

BY-LAWS
Of A. M. B. A., INC.
the Alabama Mortgage Brokers Association

ARTICLE I NAME

The name of this organization shall be **A.M.B.A., Inc.**, a non-profit corporation, dba **ALABAMA MORTGAGE BROKERS ASSOCIATION**, as recorded in the County of Jefferson, in the State of Alabama.

ARTICLE II PRINCIPAL PLACE OF BUSINESS

The location of the principal office of **AMBA** shall be in the state of Alabama at such location as shall be determined by the Board of Directors.

ARTICLE III PURPOSE

The purpose of **AMBA** shall be:

1. To promote the common business interests of those engaged in the Mortgage Brokerage industry.
2. To promote cooperative business transactions among it's members.
3. To provide a forum for the effective exchange of Mortgage Brokerage knowledge, trends, ideas and innovations.
4. To promote and enhance the image of the Mortgage Brokerage Profession throughout the State of Alabama.
5. To foster a broad understanding and acceptance of Professional Mortgage Brokering as a source of mortgage financing.
6. To protect the Mortgage Brokerage industry and public through legislative actions.
7. To promote the highest standards of Professional practice and Mortgage Brokering ethics.
8. To promote a cooperative liaison with other related professional groups.
9. To do any and all things that are lawful and appropriate in the furtherance of these purposes.

ARTICLE IV MEMBERSHIP

Section 1. *Classes of Membership and Qualifications*

- A. **PROFESSIONAL** – any person who acts as a Mortgage Broker and maintains a principal place of business in the State of Alabama. A Professional paid member shall have a vote in all affairs of this Association.
- B. **PROFESSIONAL ORIGINATOR** – any additional persons employed in a Mortgage Brokerage firm that originates mortgages. Professional Originator members shall not have a vote in association affairs.
- C. **PROFESSIONAL ASSOCIATE** – any additional persons employed in a Mortgage Brokerage firm. **Professional** Associate members shall not have a vote in association affairs.
- D. **PROFESSIONAL AFFILIATE** – any person employed by any company which has an interest in supporting the Mortgage Brokerage industry. Affiliate members shall not have a vote in association affairs.
- E. **AFFILATE ASSOCIATE** – any person employed by a company that has an existing Professional Affiliate member current on dues. Affiliate Associates shall not have a vote in association affairs.
- F. **REGIONAL AFFILIATE** – any person employed by a company which has an interest in supporting the mortgage industry and only conducts business in one region of the state. Regional Affiliates shall not have a vote in association affairs.

G. **HONORARY** – may be granted to any individual when, in the opinion of the Board of Directors, their actions have been meritorious and/or they have provided a distinguished service to the profession of Mortgage Brokerage or to the Association as determined by the Board of Directors each year. Honorary members shall not have a vote in association affairs.

Section 2. *Applications for Membership*

Complete applications for membership as Professional, Associate, or Affiliate Members shall be those that: (a) have all sections of the membership application completed; (b) are addressed to and received by the Association; (c) include a check covering one year's dues plus application fee, where applicable; (d) bear the name of a sponsor who shall be a Member in good standing of the Association at the time the application is received; (e) agree to comply with the Association's Code of Ethics and Standards of Professional Practice; and (f) such other information as will enable the Association to determine that reputation and integrity of the applicant.

New Member applications and/or questions shall be referred to the Membership committee for its review and recommendation to the Board of Directors at its next regularly scheduled meeting. Applications for Professional, Associate and Affiliate memberships shall require a majority affirmative vote of the Board of Directors present at such meeting, in order to become a member.

Section 3. *RESIGNATION*

Any member may resign from Membership in the Association by filing a letter of resignation with the Secretary. Resignation shall not relieve such member from the obligation to pay in full all dues, assessments or other indebtedness to the Association, which may be due up to the date of resignation.

Section 4. *TERMINATION OF MEMBERSHIP*

Members in any membership classification may have their membership terminated for cause: (a) by a two-thirds vote of the Board of Directors present at any Director's meeting; (b) by non-payment of applicable dues, or (c) by conviction of a felony. For any cause other than non-payment of dues, the vote for removal shall occur only after the Member has been advised of the pending Board action and has been given a reasonable opportunity for defense; such Member, if removed may appeal the decision of the Board at the next annual business meeting of the Association; provided, that notice of the appeal has been given to the President and the Executive Director at least thirty days in advance of the meeting.

ARTICLE V **DUES AND FEES**

Section 1. *Dues Schedule* – The annual dues schedule for each class of Membership shall be determined by the Board of Directors.

Section 2. *Dues Payment* – The first annual dues of a new member shall be payable and submitted in full with the application for Membership. All members shall be billed annually.

