§ 627. Standards for preferred lender lists. A covered institution that provides or makes available a preferred lender list must comply with the following standards:

1. A preferred lender list must disclose the process by which the covered institution selected lending institutions for such preferred lender list, including, but not limited to, the method and criteria used to choose the lending institutions and the relative importance of those criteria;

2. A preferred lender list must state in the same font size and same manner as the predominant text on the document that borrowers have the right and ability to select the education loan provider of their choice, are not required to use any of the lenders on such preferred lender list, and will suffer no penalty for choosing a lender that is not on such preferred lender list;

3. The covered institution's decision to include a lending institution on any preferred lender list and the covered institution's decision as to where on the preferred lender list the lending institution's name appears shall be determined solely by consideration of the best interests of the borrowers who may use such preferred lender list without regard to the pecuniary interests of the covered institution;

4. The contents of any preferred lender list shall be reviewed and updated no less than annually;

5. No lending institution shall be placed on a preferred lender list unless such lending institution provides assurance to the covered institution and to borrowers who take out loans from such lending institution that the advertised benefits upon repayment will continue to inure to the benefit of borrowers regardless of whether the lending institution's loans are sold;

6. No lending institution that, to the covered institution's knowledge after reasonable inquiry, has an agreement to sell its loans to another unaffiliated lending institution shall be included on a preferred lender

list unless such agreement is disclosed therein in the same font size and same manner as the predominant text on the document in which the preferred lender list appears;

7. No lending institution shall be placed on a covered institution's preferred lender lists or in favored placement on a covered institution's preferred lender lists for a particular type of loan, in exchange for benefits provided to the covered institution or to the covered institution's students in connection with a different type of loan.