NRMLA Code of Ethics & Professional Responsibility
Ethics and Standards Complaint Procedures (As Revised June 16, 2009)

Preamble and Applicability
The NRMLA Code of Ethics and Professional Responsibility (Code of Ethics) describes Values shared and Rules applicable to all NRMLA Members. Under the Code of Ethics, NRMLA Members generally are responsible and will be held responsible for the actions or failures to act of their officers, directors, employees, agents and representatives. NRMLA Members unable or unwilling to commit and to adhere to the Values and comply with the Rules, or that are determined by the NRMLA Ethics and Standards Committee not to have so complied, may not be NRMLA Members.

This Code of Ethics does not describe, nor does it attempt to describe, the full range of conduct and behavior to which NRMLA Members may subscribe or adhere as they participate in the reverse mortgage marketplace and interact with consumers in an ethical, professionally responsible, and lawful manner. What the Code of Ethics does describe are the Values and Rules applicable to NRMLA Members if they are to be and remain NRMLA Members. Accordingly, the Code of Ethics does not define the standards and behavior of a NRMLA Member for the purpose of determining its civil or criminal liability.

This Code of Ethics also does not impose on NRMLA Members the duty of learning or disclosing technical facts pertaining to taxation, real estate law, retirement planning or financial advice involving the real estate or financial markets.

This Code of Ethics also does not confer any rights upon any NRMLA Member or any complainant or third party.

Composition and Scope
The Code of Ethics is divided into two parts: Part I – Values and Part II – Rules. The Values convey the ethical and professional principles that NRMLA Members are expected to portray in all business and professional interactions. The Rules address the guidelines and standards of ethical and professional behavior applicable to NRMLA Members.
Compliance
Member organizations are required to adhere to the Values and comply with the Rules of the Code of Ethics if they are to be and remain NMRLA Members. The Ethics and Standards Committee will investigate, review and take appropriate action with respect to alleged violations of the Code of Ethics by NRMLA Members, under the policies and procedures set forth in Appendix A.

Part 1 – Values

NRMLA Members are mindful that the soundness, usefulness, prosperity and future of our industry depend upon their honor and integrity, and on the manner in which they interact with each other and with the seniors whose interests they serve. Accordingly, each NRMLA Member agrees to observe and maintain and adhere to the following Values.

Value 1: Fairness
NRMLA Members shall treat consumers with respect and dignity, and in a manner that is fair, reasonable and as they would want to be treated.

Value 2: Confidentiality
NRMLA Members shall appropriately respect, protect, preserve and safeguard the privacy of and confidentiality of information obtained from and about consumers.

Value 3: Integrity
NRMLA Members shall act with integrity, adhering both to the letter and the spirit of this Code of Ethics, and appropriately and timely disclosing to consumers potential conflicts of interest.

Value 4: Competence
NMRLA Members shall provide services to consumers in a competent manner, acquiring and maintaining necessary and appropriate knowledge, skills and experience to do so, and referring consumers to others with such knowledge, skills and experience when they are unable to do so.

Value 5: Diligence
NRMLA Members shall provide services to consumers with diligence and due care, promptly, thoughtfully, in a manner considerate of the interests of consumers and fully in compliance with all applicable legal and regulatory requirements.

Value 6: Professionalism
NRMLA Members’ conduct shall reflect positively on NRMLA, the profession and the industry.
Part II – Rules

Consistent with the Values described in Part I, NRMLA Members agree to comply with the following Rules (as applicable).

Rules Related to the Value of Fairness

Rule 101
NRMLA Members shall timely and accurately describe to consumers:

- Material information relevant to the relationship, including, the Member’s business affiliation, contact information, and the scope of and limitations on the Member’s authority to act; and
- The information required by all laws applicable to the relationship in a manner complying with such laws, including counseling agency contact information, estimates of fees and charges, and relationships with others who may be assisting or providing related services.

Rule 102
NRMLA Members compensation shall be reasonable in amount and clearly and timely described to consumers. Estimates shall be clearly identified as such and be based on reasonable assumptions.

Rule 103
NRMLA Members directly or indirectly offering or providing goods or services to consumers (including, for example, insurance or investment products) in conjunction with or that are related to their reverse mortgage lending activities for such consumers, shall do so only in a manner consistent with applicable law and under terms and conditions that are clearly and timely described to such consumers.

