



Title IV Code of Conduct

Escuela Hotelera de San Juan adopts the following provisions of Section 493 of the Higher Education Opportunity Act (HEOA) as its Code of Conduct in connection with Student Loan Activities, which will be informed annually to all the institutional officers, employees, and agents with responsibilities related to student loan activities and the decisions under the provisions of this code.

(1) BANNING OF REVENUE-SHARING AGREEMENTS

(A) Ban: The institution will not enter into any revenue-sharing agreement with any lender.

(B) Definition – For purposes of this paragraph, the term “revenue-sharing agreement” means an agreement between an institution and a lender under which

(i) a lender makes or issues a loan granted, secured, or guaranteed under this title to students attending the institution or to the families of those students; and

(ii) the institution recommends the lender or the lender’s loan products, and, in return, the lender pays a fee or provides other material benefits, including revenue or profit sharing, to the institution, an officer, or an employee of the institution, or an agent.

(2) GIFT BANNING

(A) Ban: No officer or employee of the institution who works in the Office of Financial Aid, or a person who has been assigned by the President of Escuela Hotelera de San Juan with supervisory authority over the Financial Aid Coordinator, or who otherwise has responsibilities in connection with educational loans, or the agent who has responsibilities with respect to education loan, will solicit or accept any gift from an educational loan lender, guarantor, or servicer.

(B) DEFINITION OF GIFT

(I) In general – The term “gift” in this paragraph means any gratuity, favor, discount, entertainment, hospitality, loan, or any other item with a monetary value of more than \$20 per year. The term includes a gift of services, transportation, accommodation, or meals, either in kind, through the purchase of a ticket, prepayment, or reimbursement after the expense has been incurred.

(ii) Exceptions: The term “gift” shall not include any of the following:

(l) Standard material, activities or programs on topics related to a loan, default aversion, default prevention, or financial education, such as a brochure, workshop, or training.

(II) Food, refreshments, training, or informational material provided to an officer or employee of an institution, or to an agent, as an integral part of a training session designed to improve the service of a lender, guarantor or student loan servicer to the institution, if such training contributes to the professional development of the office, employee or agent.

(III) Favorable borrower terms, conditions, and benefits for an education loan made to a student employed by the institution if such terms, conditions, or benefits are comparable to those granted to all students of the institution.

(IV) Entry and exit counseling services provided to borrowers to fulfill the institution's responsibilities for the entry and exit counseling, as required by subsections (b) and (l) of Section 485, provided:

(1) that the counseling is controlled by the institution (either in person or through electronic capabilities); and

(2) said advice does not endorse the products or services of any specific lender.

(V) Philanthropic contributions to an institution from a lender, servicer, or guarantor of education loans that are not related to education loans or any contribution from any lender, guarantor, or servicer that is not made in exchange for any benefit related to education loans.

(VI) State education grants or financial aid funds administered by or on behalf of a State.

(iii) Rule for gifts to family members: For purposes of this paragraph, a gift to a family member of an officer or employee of an institution, to a family member of an agent, or to a family member of any other person based on that person's relationship to the officer, employee, or agent, will be considered a gift to the officer, employee, or agent if:

(I) the gift is given with the knowledge and consent of the officer, employee, or agent; and

(II) the officer, employee, or agent has reasons to believe that the gift was given because of the official position of the officer, employee, or agent..

(3) PROHIBITED CONTRACTING AGREEMENTS

(A) Prohibition: An officer or employee who is employed in the Office of Financial Aid or who otherwise has responsibilities with respect to educational loans, or an agent who has responsibilities with respect to educational loans, will not accept any fee, payment or other financial benefit (included the opportunity to purchase stock) from any lender or affiliate of any lender as compensation for any kind of consulting agreement or other contract to provide services to a lender or on behalf of a lender in connection with educational loans.

(B) Exceptions – Nothing in this subsection will be construed as prohibitive -

(i) an officer or employee of an institution who is not employed in the Office of Financial Aid of the institution and who otherwise has no responsibilities in connection with educational

loans, or an agent who has no responsibilities with respect to educational loans, for making payments or unpaid services in a lender's board of directors, guarantor or educational loan servicer;

(ii) an officer or employee of the institution who is not employed in the Office of Financial Aid but who has a responsibility with respect to educational loans as a result of a position with the institution, or an agent who has responsibilities with respect to educational loans, to render paid or unpaid services in a board of directors of a lender, guarantor or educational loans servicer; the officers, employees, or agents must excuse themselves from taking part in any decision of the board regarding educational loans at the institution; or

(iii) an officer, employee, or contractor of an education loan lender, guarantor, or servicer serving on a board of directors, or acting as a trustee of an institution, board member, or trustee, must excuse himself/herself from any educational loans at the institution.

