

MORTGAGE BANKERS ASSOCIATION OF NORTHWEST OHIO CONSTITUTION

ARTICLE I: NAME and FORM

The name of this organization shall be Mortgage Bankers Association of Northwest Ohio (MBA/NWO). Its form is that of an unincorporated non-profit association.

ARTICLE II: PURPOSE and OBJECTIVES

The purpose of this association is to promote the welfare of mortgage bankers/brokers in the Northwest Ohio area and to improve their service to the community by giving effect to the following objectives;

- 1) Recognize to the fullest extent the obligations of its members to act in accordance with the highest standards of business ethics as set forth in the By- Laws of this association;
- 2) To preserve and improve the mortgage banking correspondent system and to encourage its use in the making and servicing of mortgage loan investments.
- 3) To inform its members of changes in laws and regulations and pending legislation affecting the real estate and mortgage business;
- 4) Provide a means of sponsoring or conducting business meetings, or programs of interest, on various pertinent subjects, including educational seminars;
- 5) Afford the opportunity for those engaged in the business to secure the benefits of personal acquaintance and interchange of ideas both by individual contact and public discussion.

ARTICLE III: MEMBERSHIP

SECTION 1 – Membership Qualifications

Voting Membership. Any person, firm, partnership, or corporation, established as a business which is located in and/or doing business in the State of Ohio, and which has been actively and is currently engaged, in whole or in part in one or more of the following businesses for a period of at least one year: originating, buying, selling and/or servicing real estate mortgage loans, may be eligible for election as an active voting member of the association.

Associate/Non-Voting Membership. Individuals, partnerships, firms, or corporations established to do business, located in the State of Ohio or doing business therein, such as real estate agents and/or brokers, attorneys, accountants, appraisers, surveyors, title companies, private mortgage insurers, fire and casualty insurers and/or agents, educators, etc., may be eligible for membership in this association on a non-voting basis.

Life Membership. Any individual who has retired from the employment of any Voting Member or Associate/Non-Voting Member is eligible for Life Membership. Life Members shall have the same privileges as Associate Members. Dues would be established by the Board of Directors at a reduced, nominal amount.

Nothing herein shall be construed to prevent any individual of either class from serving on any appointed committee, either as chairman or committee member.

SECTION 2 – Voting Privileges

Each voting member of the Association shall have one (1) vote.

SECTION 3 – Application for Memberships

Applications for membership shall be considered only when sponsored by and proposed in writing by two members who shall submit to the membership committee such information as may assist them in passing on the qualifications of the candidate. Two-thirds (2/3rds) clear ballot of the entire Board of Directors shall be necessary for election. Application shall be accompanied by an initiation fee in an amount determined by the Board of Directors. If membership is not granted, said fee shall be returned to the applicant. New members will be introduced at the first meeting of the Association following their approval.

SECTION 4 – Censure, Suspension and Expulsion

Any member may be censured, suspended, or expelled from the Association for cause, upon written complaint to, review by, and recommendation of two-thirds (2/3rds) vote of the entire Board of Directors followed by a two-thirds (2/3rds) vote of the quorum of the Association, but no member shall be censured, suspended or expelled until the member shall have had thirty (30) days written notice and reasonable opportunity to make defense to the Board of Directors.

A member who has been expelled from the Association for cause shall not be considered for re-election to membership for a period of at least two (2) years from the date of such expulsion, at which time such former member may, upon written application, be considered for re-election to membership in the Association upon such terms and conditions as may be prescribed by the Board of Directors.

SECTION 5 – Delinquent Dues or Indebtedness

Any member who is delinquent for sixty (60) days or more in the payment of dues or other indebtedness to the Association may be suspended from all rights and privileges of active membership by the Board of Directors. Any member who is so delinquent for ninety (90) days

or more shall automatically and without further action by the Board of Directors be dropped from the membership rolls and be denied all rights and privileges of membership.

Reinstatement of such a terminated member shall be accomplished only by a two-thirds (2/3rds) vote of the entire Board of Directors, and upon application for new membership in accordance with Article III, Section 1, and it shall be condition precedent to such reinstatement that all dues and other indebtedness to the Association be paid in full.

ARTICLE IV: DUES

SECTION 1 - The annual dues shall be such amount as established from time to time by the Board of Directors and ratified by the voting members of the Association.

SECTION 2 - The annual dues shall be payable in advance by February 1st of each year.

SECTION 3 - The Board of Directors shall have the right to prorate the annual dues for the unexpired portion of a year during which a new member is elected or ceases to be a member.

ARTICLE V: OFFICERS and BOARD OF DIRECTORS

The officers shall be a President, Vice President, Secretary, and Treasurer, whose duties shall be those usually pertaining to such officers, and as set forth by the By-Laws of the Association. No person shall be eligible to succeed himself/herself as President.

