

SOUTHWESTERN

LAW SCHOOL Los Angeles, CA

Financial Aid Code of Conduct

Administrative policy approved October 12, 2026. Effective immediately.

Revision history: Formerly a part of the Financial Aid webpage materials; clarifying language added when established as a standalone policy in October 2026.

Related policies: Conflict of Interest and Commitment Policy; Conflict of Interest Policy (for Trustees and Officers); Financial Aid Packaging Policy; Whistleblower Policy; Record Retention and Disposal Policy; Expense Reimbursement Guidelines; Contract Approval and Signing Authority Policy; Gift Acceptance and Crediting Policy

Scheduled Review Date: September 2027 (Financial Aid Office and General Counsel's Office)

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A. Purpose

Southwestern Law School is committed to administering student financial aid and education-loan activities in the interests of students and free from conflicts of

interest. This Code establishes standards governing education loans and related financial-aid activities. It does not establish standards for every aspect of Southwestern's administration of student financial aid. This Code is intended to satisfy the applicable requirements of the Higher Education Act of 1965, as amended, including 20 U.S.C. § 1094(a)(25) and (e), and applicable implementing regulations, including 34 C.F.R. §§ 668.14(b)(27)-(29), 668.16(d)(2), and 601.21.

B. Scope

This Code applies to Southwestern and to each Covered Individual. A provision directed to a narrower group, such as employees of the Financial Aid Office or individuals with responsibilities relating to education loans or other student financial aid, applies to that group as stated.

Each Covered Individual must perform covered responsibilities impartially, in the interests of students, and without using an institutional position for private benefit. Covered Individuals must avoid actual and potential conflicts of interest, comply with this Code and other applicable Southwestern policies, and seek guidance before acting when the permissibility of a benefit, relationship, service, list, or arrangement is uncertain. If another law or Southwestern policy imposes a stricter standard, the stricter standard controls.

Any Institution-Affiliated Organization that participates in a Preferred Lender Arrangement must comply with this Code. If the organization maintains a website, it must publish this Code prominently on that website and must annually inform its covered officers and employees of the Code's provisions.

C. Definitions

- 1. Covered Individual:** Any Southwestern officer, employee, or agent whose responsibilities relate to Education Loans or other student financial aid. The term also includes, to the extent permitted by contract and law, any contractor, Third-Party Servicer, or other person performing those functions on Southwestern's behalf. Southwestern must require those persons to comply with the applicable provisions of this Code through a written agreement or other enforceable terms.
- 2. Education Loan:** A loan made, insured, or guaranteed under the Federal Family Education Loan Program; a loan made under the William D. Ford Federal Direct Loan Program; or a Private Education Loan.
- 3. Institution-Affiliated Organization:** An organization directly or indirectly related to Southwestern that recommends, promotes, or endorses Education Loans for Southwestern students or their families. The term may

include an alumni, foundation, social, academic, or professional organization, but does not include a lender with respect to a loan the lender secures, makes, or extends.

4. **Lender:** A lender within the meaning of 34 C.F.R. § 601.2, including an eligible lender in the Federal Family Education Loan Program, the U.S. Department of Education in the Direct Loan Program, a private education lender, and a person engaged in securing, making, or extending Education Loans on a lender's behalf.
5. **Opportunity Pool Loan:** A Private Education Loan made to a Southwestern student or the student's family member that involves a direct or indirect payment by Southwestern of points, premiums, additional interest, or other financial support to a lender so the lender will extend credit to the student or family member.
6. **Preferred Lender Arrangement:** An arrangement or agreement under which a Lender provides Education Loans to Southwestern students or their families and Southwestern or an Institution-Affiliated Organization recommends, promotes, or endorses that Lender's loan products, excluding arrangements expressly excluded by 34 C.F.R. § 601.2.
7. **Private Education Loan:** A non-Title IV loan issued expressly for postsecondary education expenses by a private education lender, as further defined in 34 C.F.R. § 601.2. The term does not include credit excluded by that regulation.
8. **Third-Party Servicer:** An individual or entity that contracts with or performs services for Southwestern to administer any aspect of Southwestern's participation in a Title IV program, as defined in 34 C.F.R. § 668.2.

