

RHODE ISLAND STUDENT LOAN AUTHORITY CODE OF ETHICS

WHEREAS, the Rhode Island Student Loan Authority (RISLA) was created in 1981 for the purpose of providing programs of financial assistance, consisting of grants, loans, and other aids, for qualified inhabitants of the state in their pursuit of higher education; and

WHEREAS, RISLA has helped numerous students and their families over the past 25 years by making available various forms of assistance, including low cost federal and non-federal loans, providing loan forgiveness to students who become teachers, nurses, nurse educators, and pharmacists as a way to satisfy the shortages in such professions, and, by providing a comprehensive array of services to college bound students and their families at RISLA's College Planning Center.

To ensure that that the best interest of students and their families remains paramount in the selection of loans for financing higher education, the Rhode Island Student Loan Authority (RISLA) shall abide by the following standards:

PREFERRED LENDER LISTS

RISLA believes that if an institution of higher education establishes a list of preferred lenders, it should do so in the best interest of students and their parents. Therefore, RISLA will not provide an economic benefit directly or indirectly to an institution, including alumni associations, in return for being placed on that institution's list of preferred lenders. Furthermore, RISLA believes that the institution must inform students and their parents that they have the right to select the lender of their choice without regard to the preferred lender list.

REFERRAL FEES/REVENUE SHARING

RISLA believes that it is inappropriate for a lender to pay a referral fee or to enter into a revenue sharing agreement with any institution. Therefore, RISLA will never pay a referral fee or enter into a revenue sharing arrangement with any institution in exchange for the opportunity to make loans.

LENDER/SCHOOL MEETINGS

RISLA believes that it has an obligation in accordance with its enabling statute to provide continuing education to financial aid officers and other higher education officials. However, RISLA also believes that providing these officials with anything of significant value in return for their attendance at educational meetings creates the appearance of impropriety. Therefore, RISLA shall neither pay honoraria to nor reimburse travel costs for said officials to attend educational meetings. RISLA may, from time to time, provide snacks, meals and non-alcoholic beverages in conjunction with any meeting provided the cost of such does not exceed \$25 per official attending any such meeting.

ADVISORY COMMITTEES

RISLA believes it is important to its continuing viability to enlist members of the public, school officials and faculty to serve on advisory panels. RISLA also believes that providing these persons with honoraria or anything of value for serving on such advisory boards creates an appearance of impropriety. Therefore, RISLA shall not provide such persons honoraria or anything of value to participate on such panels except that, from time to time, RISLA may provide snacks, meals and non-alcoholic beverages in conjunction with any meeting provided the cost of such does not exceed \$25 per official attending any such meeting.

CALL CENTERS FOR SCHOOLS

RISLA believes that if a lender operates a call center for an institution of higher education for the purpose of advising current or prospective students, employees of the call center should disclose that they are employees of the lender. Therefore, RISLA will not operate a call center unless its employees identify themselves to the caller as a RISLA employee.

DISCLOSURE OF LOAN SALES AND RANGE OF RATES AND DEFAULTS

RISLA believes that its operation should be as transparent as possible to both higher education institutions and borrowers. Therefore, RISLA will not make a loan without disclosing any agreement it has to sell such loan and RISLA shall disclose to any requesting institution the range of rates which it charges borrowers, the number of borrowers at each rate and RISLA's historic default rate.

COLLEGE PLANNING CENTER

RISLA believes that part of its mission is to help potential students from Rhode Island adequately prepare for higher education. Therefore RISLA will maintain its college planning center and to avoid any appearance of impropriety, the director of the program will report directly to the board.