Section 3. *Removal for Non-Payment* – Members who fail to pay their prescribed dues and other obligations within thirty (30) days from the time the dues or obligations become due shall be notified that they will be dropped from the membership roles and thereupon forfeit all rights and privileges of Membership if dues are not received within another thirty (30) days. Upon payment of delinquent dues or obligations, the member shall be reinstated.

Section 4. *Dues and Fees* – The Board of Directors shall have the authority to set dues and fees for any class of membership.

ARTICLE VI LOGO USAGE

Any Member of the Association in good standing shall be entitled to use the **AMBA** logo.

ARTICLE VII MEMBERSHIP MEETINGS

Section 1. *Annual* - There shall be an Annual Meeting of the **AMBA** general membership for the receiving of annual reports and other such business. Notice of such meeting shall be mailed, faxed, or emailed to each member at least twenty (20) days before such meeting.

Section 2. *Quarterly* – Quarterly meetings shall be held for the transaction of regular business and the affirmation of Board action.

Section 3. *Special* – Special meetings of the association may be called by the President or the Board of Directors upon the written request of twenty – five (25) percent of the voting members of the association. Notice of the time, date and location of any special meetings shall be mailed to each member at his last recorded address at least thirty (30) days before the time appointed for the meetings, together with a list of the subjects to be considered.

Section 4. *Order of Business* – All meetings of the membership shall be conducted according to Robert’s Rules of Order. Unless a different order of business is adopted by the association, the following is the order:

- (1) Reading of the Minutes of the previous meetings (and their approval).
- (2) Reports of Standing Committees.
- (3) Reports of Select Committees.
- (4) Unfinished business.
- (5) New business.

ARTICLE VIII BOARD OF DIRECTORS

Section 1. *Power & Responsibilities* – The Board of Directors shall have supervision, control and direction of the affairs of the association, shall determine its policies or changes therein, within the limits of the By-laws, shall actively prosecute its purposes and shall have discretion in the disbursement of its funds. It may adopt such rules as advisable, and may; in the execution of the powers granted, appoint such agents as it may consider necessary.

Section 2. *Elections* – Mail, fax, or electronic balloting shall be the method of voting on all officers. The President shall appoint a nominating committee to make their recommendations to the membership for officers of **AMBA** during the October meeting. The executive director shall mail or fax this report to the professional members to be voted on during the November meeting. Professional members who have been a member of **AMBA** since July of that year may vote. Members voting by proxy must have their ballot to the executive director, signed and postmarked/faxed/emailed, before the November meeting. During the November meeting, any professional member may nominate another member from the floor. Such nominations must be

seconded by a professional member. Members present may vote and ballots will be counted by the executive director and two members. The results will be announced to the membership by the December meeting.

Section 3. *Composition* – The Board of Directors shall be composed of professional and affiliate/associate members with at least two-thirds being professional members. The office of President, President-Elect and Vice President shall be held by professional members. The Board of Directors shall be composed of the Officers and Standing Committee chairpersons; also up to twelve Directors –at-large and a Parliamentarian, all appointed by the President and the executive director. All members shall have a vote.

Section 4. *Term of Office* – All members of the board of directors except for the Directors-at-large shall take office on January 1st or when appointed. Their term of office shall be for one year or until their successor is duly elected or appointed. All Directors-at-large shall have a two year term effected in January of the year of appointment. All Past President terms will expire after two years.

Section 5. *Selection* – All members of the Board of Directors shall serve by virtue of their respective elected or appointed position.

Section 6. *Meetings* – The Board of Directors shall meet at regular intervals between Annual meetings upon the call of the President at such times and places as may be designated. Notice of all meetings of the Board of Directors shall be sent via mail/other mode of transmittal to each member of the board at their last recorded address at least ten (10) days in advance of such meetings.

Section 7. *Quorum* – A majority of the whole Board of Directors shall constitute a quorum at any meeting of the board. Any less number may adjourn voting until a quorum is present.

Section 8. *Absence* – Any member of the board unable to attend a duly called meeting of the board shall be required to notify the President two (2) days prior to the meeting. The President may deem the resignation of the director effective upon two (2) consecutive unauthorized absences without written notification by that director to the President. Any Board member residing greater than 150 miles outside of Birmingham are required to attend a minimum of one meeting per quarter with one excused absence per year.

Section 9. *Resignation and Removal* – Any board member may resign at any time by giving written notice to the President, the Secretary or to the board. Such resignation shall take effect at the time specified therein, or if no time is specified, at the time of acceptance thereof, as determined by the President or the board. A member of the board may be removed from their position upon two-thirds (2/3) vote of the general membership attending a legally called meeting. Announcement of the intended vote shall be made at least thirty (30) days prior to the meeting, by publication in the newsletter or by certified mail.