D. Standards Relating to Education Loans

1. Revenue-sharing arrangements

Southwestern may not enter into a revenue-sharing arrangement with any Lender. A revenue-sharing arrangement is an arrangement in which a Lender provides or issues Education Loans to Southwestern students or their families, Southwestern recommends the Lender or its loan products, and, in exchange, the Lender pays a fee or provides revenue, profit sharing, or other material benefit to Southwestern or a Covered Individual.

2. Gifts

a. Prohibition

A Covered Individual employed in the Financial Aid Office or otherwise having responsibilities relating to Education Loans may not solicit or accept any gift from a Lender, guarantor, or servicer of Education Loans.

b. Meaning of gift

A gift includes any gratuity, favor, discount, entertainment, hospitality, loan, or other item having more than a de minimis monetary value. It includes services, transportation, lodging, and meals, whether provided in kind, through the purchase of a ticket, by advance payment, or by reimbursement after an expense is incurred. Federal law does not establish a fixed dollar threshold for determining whether an item has more than a de minimis monetary value. Questions concerning whether an item is de minimis must be addressed in accordance with subsection (e) below.

c. Exclusions

A gift does not include any of the following, but only when all stated conditions are satisfied:

- Standard materials, activities, or programs addressing a loan, default aversion, default prevention, or financial literacy, such as a brochure, workshop, or training.
- Food, refreshments, training, or informational materials furnished as an integral part of a training session designed to improve the service of a Lender, guarantor, or servicer to Southwestern, if the training contributes to the Covered Individual's professional development.
- Favorable loan terms, conditions, or borrower benefits provided to a student employed by Southwestern, if they are comparable to those provided to all Southwestern students.
- Entrance or exit counseling services provided to satisfy Southwestern's legal responsibilities, if Southwestern staff control the counseling, whether delivered in person or electronically, and the counseling does not promote the products or services of a specific Lender.
- A philanthropic contribution from a Lender, servicer, or guarantor that is unrelated to Education Loans, or any

contribution that is not made in exchange for an advantage related to Education Loans. Any such contribution is also subject to Southwestern's Gift Acceptance and Crediting Policy.

- State education grants, scholarships, or financial-aid funds administered by or on behalf of a state.

d. Gifts to related persons

A gift to a Covered Individual's family member, or to another person because of that person's relationship with the Covered Individual, is treated as a gift to the Covered Individual if the Covered Individual knows of and acquiesces in the gift and has reason to believe it was given because of the Covered Individual's official position.

e. Advance guidance

A Covered Individual must consult the General Counsel before accepting an item or benefit whose status under this section is uncertain.

3. Consulting or other contracting arrangements and board service

a. Prohibition

A Covered Individual employed in the Financial Aid Office or otherwise having responsibilities relating to Education Loans may not accept from a Lender or its affiliate any fee, payment, or other financial benefit, including an opportunity to purchase stock, as compensation for consulting or another contract to provide services to or on behalf of a Lender relating to Education Loans.

b. Board service

Subject to Southwestern's conflict-of-interest requirements and required disclosure, this subsection does not prohibit:

- Paid or unpaid service on the board of a Lender, guarantor, or servicer by a person who is not employed in the Financial Aid Office and has no responsibilities relating to Education Loans.
- Paid or unpaid service on such a board by a person who is not employed in the Financial Aid Office but has responsibilities relating to Education Loans, if Southwestern

has a written conflict-of-interest policy requiring the person to recuse from every board decision concerning Education Loans at Southwestern.

- Service by an officer, employee, or contractor of a Lender, guarantor, or servicer of Education Loans on Southwestern's Board of Trustees, if Southwestern has a written conflict-of-interest policy requiring that trustee to recuse from every decision concerning Education Loans at Southwestern.

c. Review and recusal

A Covered Individual must disclose proposed board service before accepting it. The General Counsel must document the applicable conflict review and any required recusal or other safeguards.