The Board of Directors shall consist of the immediate past President, the four (4) incumbent officers together with four (4) other members of representatives of members elected in the same manner as the officers. Two (2) non-officer members shall be elected at each annual meeting and shall hold office for two (2) years, except for the past President whose term shall be for one (1) year.

Associate Members (and or life members) may be elected (or appointed to fill vacancies) to the positions of President, Vice President, Treasurer, or Secretary, or to be director provided that there are more Regular Members than Associate Members and/or Life Members serving on the Board of Directors at any one time.

Officers and directors will be installed at the annual meeting in May, and serve for a period of one year, or until the new officers and directors are installed. If at any time an officer or director resigns or is removed from his/her position during his/her term of office for any reason, the Board of Directors shall have the right to appoint a successor for the unexpired term.

An officer or director may be suspended or removed from his position by the Board of Directors in the following manner:

- A. The Board of Directors may suspend such officer of director immediately, by two-third (2/3rds) of the entire Board of Directors at a meeting to consider such action; and shall make written notice to the suspended officer within five (5) working days.
- B. The suspension order shall indicate whether it is temporary, and, if so, the duration of such suspension; or whether such suspension shall automatically result in removal from office, if not appealed within the prescribed time.
- C. In the case of a suspension order resulting in a removal from office, the suspended party shall have the right of appeal to the Ethics Committee within ten (10) working days. Failure to appeal shall result in automatic removal from office after said ten (10) day appeal period.
- D. Upon receipt of an appeal, the Ethics Committee shall hold a hearing at which the suspended party will be required to show cause why he/she should not be removed from office.
- E. The Ethics Committee shall report to the Board of Directors within five (5) working days after the hearing, and deliver its recommendation as to whether the suspended party should be reinstated or removed from office.
- F. Upon receipt of the recommendation of the Ethics Committee, the Board of Directors shall meet to determine whether to accept said recommendation. A two-thirds (2/3rds) vote of the entire Board may remove the suspended party from office immediately, and the Board shall issue a final ruling to this effect within five (5) working days after said vote.

ARTICLE VI: MEETINGS

The fiscal year of this Association shall commence May 1st and end April 30th.

Meetings will be conducted according to the procedures established by Robert's Rules of Order.

Regular meetings will be held on a monthly basis, excepting June, July, August, and December. The annual meeting and regular monthly meetings shall be held at the call of the President but in no event shall the annual meeting be held later than June of each year. Special meetings may be called by the President, the Board of Directors, or by request of any five (5) voting members of the Association. One-half (1/2) of the voting members shall constitute a quorum at all meetings. The Secretary shall notify all members in writing of each regular or special meeting. Notice of special meetings shall be mailed at least five (5) days in advance of each meeting.

At any meeting of the Board of Directors, five (5) members shall constitute a quorum and have the right to transact business for the Association, excepting those circumstances specifically enumerated in the constitution or by- laws which require a higher vote.

ARTICLE VII: COMMITTEES

The President, subject to the approval of majority of the Board of Directors, shall select all committees from the members or representatives of members.

ARTICLE VIII: AMENDMENTS

This Constitution may be amended at any regular or special meeting of the Association provided that ten (10) days written notice of such proposed amendment shall have been furnished to all members of this Association.

ARTICLE IX: EXECUTIVE SECRETARY

The Board of Directors shall be vested with the authority to employ an Administrator, who need not be a member of the Association, who will be directly responsible to the President, and whose rights, duties, and term of service, will be enumerated by the Board of Directors. Compensation for the services of the Administrator shall be set by the unanimous vote of a quorum of all Board members present at any regular or special Board meeting.

BY-LAWS OF THE MORTGAGE BANKERS ASSOCIATION OF NORTHWEST OHIO

SECTION 1: INITIATION FEES AND DUES

The initiation fee for membership in the Mortgage Bankers Association of Northwest Ohio shall be \$125. Annual dues shall be in such amount as established from time to time by the Board of Directors and ratified by the members of the Association.

SECTION 2: DUTIES OF OFFICERS AND BOARD OF DIRECTORS

A. Duties of the President

The President shall exercise supervision over the other officers and the business of the Association. The President shall call and preside at all regular and special meetings of the Board of Directors and the members, appoint all standing committees which shall function during the term of his/her office, enforce the observance of the rules, regulations, and by-laws of the Association and propose and recommend action which in his/her judgment is beneficial to the interests and welfare of the Association and its members. In addition, he/she shall have such additional powers and duties as the Board of Directors may from time to time assign to him/her.

B. Duties of the Vice President

In the absence of the President, or in the event of his/her inability or refusal to act, the Vice President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all restrictions upon the President. The Vice President shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe. The Vice President shall serve as the chair of the program committee.

C. Duties of the Secretary

It shall be the duty of the Secretary to keep the minutes of each Board and special meeting, and further duties as may from time to time be assigned to him/her by the Board of Directors or the President, and deliver all book, paper and property of the Association in his/her possession to his/her successor, or to the President. In the absence of the President and Vice President, the Secretary shall perform the duties of the President.

