in SEBI's financial aid office, or who otherwise has responsibilities with respect to education loans or financial aid, and who serves on an advisory board, commission, or group established by a lender, guarantor, or group of lenders or guarantors, is prohibited from receiving anything of value from the lender, guarantor, or group of lenders or guarantors, except that the employee may be reimbursed for reasonable expenses incurred in serving on such advisory board, commission, or group.