



NRMLA ETHICS ADVISORY OPINION 2013-1  
Ethical Product Offerings  
April 18, 2013

The Ethics and Standards Committee (the “Committee”) of the National Reverse Mortgage Lenders Association, the trade association of the reverse mortgage lending industry, enforces the NRMLA Code of Ethics and Responsibility (the “Code of Ethics”). All NRMLA Members are required to comply with the Code of Ethics as a condition of their continued membership in NRMLA. If the Committee determines that a NRMLA Member has not complied with the Code of Ethics, sanctions may be imposed, up to and including the termination of its NRMLA membership. Committee decisions enforcing the Code of Ethics may be made public.

The Code of Ethics may be found at [www.NRMLAOnline.org](http://www.NRMLAOnline.org).

The Committee also interprets the Code of Ethics and, from time to time, may propose changes to it for consideration and approval by the NRMLA Board of Directors.

Finally, the Committee periodically issues formal interpretations of the Code of Ethics (“Ethics Advisory Opinions”) for the guidance of NRMLA Members.

This Ethics Advisory Opinion 2013-1 addresses Ethical Product Offerings.

Rule 106 of the Code of Ethics requires that NRMLA Members offer and provide their products and services to all consumers who may be eligible or qualified for them, and in compliance with all applicable fair housing and fair lending laws.

Rule 107 of the Code of Ethics requires NRMLA Members to describe to consumers the range of programs and products *offered by the Member* that may provide a bona fide advantage to such consumers (emphasis added).

Rule 502 of the Code of Ethics requires NRMLA Members to provide their products and services to consumers with diligence and due care and in a manner considerate of the interests of such consumers.

Rule 301 of the Code of Ethics requires NRMLA Members accurately to describe both the costs and benefits of the products and services presented to consumers.

Rules 104 and 105 of the Code of Ethics require NRMLA Members to communicate with consumers in a manner that is fair and not misleading.

The Committee has concluded, for reasons described below, that it is appropriate to amend Rule 107 of the Code of Ethics to require that NRMLA Members, consistent with their obligation to

comply with the provisions of the Code of Ethics, offer and describe to consumers the full range of products and programs generally available in the marketplace, rather than only those programs and products they otherwise might choose to offer or describe.

The NRMLA Board of Directors having approved this amendment to Rule 107, the Committee, through this Ethics Advisory Opinion 2013-1 (Ethical Product Offerings), hereby informs NRMLA Members that, effective no later than sixty (60) days following the issuance of this Opinion, NRMLA Members are obligated to comply with revised Rule 107, described immediately below.

Rule 107 (Revised)

NRMLA Members shall offer and describe the full range of products and programs generally available in the marketplace that may provide a bona fide advantage to such consumers.

It is the view of NRMLA that the provisions of the Code of Ethics taken as a whole, including but not limited to a consideration of the Rules described above, effectively and appropriately require that NRMLA Members both offer and describe to consumers (including to prospective borrowers and their trusted advisors) the full range of products and programs generally available in the marketplace that may provide a bona fide advantage to such consumers, and not just those products and programs that they otherwise might chose to offer or describe.

It is the view of NRMLA that for NRMLA Members to do less, and to offer and describe other than the full range of such products and services, is not consistent with the interests of such consumers, and thus is inconsistent with the requirements of Rule 502 of the Code of Ethics, Rules 104 and 105 of the Code of Ethics, and the Values described in the Code of Ethics.

Accordingly, with respect to FHA-insured HECM reverse mortgage loans, that in fact are generally available in the marketplace, revised Rule 107 requires that NRMLA Members--that originate HECM products offer (originate) and describe all FHA HECM products and programs (Standard, Saver, Fixed and Variable).

Furthermore, NRMLA Members are reminded that, under these Rules as revised, and the Code of Ethics, NRMLA Members are required fairly to describe to consumers both the costs and benefits of all such FHA HECM products and programs.

NRMLA Members, seniors, and others are urged to bring to the attention of NRMLA's President and the Committee concerns they may have about potential Unethical Advertising directly or indirectly by NRMLA Members, for consideration and action by the President and Committee in accordance with the procedures described in the Code of Ethics. Contact information for NRMLA may be found at its website at [www.NRMLAOnline.com](http://www.NRMLAOnline.com).