4. Borrower choice and loan certification

Southwestern may not:

- a.** assign a first-time borrower, through award packaging or another method, to a particular Lender; or
- b.** refuse to certify, or delay certification of, any Education Loan because the borrower selected a particular Lender or guaranty agency.

A student may select any Lender willing to make a Private Education Loan to the student. Southwestern will process and certify the loan subject to the same neutral requirements applied to other loans, including complete documentation, cost-of-attendance limits, enrollment status, and applicable eligibility requirements.

5. Historical Lender information

Southwestern may provide neutral historical information concerning private education lenders previously selected by Southwestern students only if the information is not a recommendation, promotion, or endorsement. Each historical lender list or third-party platform displaying such information must:

- state the exact period covered by the list;
- include every Lender identified in Southwestern's records as having made Private Education Loans to Southwestern students during that period under an objective and consistently applied method;

- present Lenders neutrally, without featured placement, rankings, recommendations, endorsements, or default sorting that favors a Lender;
- provide general information about the available loans and disclose the basis for each Lender's inclusion;
- state prominently that Southwestern does not recommend or endorse any listed Lender and that a student may choose any Lender; and
- protect student information and avoid disclosing personally identifiable information.

Before publication and at least annually thereafter, the Financial Aid Office and General Counsel must review and document the list's lookback period, inclusion method, completeness, display order, disclosures, and continued non-preferred status. For a third-party platform, the review must include the contract and compensation model and written confirmation that no Lender pays for inclusion or placement and that no fee is tied to loan volume generated through the list. Records of each review must be retained under Southwestern's records-retention requirements.

6. Preferred Lender Arrangements

Southwestern may not establish, maintain, or use a Preferred Lender Arrangement unless the President and Dean (Dean) approves it in writing after receiving written recommendations from the Director of Financial Aid and the General Counsel. Before Southwestern recommends, promotes, endorses, or publishes a preferred lender list, the responsible offices must document compliance with all applicable requirements, including 34 C.F.R. §§ 601.10, 601.12, 601.20, and 601.21 and 34 C.F.R. § 668.14(b)(28). Those requirements include borrower-choice disclosures, selection based on borrowers' best interests, applicable list-composition and affiliation disclosures, annual reporting, public availability, and restrictions on the use of Southwestern's name, emblem, mascot, and logo.

7. Offers of funds for Private Education Loans

Southwestern may not request or accept from a Lender an offer of funds to be used for Private Education Loans, including funds for an Opportunity Pool Loan, in exchange for Southwestern providing concessions or promises concerning:

- a specified number of Federal Family Education Loan Program loans or Private Education Loans;
- a specified volume of those loans; or

- a Preferred Lender Arrangement for those loans.

8. Staffing assistance

Southwestern may not request or accept from a Lender assistance with call-center staffing or Financial Aid Office staffing. This prohibition does not prevent Southwestern from requesting or accepting only the following assistance:

- professional-development training for financial-aid administrators;
- educational counseling materials, financial-literacy materials, or debt-management materials for borrowers, if the materials identify every Lender that helped prepare or provide them; or
- staffing services on a short-term, nonrecurring basis to assist with financial-aid functions during an emergency, including a state-declared or federally declared natural disaster, a federally declared national disaster, or another localized disaster or emergency identified by the U.S. Secretary of Education.

9. Advisory board compensation

An employee of the Financial Aid Office, or any other employee who has responsibilities relating to Education Loans or other student financial aid, and who serves on an advisory board, commission, or group established by a Lender, guarantor, or group of lenders or guarantors may not receive anything of value for that service. The employee may receive reimbursement only for reasonable expenses incurred in serving on the board, commission, or group.

An expense is reasonable only if it complies with applicable federal cost principles and Southwestern's Expense Reimbursement Guidelines, which must be applied consistently.