D. Duties of the Treasurer

Each May the Treasurer shall prepare a proposed budget of income and expenses for the coming year with the assistance of any of the other directors, and will present the budget to the Board for their review and approval. The Treasurer shall receive and safely keep in charge all money and other property belonging to the Association, and shall do with or

disburse the same as directed by the President or the Board of Directors, shall sign singularly or with another officer all checks drawn on bank accounts of the Association, shall keep an accurate account of the finances, and business of the Association, including accounts of its assets, liabilities receipts, disbursements, together with such other accounts as may be required and hold the same open for inspection and examination by the Board of Directors; shall, upon the expiration of his/her term of office, deliver all money and other property of the Association in his/her possession or custody to his/her successor or to the President; and shall perform such other duties as from time to time may be assigned to him/her by the Board of Directors.

E. Duties of the Administrator

The Administrator shall have such authority and perform such duties as the President and the Board of Directors may, from time to time, prescribe, including, but not limited to, the duties of the Secretary and the Treasurer.

F. Duties of the Immediate Past President

The Immediate Past President shall serve as the Chair of the Nominating Committee, which will consist of one Director and one person from the general membership. The slate for the coming year will be presented at the March meeting and a corresponding written notice will be sent to the membership. The election of officers will occur at the April meeting.

G. Duties of the Board of Directors

Except as otherwise provided by law, the Constitution or by- laws, all authority of the Association shall be vested in and exercised by the Board of Directors.

The Board of Directors at its regular meeting in January of each year appoint a Nominating Committee consisting of three (3) persons, who shall nominate one or more candidate(s) for each of the offices of President, Vice President, Secretary, and Treasurer, and the elective directors. The elections shall be held at the April meeting. Additional nominations may be received from the floor, if duly seconded. Any nomination must carry the candidate's consent. The candidates receiving a plurality of all votes cast for any office shall be declared elected.

SECTION III – LIMITATION OF AUTHORITY

Except as specifically directed by the Board of Directors, no member shall have authority to act on behalf of the Association or represent the Association.

SECTION IV – COMMITTEES

All the committees of members of the Association shall be appointed by the President and approved by the Board of Directors. The standing committees, deemed necessary and appropriate by the President and Board of Directors, shall be appointed within sixty (60) days after the annual meeting. Standing Committees will include but are not necessarily limited to Membership, Ethics/Grievance, Program, Communication, Special Events, Constitution/Bylaws, Legislative, Education, and Audit.

SECTION V – AMENDMENTS

The by-laws may be amended at any regular or special meeting of the Board of Directors, provided notice of such proposed amendment shall have been furnished to the Members either in writing or at a regular meeting of the Association.

SECTION VI – CANONS OF ETHICS OF THE MORTGAGE BANKERS ASSOCIATION OF NORTHWEST OHIO

- Canon 1 – Members shall conduct their business in a professional manner, ensuring that their personnel are knowledgeable in the areas of mortgage banking in which they participate and are acting in compliance with sound industry practices.
- Canon 2 – Members shall act in conformity with applicable laws and regulations and shall cooperate in every appropriate way with all governmental bodies in the interest of establishing and maintaining an efficient and firm framework for mortgage credit.
- Canon 3 – Members shall act in a manner that recognizes that integrity and confidence are essential in the mortgage banking business.
- Canon 4 – Members shall accord oral agreements the same sanctity given to written agreements.
- Canon 5 – Members shall not breach or avoid an agreement or commitment. Canon 6 – Members shall encourage healthy competition in the mortgage banking business.
- Canon 7 – Members shall conduct their business without regard to the race, color, sex, religion, marital status, national origin, physical handicap, family status, or age of the persons with whom they deal.
- Canon 8 – Members shall preserve the integrity of all parts of a loan submission and appraisal report and make full disclosure of all pertinent facts including any interest they may have in the loan project or property.
- Canon 9 – Members shall consider a servicing contract to be an integral part of the mortgage banking correspondent system, and such a contract shall be terminated only

with sufficient reason with the good faith nature of such a contract being recognized by both parties.

- Canon 10 – Members shall not quote to a prospective borrower interest rates or other loan terms that are not likely to be obtained.
- Canon 11 – Members shall make all reasonable efforts to process loan applications and advise applicants of approval or disapproval promptly and to close and disclose in a timely manner.
- Canon 12 – Members shall use all efforts available in servicing investments, entrusted to their care effectively to discharge their obligations to both investor and debtor.
- Canon 13 – Members shall maintain all monies that are received in escrow, reserve or impound accounts in a prudent and identifiable manner and shall disburse these funds for the purpose of which they were received.
- Canon 14 – Members shall cooperate with the Ethics and Standards of Practice Committee in furnishing information relative to any investigation of a possible violation of the Canons of Ethics and Standards of Practice.

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