Rule 104
NRMLA Members shall not, directly or indirectly, solicit or communicate with consumers through false or misleading or deceptive or unfair communications or advertisements or in any manner inconsistent with applicable law. In such communications and advertisements, NRMLA Members shall not refer to third parties (including, for example, HUD or the FHA or the federal government or the AARP) unless such third parties have agreed to be so referred to therein. A communication or advertisement on behalf of NRMLA Member clearly shall identify that NRMLA Member.

Rule 105
NRMLA Members shall not engage in conduct involving dishonesty, fraud, deceit or misrepresentation, or knowingly make a material false or misleading statement to consumers or others.
Rule 106
NRMLA Members shall 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
NRMLA Members shall describe to consumers the range of programs and products generally available in the marketplace that may provide a bona fide advantage to such consumers.

Rule 108
In appropriate cases, NRMLA Members shall encourage consumers to review contemplated transactions with their family members or trusted advisors, and shall reasonably cooperate in such reviews.

Rule 109
NRMLA Members shall make a good-faith effort to resolve concerns received from consumers about the products and services they offer or provide to them.

Rules Related to the Value of Confidentiality

Rule 201
NRMLA Members shall take reasonable steps (including implementing appropriate training and compliance procedures) to help assure that the privacy of and confidentiality of information obtained from and about consumers is respected, protected, honored and safeguarded, and shall do so in a manner consistent with applicable law.

Rules Related to the Value of Integrity

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

Rule 302
NRMLA Members shall not require directly or indirectly that products or services other than the reverse mortgage loans they offer or provide, also must be purchased by consumers in order to obtain reverse mortgage loans from or through them.

Rule 303
Other than as appropriate under the circumstances (including for example to pay third party costs, make prior loan payoffs or fund set-asides directly related to reverse mortgage transactions), and unless otherwise directed by consumers, NRMLA Members shall arrange for the disbursements of reverse mortgage loan proceeds directly to such consumers.
Rule 304
Material potential conflicts of interests involving NRMLA Members and consumers shall timely and accurately be described to consumers prior to the rendering of material services by such Member so that they, assisted as appropriate by family members, trusted advisors and counselors, reasonably may assess whether and the circumstances under which they may choose to do business with such NRMLA Members.

Rules Related to the Value of Competence

Rule 401
NRMLA Members shall acquire and maintain the necessary and appropriate knowledge, skills and experience required to competently offer and provide their products and services in a manner consistent with this Code of Ethics and applicable law, including, as applicable, in the origination, processing, underwriting, closing and servicing of reverse mortgage loans.

Rule 402
NRMLA Members shall advise consumers to seek legal, tax, and investment counsel and advice, if it may reasonable appears to be in the interests of such consumers that they do so, prior to making decisions involving reverse mortgages. NRMLA Members not qualified and appropriately licensed to provide such counsel and advice to consumers shall not do so, and shall, instead, refer such consumers to those who are.

Rules Related to the Value of Diligence

Rule 501
NRMLA Members shall exercise reasonable efforts to secure sufficient information to determine the consumer’s needs and objectives.

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

Rules Related to the Value of Professionalism

Rule 601
NRMLA Members shall take reasonable steps to help assure that their employees understand and act in a manner consistent with the requirements of this Code of Ethics.

Rule 602
NRMLA Members shall neither accept no condone actions or failures to act of other NRMLA Members that are inconsistent with this Code of Conduct. NRMLA Members knowledgeable about potential material violations of this Code of Ethics by others subject to its provisions strongly are encouraged to bring such potential violations to the attention of NRMLA in the manner described in this Code of Ethics.
Rule 603
NRMLA Members shall not bring or threaten to bring complaints under this Code of Ethics, or make or threaten to make use of this Code of Ethics, for no substantial purpose other than to harass, maliciously injure, embarrass and/or unfairly burden another NRMLA Member.

Rule 604
NRMLA Members timely shall pay to NRMLA amounts due and owing to it related to their membership in NRMLA.

Rule 605
NRMLA Members shall comply (with the advice of qualified counsel as appropriate) with all applicable regulatory requirements include provisions of the federal Real Estate Settlement Procedures Act barring among things referral fees and kickbacks, state mortgage regulatory provisions requiring licensing, and, with respect to FHA-insured HECM reverse mortgage loans, FHA requirements regarding licensing and employees and restricting arrangements with third parties.

Rule 606
NRMLA Members reasonably shall cooperate with NRMLA and its Standards and Ethics Committee in their consideration of complaints under this Code of Ethics made against or involving them. NRMLA Members shall honor the confidentiality requirements described in Appendix A of the Code of Ethics that are applicable to them.