(4) STEERING THE BORROWERS TO PARTICULAR LENDERS, OR DENYING OR DELAYING THE LOAN CERTIFICATIONS

(A) Ban: Steering borrowers to particular lenders or delaying the loan certifications. For any borrower attending an institution for the first time, the institution cannot assign the borrower's loan to a particular lender through the grant package or other methods. In addition, the institution may not refuse to certify or delay the certification of any loan based on the borrower's selection of a particular lender or guaranty agency.

(5) FUND OFFERS FOR PRIVATE LOANS

(A) Ban: Soliciting or accepting from a lender any offer of funds for private loans, including funds for an opportunity fund loan, to students in exchange for making concessions or promises to the lender for a specified number of private educational loans made, secured, or guaranteed, a specific loan volume, or a preferred lender agreement.

(B) Definition: For purposes of this paragraph, the term "opportunity fund loan" means:

(l) – A private educational loan made by a lender to a student attending the institution or to the student's family member, which directly or indirectly involves a payment by the institution of points, premiums, additional interest, or financial support to such lender for the purpose of extending credit to the student or family.

(6) CALL CENTER OR OFFICE OF FINANCIAL AID STAFF ASSISTANCE

(A) Ban: Soliciting or accepting from a lender any kind of assistance with the call center or office of financial aid staff, except that a lender may provide professional development training, educational counseling materials (provided the materials identify the lender who helped in the preparation of materials), or short-term non-recurrent staffing services during emergencies or disasters.

(7) COMPENSATION OF THE ADVISORY BOARD

(A) Ban: Receive compensation from the advisory board. An employee of an institution's financial aid office (or an employee who otherwise has responsibilities regarding educational loans or financial aid) who serves on an advisory board, commission, or group established by a lender or guarantor (or a group of lenders or guarantors) is forbidden from receiving anything of value from the lender, guarantor or group, except the reimbursement of reasonable expenses incurred by the employee for serving on the board.

ENGLISH TRANSLATION

Escuela Hotelera de San Juan hereby adopts the following provisions from the HEOA, Section 493 as its Code of Conduct Related to Student Loan Activities and will annually inform all institutional officers, employees, and agents with responsibilities for student loan activities and decisions of the provisions of this code.

(1) BAN ON REVENUE-SHARING ARRANGEMENTS

(A) Prohibition -- The institution shall not enter into any revenue-sharing arrangement with any lender.

(B) Definition -- For purposes of this paragraph, the term 'revenue-sharing arrangement' means an arrangement between an institution and a lender under which --

(i) a lender provides or issues a loan that is made, insured, or guaranteed under this title to students attending the institution or to the families of such students; and

(ii) 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, an officer or employee of the institution, or an agent.

(2) GIFT BAN

(A) Prohibition -- No officer or employee of the institution who is employed in the Financial aid office, or an individual who has been assigned by the Escuela Hotelera de San Juan President with supervisory authority over the Coordinator of Financial Aid, or who otherwise has responsibilities with respect to education loans, or agent who has responsibilities with respect to education loans, shall solicit or accept any gift from a lender, guarantor, or servicer of education loans.

(B) DEFINITION OF GIFT

(i) In General -- In this paragraph, the term 'gift' means any gratuity, favor, discount, entertainment, hospitality, loan, or other item having a monetary value of more than \$20 per year . The term includes a gift of services, transportation, lodging, or meals, whether provided in kind, by purchase of a ticket, payment in advance, or reimbursement after the expense has been incurred.

(ii) Exceptions -- The term 'gift' shall not include any of the following:

(I) Standard material, activities, or programs on issues related to a loan, default aversion, default prevention, or financial literacy, such as a brochure, a workshop, or training.

(II) Food, refreshments, training, or informational material furnished to an officer or employee of an institution, or to an agent, as an integral part of a training session that is designed to improve the service of a lender, guarantor, or servicer of education loans to the institution, if such training contributes to the professional development of the officer, employee, or agent.