The employee must obtain advance written approval from the General Counsel when practicable and, in all cases, must disclose the reimbursement promptly. The disclosure must state the amount, recipient, dates of the activity, and a brief description of the activity. The Financial Aid Office must retain the disclosure and include each reportable reimbursement in the annual report to the U.S. Secretary of Education required by 34 C.F.R. § 668.16(d)(2). If the employee is the Director of Financial Aid or General Counsel, the approval and disclosure must be routed to the other official and the Dean.

E. Private Education Loan Disclosure and Certification

Southwestern will ensure that required Private Education Loan disclosures and information are made available to prospective borrowers, whether directly or through an authorized third-party platform. Southwestern will also make available and assist with any required self-certification form, and certify Private Education Loans in accordance with applicable federal and state law and guidance. The Financial Aid Office is responsible for implementing these requirements and maintaining appropriate operational guidance.

The Financial Aid Office must coordinate the review of relevant financial-aid webpages, electronic communications, printed materials, and award templates at least annually and whenever governing law or loan programs materially change.

F. Conflicts of Interest and Disclosure

This section supplements Southwestern's Conflicts of Interest and Commitment Policy and, as applicable, its Conflict of Interest Policy for Trustees and Officers.

A Covered Individual must promptly disclose any financial interest, relationship, outside activity, gift, proposed board service, reimbursement, or other circumstance that creates or reasonably may create an actual or potential conflict of interest involving a Lender, guarantor, servicer, loan platform, or other entity involved in Southwestern's Education Loan activities.

A disclosure must be made to the Director of Financial Aid or General Counsel. A report involving one of those officials must be made to the other; a report involving both officials, or the Dean, must be made to the Chair of the Audit & Compliance Committee of the Board of Trustees. The recipient must document the review and may require recusal, reassignment, divestment, termination of the relationship, or another appropriate safeguard.

Southwestern prohibits retaliation against a person who, in good faith, seeks guidance, makes a disclosure, reports a suspected violation, or participates in a review under this Code. Knowingly false reports are not protected.

G. Administration Reporting and Enforcement

1. Administration

The Financial Aid Office administers this Code in consultation with the General Counsel. The Director of Financial Aid is responsible for operational implementation; the General Counsel provides legal and conflict-of-interest review.

2. Publication

Southwestern must publish this Code prominently on its website. Any covered Institution-Affiliated Organization must publish it as required by Section B.

3. Annual notice and training

The Financial Aid Office must identify the Covered Individuals at least annually and whenever responsibilities change. Each Covered Individual must receive this Code upon appointment or assignment and at least annually thereafter. Southwestern must retain evidence of distribution or acknowledgment and any required training.

4. Annual compliance review

At least annually, the Financial Aid Office and General Counsel must review relationships with Lenders, guarantors, servicers, loan platforms, Third-Party Servicers, and Institution-Affiliated Organizations; any historical or preferred lender information; relevant contracts and compensation arrangements; required disclosures; conflict reports; advisory-board reimbursements; and required federal reports. The review and corrective actions must be documented.

5. Records

Southwestern must retain annual notices and acknowledgments, training records, conflict disclosures and resolutions, lender-list reviews, contracts and compensation confirmations, advisory-board reimbursement records, required reports, and corrective-action records in accordance with applicable law and Southwestern's Record Retention and Disposal Policy.

6. Questions and reports

Questions and reports of possible violations should be directed to the Director of Financial Aid or General Counsel, subject to the alternate routing in Section F. A Covered Individual should seek guidance from the General Counsel before accepting a benefit or entering an arrangement whose permissibility is uncertain.

7. Enforcement

A violation may result in corrective or disciplinary action, up to and including termination of employment or a contractual relationship, consistent with applicable Southwestern policies, contracts, bylaws, and law.

H. Policy Revisions

Southwestern expressly reserves the right to change or modify any aspect of this policy at any time, with or without prior notice, subject to applicable law. Material changes will be communicated promptly to Covered Individuals following adoption. Amendments will not be applied retroactively to conduct that was permitted by law and applicable Southwestern policy at the time it occurred.