Rule 607
NRMLA Members shall employ individuals who have passed a background check and are determined by them to be of good moral character.
Appendix “A”

NRMLA’s Policies and Procedures: Code of Ethics Complaints Against Members
(As Revised June 16, 2009)

The President of NRMLA will receive and review complaints that NRMLA Members have violated the NRMLA Code of Ethics and take action, including referring complaints to the Co-Chairs of the NRMLA Ethics and Standards Committee for consideration by the Committee, pursuant to the following policies and procedures. The President of NRMLA, in consultation with the General Counsel of NRMLA as appropriate, shall have the discretion to vary these procedures when it is determined that to do so would be in the best interests of NRMLA and its Members. These policies and procedures do not confer any rights upon any NRMLA Member or any complainant or third party.

I. Source of Complaints

A. Complaints May Originate From:

1. Members (including but not limited to the President of NRMLA and the Co-Chairs and Members of the Ethics and Standards Committee), or
2. Non-Members (including consumers)

B. Complaints May Be Against:

1. Members, or
2. Non-Members

II. Receipt and Review of Complaints

A. Complaints initially will be referred to and reviewed by the President of NRMLA.

B. NRMLA shall not review or act upon anonymous complaints. (However, in limited circumstances, as described below, NRMLA may respond to complaints without further identifying the complainant.)

C. Complaints against Non-Members

NRMLA will respond to complaints against Non-Members by informing the complainant that NRMLA is unable to take action in response to such complaints, and, where appropriate, refer the complaining party to an
appropriate agency or authority if it appears that they may be able to be of assistance. In addition, or as an alternative, NRMLA itself may bring such complaints to the attention of such agencies or authorities with a request that they make such further inquiries and take such further steps, in response to such complaints, as they deem appropriate.

D. Complaints against Members

1. Complaints against Members should contain sufficient facts to permit an “initial determination” to be made by the President of NRMLA.

   (a) If, in the judgment of the President, the complaint contains sufficient facts upon which the President may make an “initial determination,” the President shall take one of two actions:

   (i) If the complainant does not state a complaint against a Member of the type or scope that warrants further action, the President shall inform the complainant of that determination by the President and the decision of the President shall be final. The President concurrently shall report all such determinations to the Co-Chairs of the Ethics and Standards Committee, including a brief statement of the reasons for the determination.

   (ii) If the complainant states a complaint against a Member of the type and scope that warrants further action, the President shall seek and secure from the complainant the complainant’s agreement that the written complaint or any statements contained or information included therein (including but not limited to the identity of the complainant) may be shared with the Member that is the subject of the complaint or any other party deemed necessary and appropriate to assist in better understanding or resolving the complaint, including members of the Ethics and Standards Committee, the Board of Directors, and General Counsel.

   (b) If, in the judgment of the President, the complainant does not recite and include sufficient facts or allegations upon which the President may make an ”initial determination,” NRMLA will notify the complaining party that additional facts are required and provide an additional ten (10) business days from the date of such letter for the complainant to supplement the complaint. In any event, before forwarding a complaint to the Ethics and Standards Committee or any other person or entity, the President shall secure the agreement of the complainant that the written complaint and any statements contained or information included therein (including but
not limited to the identity of the complainant) may be shared with the Member that is the subject of the complaint or any other party deemed necessary and appropriate to assist in better understanding or resolving the complaint, including members of the Ethics and Standards Committee, the Board of Directors, and General Counsel. Absent special circumstances, a refusal by a complainant to agree to such sharing of the complaint (with the identity of the complainant redacted as requested and appropriate) will result in an initial determination by the President that NRMLA will take no further action in response to the complaint, and the notification to the complainant (and the Ethics and Standards Committee Co-Chairs) of that final determination by the President.

2. Upon receipt of the complainant’s affirmative response to a NRMLA acknowledgement and letter of agreement, the President generally shall provide the Member about which the complaint has been made with an opportunity to respond to the complaint.

3. Ordinarily, the President will provide the respondent Member ten (10) business days to respond in writing. Absent special circumstances, the failure of a respondent to deny or explain any material fact alleged in the complaint within the established response period will be deemed an admission of such fact.