Section 10. *Vacancies* – Any vacancies which may occur on the board by reason of death, resignation or otherwise, may be filled by the President and confirmed at the next general meeting by a majority of of the voting members present.

Section 11. *Proxies* – Voting by proxy is permitted only if the professional member is unable to attend the meeting.

Section 12. *Voting* – Any decision of the board shall be by a majority vote of the directors voting.

Section 13. *Indemnification of Officers and Directors* – The association shall indemnify any/all persons who may serve at any time as a director, officer, committee chair or staff member of the

association and their respective heirs, administrators, successors and assigns, acting in good faith, against any/all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon such person in connection with any proceeding to which such person may be made a party by reason of having been an officer, director, committee chair or staff member of the association, or any settlement thereof, except in relation to matters as to which any such person shall be adjudged in any proceeding liable for that person's own negligence or willful misconduct in the performance of duty: provided that in the event of a settlement of a suit, the indemnification provided for in this section shall apply only when the board approves such settlement and reimbursement as in the best interests of the association. The foregoing right of indemnification shall be in addition to, and not exclusive of any other rights to which such officer, director, committee chair or staff member may be entitled.

ARTICLE IX OFFICERS

Section 1. *Elected Officers* – The elected officers of this association shall be President, President-Elect, Vice President, Secretary and Treasurer.

Section 2. *Term of Office* – Elected officers shall take office at the Annual meeting or January 1st after election and shall serve for one year until their successor is duly elected and qualified.

Section 3. *Vacancies* – Vacancies in any office by reason of death, resignation or otherwise, must be filled by the election for the unexpired term at any special or regular association meeting.

Section 4. *Re-elections* – The elected officers shall not be eligible for election for the same office for more than one consecutive term, except for the Secretary and Treasurer. The Secretary and Treasurer may not serve more than two (2) consecutive terms.

Section 5. *President* – The President shall be the Chief Executive Officer of the association, shall preside at meetings of the association, the board and the executive committee, and shall be a member ex-officio, with a right to vote in case of tie votes only, of all committees except the nominating committee. The President shall also, at association meetings and other such times as he/she shall deem proper, communicate to the association or to the board such matters and make suggestions as may, in his/her opinion, tend to promote the welfare and increase the usefulness of the association and shall perform such other duties as are necessarily incident to the office of President or as prescribed by the board on matters of policy in conducting association affairs.

Section 6. *President-Elect and Vice President* – The President-Elect and Vice President shall perform all duties and exercise all powers of the President when the President is absent or otherwise unable to act in the order designated: President-Elect then Vice President. They shall perform such other duties as may be prescribed from time to time by the board and shall assist the President in the administration of association affairs, working with the board in all matters for the good of all members.

Section 7. *Secretary* – The Secretary shall keep minutes of all meetings of the membership and the board, shall be the custodian of all corporate records, shall give all notices as are required by law, by the Articles of Incorporation, by these By-Laws or which may be assigned by the board.

Section 8. *Treasurer* – The Treasurer shall have charge and custody of all funds of the association and shall deposit funds as required by the board, shall keep and maintain adequate and correct accounts of the association's properties and business transactions, shall render a written financial report, in addition to other reports and accountings to the members as required by the association or by law, and shall perform in general all duties incident to the office of Treasurer

and such other duties as may be required by law, by the Articles of Incorporation, by these By-Laws, or which may assigned by the board. All funds shall be deposited in the name of the association. The Treasurer shall be responsible for having a professional audit performed at the end of each year, which shall be completed within thirty (30) days of year end and a report issued to the board within sixty (60) days of year end.

ARTICLE X COMMITTEES

Section 1. *Appointments, Service and Continuity* – The President shall have the authority to appoint the Chair of all committees, except where specified otherwise in these By-Laws. Members of all committees, except the Nomination, Executive and Finance committees shall be appointed by the committee Chair, with the approval of the President, for a term of one year. To provide continuity, at least two (2) members of each committee, where feasible, shall have served on the same committee the preceding year.

Section 2. *Standing Committees* – The standing committees shall be as follows: Membership, Legislative, Nominating, Ethics, Grievance, Convention, Education and Constitution & By-Laws.

Section 3. *Reports* – All committees shall present their written reports to the board prior to presenting their reports to the general membership.

Section 4. *Membership* – The Membership committee shall concern itself with the expansion, development and retention of general membership as well as development of Chapters and their growth. The committee shall make reports and recommendations to the board as needed.

Section 5. *Legislative* – The Legislative committee shall investigate and make reports on laws and decisions which vitally effect the mortgage brokerage business. The committee shall make recommendations to the board concerning pending legislation and regulation. The committee shall take such other action as directed by the board. The committee shall make an annual report to the members.

