

Direct Marketing Code of Conduct

Preventing False and Misleading Loan Advertising to Students

- 1. Lenders are prohibited from using misleading marketing tactics including:**
 - a. False insignia or other devices to appear to be part of the federal government
 - b. Fake checks or deceptive rebate offers
 - c. Falsely representing themselves to be the borrower's existing lender
- 2. Lenders are prohibited from paying students to steer their peers to the lender.**
- 3. Lenders are required to submit uniform disclosures to borrowers, enabling students to compare different loan offers based on identical standards; these disclosures must be given to students at three different stages of the loan application process, specifically when:**
 - a. The student applies for a loan
 - b. The student's loan application is approved
 - c. The student signs a promissory note
- 4. Lenders are required to advise students to exhaust federal loan options before using a private loan.**
- 5. Lenders are prohibited from using gift cards, sweepstakes, contests, or prizes to entice students to sign up for their loans.**
- 6. Lenders are prohibited from selling or disclosing the personal information of students and parents unless they clearly disclose, in a prominent and conspicuous privacy policy, their intention to do so.**
- 7. Lenders are required to disclose to the student if they intend to resell the student's loan**
- 8. Lenders are prohibited from levying prepayment or early payment penalties to students**