

PHEAA & American Education Services Education Lending Code of Ethics

As America's leading non-profit student aid organization, the management of the Pennsylvania Higher Education Assistance Agency (PHEAA) and American Education Services (AES) have adopted the following Education Lending Code of Ethics as part of an effort to help ensure integrity in all aspects of the federal student loan program.

This Code of Ethics formalizes long-standing business practices. This Code of Ethics reflects PHEAA & AES' unique role as a federal student loan guarantor, servicer and lender, and as Pennsylvania's legislatively-created agency responsible for administering the Pennsylvania State Grant and other state-funded programs. This Code of Ethics supports PHEAA & AES' mission to provide affordable access to higher education.

No Revenue Sharing Between PHEAA and the School

PHEAA & AES will continue its practice of not providing postsecondary schools with any financial benefits in exchange for a competitive advantage or preferential treatment. PHEAA & AES will continue the policy of not providing monetary incentives to secure a position as a school's recommended lender..

Gift and Trip Prohibitions

In its role as a student loan lender, PHEAA & AES will not provide postsecondary school employees with anything exceeding a nominal value. This includes a strict prohibition on trips for financial aid administrators and other college officials paid for by PHEAA & AES.

Student Loan Advisory Boards

In its role as a student loan lender, PHEAA & AES will not provide postsecondary school employees with anything of value in exchange for their service on an advisory board or compensate them for their service on an advisory board. PHEAA & AES value the views of the financial aid community and will continue to seek their input on programs and services.

Preferred Lender Guidelines

PHEAA & AES believe that the practice of schools recommending lenders for federal and private loans should be based on the cost of the loan, the ease and speed of application and funds disbursement and superior customer service; all of which focus on the best interests and needs of students with no direct regard for any financial benefit to the school.

Preferred Lender List Disclosure

PHEAA & AES support transparency in the way lenders are recommended including the criteria used in recommending lenders. Students and families must be informed that they may select the lender of their choice. In all such events, and to safeguard against predatory lenders, the school should provide information to the student on the best possible loan options, with the most favorable terms, customer service, and lender integrity.

Student Loan Resale Disclosure & Borrower Protections

PHEAA & AES pledge to honor all borrower benefits that are promised to and earned by borrowers, regardless of which lender originated the student loan. PHEAA & AES believe that all lenders should make the same pledge to help safeguard the borrower's long-term financial interests. Lenders should also disclose to borrowers at the time a loan is originated if they intend to sell their loans to another entity.

Customer Service Integrity

PHEAA & AES' customer service representatives have not and will not identify themselves to students, families or borrowers as employees of any school. Nor will PHEAA & AES employees physically work in or provide staffing to a school's financial aid office. Furthermore, PHEAA & AES pledge to continue to locate its industry-leading customer service call centers in the United States, using highly trained employees to best serve the individual needs of students and their families.

About PHEAA, Powered by AES

PHEAA is the nation's leading nonprofit student aid organization. We devote our energy, resources and imagination to developing innovative ways to ease the financial burden of higher education for students, families and taxpayers.

Our public service mission is powered by American Education Services (AES), our commercial business enterprise. The earnings generated by AES through loan guaranty, loan servicing and student aid processing systems fund our \$72.5 million supplement to the State Grant Program, millions of dollars in free scholarships and loan forgiveness, award-winning online planning tools and the nation's lowest-cost student loans – all at no cost to taxpayers.