Section 6. *Nominating* – The Nominating Committee shall consist of not less than five (5) Professional members, whom shall be the past Presidents of AMBA, if they are available to serve and are in good standing. The Chairperson of the Nominating Committee shall be the Immediate Past President. If five past Presidents are not available to serve, the Chairperson shall nominate and the Board shall approve the appointed committee.

Section 7. *Ethics* – The Ethics committee shall be made up of not less than five (5) members and shall receive complaints referred to it by the Grievance committee. Upon receipt of such complaints, the committee shall hold a hearing in accordance with the procedures established by the board. If the committee determines that a member has violated the AMBA Code of Ethics and /or the NAMB Code of Ethics, the committee may reprimand said member and/or fine said member in a sum not to exceed \$1,000.00. The ethics committee may also recommend to the board that any member be suspended or expelled from the association. In the event of such a recommendation, the board shall hold a hearing in accordance with such procedures as may be established by the board. At the conclusion of said hearing, the board shall resolve whether, and to what extent, the recommendation of suspension should proceed. The board is empowered to also turn over the offending members file to the Alabama State Banking Department.

Section 8. *Grievance* – The committee shall investigate all complaints by and between members of the association, involving unethical practices. The committee may also investigate complaints against association members, made by the general public. All complaints must be

submitted in writing. The committee may dismiss a complaint without requiring an answer to be filed. The committee will have the power to compel any member, against who a written complaint has been received, to file a written answer to charges contained in the complaint. Upon review of the complaint and answer, the committee may dismiss, mediate or refer the complaint to the Ethics committee for disposition.

Section 9. *Constitution & By-Laws* – The Constitution & By-Laws committee shall have referred to it; all suggestions, motions and resolutions involving changes in or amendments to the By-Laws. The committee shall make reports to the board as needed and to the general membership at the annual meeting. Recommended changes or amendments must be submitted to the board prior to submission to the membership.

Section 10. *Convention* – The Convention (Meetings and Conventions) committee shall assist the President and the board in the convention and meeting site selections. The committee shall coordinate all general convention meetings and programs.

Section 11. *Education* – The Education committee shall be responsible to assist the President and board in developing the educational programs of the association.

Section 12. *Executive* – The Executive committee shall consist of the current President and all active past Presidents.

Section 13. *Welcome and Hospitality* – The Welcome and Hospitality committee shall greet all members and guest at monthly luncheons and/or functions. This committee will assist the Executive Director with registrations.

Section 14. *Regional Directors* - Regional Directors are appointed by the President for a term of two years. Responsibilities include assisting in the planning and coordination of regional meetings, education, and member luncheons. Regional Directors are expected to attend monthly board meetings and luncheons as outlined in Article 8, Section 8.

ARTICLE XI **BY-LAWS**

Section 1. *Amendments* – These By-Laws may be amended, repealed or altered, in whole or in part, by a two-thirds (2/3) vote at any meeting of the association membership, provided that a copy of any amendment proposed for consideration shall be mailed or emailed to the last recorded address of each member, at least thirty (30) days prior to the meeting date. The board may pass a change or revision of the By-Laws during any board meeting, by a majority vote, as long as there are enough members present to constitute a quorum.

Section 2. *Members Governed By* – Upon the adoption of these By-Laws, all present and future members Shall automatically be governed by the provisions of said By-Laws.

Section 3. *Interpretation* – In case of any doubt or ambiguity about interpretation of the By-Laws or provisions thereof, the Parliamentarian shall have the right to determine same and such decision shall be final.

Section 4. *Rules of Order* – Robert’s Rules of Order, latest edition shall be recognized as the authority governing association meetings, the board and committees, in all instances.

ARTICLE XII **CODE OF ETHICS AND PROFESSIONAL STANDARDS AND BEST LENDING PRACTICES**

Section 1. *Adoption* – The association shall adopt the NAMB code of ethics and professional standards and best lending practices. and provide for a continuous revision so as to keep pace with developments in the profession and professional associations. The association shall also adopt the NAMB Grievance and review process.

Section 2. *Enforcement* – The organization may adopt such policies and procedures as may be deemed legal and appropriate to enforce member adherence to the Code of Ethics.

Section 3. *Code of Ethics* – The responsibility of the board and its members relating to the Code of Ethics, the disciplining of members and the organization and procedures incident thereto, shall be governed by the NAMB Code of Ethics and guidelines as amended, which by this reference is made a part of these By-Laws.

ARTICLE XIII AFFILIATION

AMBA shall be affiliated with the National Association of Mortgage Brokers. Members of **AMBA** shall automatically be members of the **NAMB** and shall adopt the most recent version of the NAMB By-laws.