

Title IV Code of Conduct

The below code of conduct applies to all officers, employees, and agents of American Beauty Academy.

BAN ON REVENUE SHARING AGREEMENTS: Neither American Beauty Academy, nor any of its officers, employees or agents will enter into any revenue-sharing arrangements with any lender, which is defined by the Higher Education Opportunity Act of 2008, amending the Higher Education Act of 1965m (HEOA) as any arrangement between a college and a lender that results in the lender paying a fee or other benefits, including a share of its profits, to the college, or its officers, employees or agents, as a result of the college recommending the lender to its students or families of those students.

BAN ON GIFTS: Any employee of American Beauty Academy who has any responsibilities with respect to education loans or financial aid will not accept gifts from any lender, guaranty agency or loan servicer. A “gift” is defined as any gratuity, favor, discount, entertainment, hospitality, loan, or other item having monetary value of more than a de minimus amount. This prohibition is not limited just to those providers of Title IV loans but includes lenders of “private educational loans” as well. HEOA does provide for some exceptions related to specific types of activities or literature. This includes:

Brochures or training materials related to default aversion or financial literacy.

Food, training or informational materials as part of training as long as that training contributes to the professional development of those individuals attending the training.

Favorable terms and benefits to the student employed by the institution as long as those same terms are provided to all students at American Beauty Academy.

Entrance and exit counseling as long as American Beauty Academy’s staff are in control and they do not promote the services of a specific lender.

Philanthropic contributions from a lender, guarantee agency or loan servicer unrelated to education loans.

State education, grants, scholarships, or financial aid fund administered by or on behalf of the State.

BAN ON CONTRACTING ARRANGEMENTS: Any employee of American Beauty Academy who has any responsibilities with respect to education loans or financial aid will not accept any fee, payment or financial benefit as compensation for any type of consulting arrangement or contract to provide services to or on behalf of a lender relating to education loans.

PROHIBITION AGAINST STEERING BORROWERS: American Beauty Academy and its officers, employees or agents will not steer borrowers to particular lenders, or delay loan certifications. This prohibition includes assigning any first-time borrower’s loan to a particular lender as part of the award packaging process or through other methods.

PROHIBITION ON OFFERS OF FUNDS FOR PRIVATE LOANS: American Beauty Academy and its officers, employees or agents will not request or accept any agreement or offer of funds for

private loans. This prohibition includes any offer of funds for loans to students at American Beauty Academy, including funds for an opportunity pool loan, in exchange for providing concessions or promises to the lender for a specific number of loans, or inclusion on a preferred lender list.

BAN ON STAFFING ASSISTANCE: American Beauty Academy and its officers, employees or agents will not request or accept any assistance with call center staffing or financial aid office staffing. However, HEOA does not prohibit schools from requesting or accepting assistance from a lender related to:

Professional development training for financial aid administrators.

Providing educational counseling materials, financial literacy materials, or debt management materials to borrowers, provided that such materials disclose to borrowers the identification of any lender that assisted in preparing or providing such materials.

Staffing services on a short-term, nonrecurring basis to assist the school with financial aid-related functions during emergencies, including State-declared or federally declared natural disasters, and other localized disasters and emergencies identified by the Secretary.