(III) Favorable terms, conditions, and borrower benefits on an education loan provided to a student employed by the institution if such terms, conditions, or benefits are comparable to those provided to all students of the institution.

(IV) Entrance and exit counseling services provided to borrowers to meet the institution's responsibilities for entrance and exit counseling as required by subsections (b) and (l) of section 485, as long as --

(1) the institution's staff are in control of the counseling, (whether in person or via electronic capabilities); and

(2) such counseling does not promote the products or services of any specific lender.

(V) Philanthropic contributions to an institution from a lender, servicer, or guarantor of education loans that are unrelated to education loans or any contribution from any lender, guarantor, or servicer that is not made in exchange for any advantage related to education loans.

(VI) State education grants, scholarships, or financial aid funds administered by or on behalf of a State.

(iii) Rule for Gifts for Family Members -- For purposes of this paragraph, a gift to a family member of an officer or employee of an institution, to a family member of an agent, or to any other individual based on that individual's relationship with the officer, employee, or agent, shall be considered a gift to the officer, employee, or agent if --

(I) the gift is given with the knowledge and acquiescence of the officer, employee, or agent; and

(II) the officer, employee, or agent has reason to believe the gift was given because of the official position of the officer, employee, or agent.

(3) CONTRACTING ARRANGEMENTS PROHIBITED

(A) Prohibition -- An officer or employee who is employed in the Financial aid office or who otherwise has responsibilities with respect to education loans, or an agent who has responsibilities with respect to education loans, shall not accept from any lender or affiliate of any lender 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 services to a lender or on behalf of a lender relating to education loans.

(B) Exceptions -- Nothing in this subsection shall be construed as prohibiting --

(i) an officer or employee of an institution who is not employed in the institution's Financial aid office and who does not otherwise have responsibilities with respect to education loans, or an agent who does not have responsibilities with respect to education loans, from performing paid or unpaid service on a board of directors of a lender, guarantor, or servicer of education loans;

(ii) an officer or employee of the institution who is not employed in the Financial aid office but who has responsibility with respect to education loans as a result of a position held at the institution, or an agent who has responsibility with respect to education loans, from performing paid or unpaid service on a board of directors of a lender, guarantor, or servicer of education loans, if the institution has a written conflict of interest policy that clearly sets forth that officers, employees, or agents must excuse themselves from participating in any decision of the board regarding education loans at the institution; or

(iii) an officer, employee, or contractor of a lender, guarantor, or servicer of education loans from serving on a board of directors, or serving as a trustee, of an institution, if the institution has an interest policy that the board member or trustee must excuse themselves from any education loans at the institution.

(4) DIRECTING BORROWERS TO PARTICULAR LENDERS, OR REFUSING OR DELAYING LOAN CERTIFICATIONS

(A) Prohibition -- Steering borrowers to particular lenders or delaying loan certifications. For any first-time borrower, an institution may not assign, through the award packaging or other methods, the borrower's loan to a particular lender. In addition, the institution may not refuse to certify, or delay the certification, of any loan based on the borrower's selection of a particular lender or guaranty agency;

(5) OFFERS OF FUNDS FOR PRIVATE LOANS

(A) Prohibition --Requesting or accepting 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 private education loans made, insured, or guaranteed, a specified loan volume, or a preferred lender arrangement.

(B) Definition -- For purposes of this paragraph, the term 'opportunity pool loan' means --

(l)--A private education loan made by a lender to a student attending the institution or the family member of such a student that involves a payment, directly or indirectly, by such institution of points, premiums, additional interest, or financial support to such lender for the purpose of such lender extending credit to the student or the family;

(6) CALL CENTER OR FINANCIAL AID OFFICE STAFFING ASSISTANCE

(A) Prohibition -- Requesting or accepting from any lender any assistance with call center staffing or financial aid office staffing, except that 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) ADVISORY BOARD COMPENSATION

(A) Prohibition --Receiving advisory board compensation. An employee of an institution's financial aid office (or employee who otherwise has responsibilities with respect to education loans or financial aid) who serves on an advisory board, commission, or group established by a lender or guarantor (or a group of lenders or guarantors) is prohibited from receiving anything of value from the lender, guarantor, or group, except for reimbursement for reasonable expenses incurred by the employee for serving on the board.

