



HENRY McMASTER  
ATTORNEY GENERAL

April 10, 2007

VIA US MAIL & E-MAIL

Zachary Sturges, Esquire  
Assistant Attorney General  
Investment Protection Bureau  
Office of Attorney General Andrew Cuomo  
120 Broadway, 23<sup>rd</sup> Floor  
New York, NY 10271

Re: Proposed Agreement on Code of Conduct with Clemson University

Dear Mr. Sturges:

This letter is a follow-up to your discussions with Clemson University and this office concerning Clemson entering into a Code of Conduct Agreement with the New York Attorney General's Office as to the practices related to higher education loans offered to students and parents. Specifically, your interest was in the area of private "alternative loans" that may be promoted by a university, such as Clemson, with preferred lenders in which there is a revenue sharing agreement. As you are aware, Clemson has one such arrangement with Education Finance Partners, Inc. (EFP) which was entered into in April 2006 after EFP was selected pursuant to Clemson following the State Procurement procedures.

Pursuant to your inquiry, this office, in conjunction with Clemson University, has reviewed Clemson's practices with regard to student financial aid, including the practices addressed in your Agreement. Based upon this review, we confirm herein what we orally advised you yesterday - that Clemson will not be entering into the Agreement. This decision was based upon our determination that as to student financial aid, generally, and preferred loans with revenue sharing agreements, specifically, no conflicts of interest existed and no untoward relationships are present.


We appreciate your office's work and interest in the area of the relationships between colleges and lenders as to student financial aid. Based upon our discussions with you, Clemson, in conjunction with consulting with this office, will continue to monitor its student financial aid program, including whether or not to continue with its preferred lending-revenue sharing

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arrangement. Further, based upon discussions with your office, Clemson has added language to its loan program website which is already included in the "Federal Truth in Lending Disclosure Statement" that provides additional notice of the revenue sharing arrangement. Also, as you have been advised, Clemson will continue to use any revenue generated pursuant to this arrangement to fund a program for emergency funds for students. Clemson is proud of its reputation as being one of the finest public institutions in the country and its goal is to continue that recognition in the area of student loan programs.

Once again, Clemson and this office thank you for your time and consideration in discussing the issues in this matter. We also appreciate the benefit of your expertise and your sharing with us the results of your investigation. Personally, I have enjoyed working with your office in the areas of antitrust and consumer protection and look forward to working with you and your office in mutual areas of concern in the future.

Very truly yours,



C. Havird Jones, Jr.  
Senior Assistant Attorney General

CHJJr/rho

cc: Henry D. McMaster, South Carolina Attorney General  
John W. McIntosh, Chief Deputy Attorney General  
James F. Barker, FAIA (via facsimile)  
Clayton Steadman, Esquire (via e-mail)