

COLUMBIA UNIVERSITY'S CODE OF CONDUCT FOR FINANCIAL AID OFFICERS AND STAFF

Purpose

Columbia University is committed to adhering to the highest ethical standards. Each employee involved in the affairs of the financial aid offices is obligated to maintain exemplary ethical behavior and to comply with all applicable laws and regulations and with this Code of Conduct. Additionally, like all other employees of the University, each employee involved in the affairs of the financial aid offices is obligated to ensure compliance with the University's Conflict of Interest Policy and Administrative Code of Conduct.

The University's financial aid offices shall be conducted in a way that is respectful and protective of the rights of students and their parents, that provides students and parents with fair and unbiased access to aid, services and information, and that avoids any actual or potential conflicts of interest or the appearance of a conflict of interest. It is the personal responsibility of each employee involved in the affairs of the financial aid offices to incorporate this Code of Conduct into their work.

The purpose of this Code of Conduct is to ensure that all employees involved in the affairs of the financial aid offices understand their obligations to protect the rights and serve only the interests of students and parents. This Code attempts to incorporate the obligations set forth in the University's Agreement with the Office of the Attorney General ("OAG"), dated May 31, 2007, and the obligations codified in the New York State Student Lending Accountability, Transparency and Enforcement (SLATE) Act enacted on May 29, 2007. Each employee involved in the affairs of the financial aid offices is responsible for being familiar and complying with the University's Agreement with the OAG, the SLATE Act, and other applicable laws and regulations.

Statement of Principles

Each employee involved with the affairs of the University's financial aid offices shall:

- respect and protect student and parent choice in lending
- serve only the best interests of student and parent borrowers
- avoid actual and potential conflicts of interest and the appearance of a conflict of interest
- provide accurate, fair, and unbiased information

- protect confidential information
- make objective decisions without consideration of any potential personal or institutional benefit or financial gain

Specific Commitments

Protect Borrower Choice

Students and parents reserve the right to borrow funds from any lender¹ they choose.

- No student may be penalized for selecting the lender of their choice.
- Financial aid officers and staff must disclose to borrowers and potential borrowers, who consult the financial aid office in connection with obtaining a loan, all available financing options under Title IV of the Higher Education Act, including information about the favorable terms and conditions of loans available under federal law.

Avoid Conflicts Of Interest

Financial aid officers and staff are prohibited from engaging in any conduct that creates any actual or potential conflict of interest, or the appearance thereof, with the interest of students. Prohibited conduct includes, but is not limited to, the following:

- directly or indirectly soliciting, accepting or receiving any non-trivial items from any lender.
- directly or indirectly soliciting, accepting or receiving any payment or reimbursement for meals, lodging, or travel from any lender.
- participating on an advisory board of any lender.
- owning stock or holding any other financial interest in a lender (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).
- providing any endorsement, such as a quote or testimonial, for a specific lender for any purpose.
- allowing any employee or agent of a lender to identify themselves to students, prospective students or their parents as employees or agents of the University.

¹The term "lender" includes any entity engaged in the business of making loans available for the purposes of financing higher education expenses, the affiliates of such an entity, any entity that securitizes or guarantees such loans, and any industry, trade or professional association that receives money from an entity that makes, securitizes or guarantees such loans.

- allowing any employee or agent of a lender to provide staffing assistance in any of the University's financial aid offices.
- allowing any lender to pay for printing, marketing or shipping costs or provide such services.
- allowing any lender to provide computer hardware to the University or any employee at below-market prices.
- allowing any revenue sharing by a lender with the University.
- allowing any lender to provide any benefits, financial or otherwise, to the University or any individual school in exchange for any advantage provided to the lender related to educational loans.
- arranging undisclosed agreements with any lender for the provision of loans to students with a poor or no credit history, or international students, (e.g., "opportunity" or "high risk" loans) in exchange for concessions or promises from the University or any individual school to the lender that prejudice any other borrower.

Financial aid officers and staff are required to:

- report to the Office of General Counsel any instance of a lender offering non-trivial items to a University employee.
- attend an annual training seminar regarding this Code of Conduct, the University Policy on Conflicts of Interest, and the University's Agreement with the OAG, dated May 31, 2007.
- file annual certifications with the University certifying that (i) the employee has attended the annual training referenced above, (ii) that the employee has read and understands this Code of Conduct, the University Policy on Conflicts of Interest and the Agreement with the OAG, and agrees to abide by the terms of each, and (iii) that the employee has not received any nontrivial item from a lender within the last 12 months.
- file annual disclosures with the University disclosing any immediate family member's stock ownership or financial interest in a lender (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).

Preferred Or Suggested Lender Lists

Any preferred or suggested lender lists promulgated by the University and any placement of lenders on such lists must be based solely on the best interests of students and parents. Neither the University nor officers or staff of the financial aid offices will accept any incentives or benefits in exchange for placing a lender on a preferred or suggested lender list.

Any preferred or suggested lender lists provided to students and parents must:

- clearly and fully disclose the criteria and process used to select lenders, including the relative importance of the criteria.
- state in the same font and manner as the predominant text that (i) students and their parents have the right and ability to select the education loan provider of their choice, (ii) are not required to use any of the lenders on the lender list, and (iii) will suffer no penalty for choosing a lender that is not on the lender list.

No lender can be listed on the University's preferred or suggested lender list unless:

- the lender provides written assurance that they do not have any agreement to sell its loans to another unaffiliated lender that is undisclosed (any such agreement must be disclosed on the preferred or suggested lender list).
- the lender provides written assurance to the University and to borrowers that the advertised repayment benefits will continue to inure to the benefit of borrowers regardless of whether the loan is sold.

Additionally:

- no lender can be listed on a preferred or suggested lender list or in favored placement on a list for a particular type of loan, in exchange for benefits provided to the University or to the University's students in connection with a different type of loan.
- any preferred or suggested lender lists promulgated by the University will be managed centrally and (i) must be reviewed annually, (ii) must be created by a committee of no fewer than three persons, and (iii) a report must be created that memorializes the decisions or votes regarding the lenders considered for placement on the list.
- the criteria used to develop any preferred or suggested lender list must be reviewed prior to publication of the list by the Senior Executive Vice President.
- a copy of letters, brochures and emails sent to students or parents that list preferred or suggested lenders must be provided to the Office of Student and Administrative Services.

- all communications from a Columbia University financial aid office, including webpages, brochures, letters, etc., must not direct or link students to an electronic master promissory note or other loan agreements that do not permit the borrower to complete the loan or note with any lender offering the relevant loan in New York State.

It is the responsibility of every financial aid officer and staff to ensure compliance with this Code of Conduct. If you have any questions, please consult with the Office of General Counsel.

The University takes its obligations and this code seriously and reserves the right to take action (including the termination of employment) against any employee who violates this code.

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