4. The President, based on the complaint and/or the response thereto, and other investigation and consideration of the matter as the President deems necessary and appropriate, shall decide either:

(a) to take no further action in regards to the complaint, having concluded that it is not of the type or scope to warrant further NMRLA action (in which event the President shall so notify the complainant and the respondent Member, and the Ethics and Standards Committee Co-Chairs (accompanied by a brief explanation of the basis for the President’s determination); or

(b) to refer the complaint and response and related materials to the Co-Chairs of the Ethics and Standards Committee, accompanied by a brief explanation of the President’s reasons for so referring the complaint.

III. Review and Action by the Ethics and Standards Committee

A. Unless either Ethics and Standards Committee Co-Chair disagrees with President (in which case the Ethics and Standards Committee Co-Chair shall so notify the President and Chair of the Board of Directors), the Ethics and Standards Committee shall review the complaint, response and related information referred for action by the President.
B. On the basis thereof, and other investigation and consideration of the matter as the Ethics and Standards Committee deems necessary and appropriate, the NRMLA Ethics and Standards Committee shall determine whether the NRMLA Code of Ethics has been violated by the Member that is the subject of the complaint, and, if so, the Ethics and Standards Committee shall determine the action of NRMLA in response thereto. In general, and subject to the provisions of Section C immediately below, actions by the Ethics and Standards Committee against a Member shall be limited to probation (for a specified period, during which another Code of Ethics violation will lead to suspension or withdrawal of NRMLA Member membership), suspension of NRMLA Member membership (for a specified period of time), or withdrawal of NRMLA Member membership for at least three years. A copy of the opinion shall be provided to the complainant, the Member respondent (with redaction of the complainant’s name, as appropriate), the President, and the Co-Chairs of the NRMLA Board of Directors. Opinions of the NRMLA Ethics and Standards Committee are final decisions of NRMLA, subject to the provisions of Section C immediately below.

C. In addition, in circumstances in which the Ethics and Standards Committee determines it to be appropriate, the Committee may decide publicly to: (i) describe the actions taken by the Committee; (ii) describe the Committee’s reasoning; (iii) describe the facts and circumstances that prompted the Committee to act; and/or (iv), subject to additional safeguards described immediately below (the “Additional Safeguards”), identify the NRMLA Member subject its action, by name (with (iv) referred to in these Policies and Procedures as “Naming the Respondent”). Among the circumstances in which the Ethics and Standards Committee may determine it appropriate to Name the Respondent are when it concludes that doing so may serve the Values for which the NRMLA Code of Ethics has been published. Those Values include an express recognition by NRMLA’s Members that “the soundness, usefulness, prosperity and future of our industry depend on the manner in which they interact with each other and with the seniors whose interests they serve.”

As Additional Safeguards, when the Committee determines it to be appropriate to Name the Respondent, it shall notify the NRMLA Member of that determination, and of the intention of NRMLA to do so unless the affected NRMLA Member timely appeals that determination (and describes the basis for its appeal), to NRMLA, in writing, within ten (10) days of that notification. A timely appeal shall be decided by a special three-person Appeals Committee comprised of three (3) Directors appointed by the Co-Chairs of NRMLA, none of whom shall have been members of the Standards and Ethics Committee that made the determination to Name the Respondent. There is no requirement that the Appeals Committee be a “standing” committee of NRMLA. Neither the NRMLA Member nor its lawyer or representative may appear before, argue before, or contact the Appeals
Committee; the appeal shall be in writing, only. The Appeals Committee, in its discretion, may uphold or reverse the decision of the Standards and Ethics Committee to Name the Respondent. Decisions of the Appeals Committee are final decisions of NRMLA.

D. The Ethics Committee shall confer with the President and the General Counsel, as appropriate, and no adverse action shall be taken against a Member without the prior concurrence of the General Counsel that it is action that NRMLA may take against such Member under applicable law and NRMLA’s policies and procedures and this Code of Ethics.

E. The President of NRMLA and the Co-Chairs of the Ethics and Standards Committee shall submit written quarterly reports to the Board of Directors as to the actions taken or not taken with respect to complaints received by the President, and as to recommendations with respect to appropriate amendments to these Policies and Procedures, and the Code of Ethics, as appropriate.

IV. Confidentiality

All Members and NRMLA staff, including but not limited to the President; the Co-Chairs and members of the Ethics and Standards Committee; and members of the Board of Directors, shall maintain the strict confidentiality of all complaints, responses, recommendations and opinions related to any complaints subject to these Policies and Procedures and the Code of Ethics, except as otherwise expressly provide in this NRMLA Code of Ethics. A violation by any Member of this requirement for maintaining strict confidentiality shall be considered by NRMLA to be a violation by such Member of the Code of Ethics.