

BYLAWS
MORTGAGE BANKERS OF GEORGIA, INC.
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(478-743-8612)

ARTICLE I

PURPOSE

SECTION 1. The purposes of this Association shall be to preserve and improve the mortgage banking system and to encourage its use in the making and servicing of mortgage loan investments; to encourage among its members sound and ethical business practices and methods in the originating, making, marketing and servicing of mortgage loans; to inform its members of changes of mortgage laws and as to pending legislation affecting the real estate and mortgage businesses; to sponsor educational meetings for the discussion of real estate mortgage issues; and to cooperate with the public, government and private agencies in the establishment of sound and ethical mortgage practices.

ARTICLE II

MEMBERSHIP

SECTION 1.A. Any person, or registered legal entity, directly or indirectly, in the mortgage lending business that has subscribed to and shown its ability to conduct its business in such a manner that it meets in every respect the "Canons of Ethics and Standards of Practice" of this Association, and having a home office in the State of Georgia or any representative within Georgia of a firm or corporation engaged, directly or indirectly, in the mortgage lending business having its home office outside of Georgia shall be eligible to apply to become a member of this Association in the manner specified by these Bylaws, except non-residents shall be eligible for associate membership.

B. A separate but subsidiary company is not entitled to membership in nor to the benefits of the Association by virtue of its parent company being a member of the Association. A parent company is not entitled to membership in nor to any benefits of the Association by virtue of its subsidiary being a member of the Association. The Association encourages membership applications from both the parent and the subsidiary corporation with the Board of Governors determining approval of the applications and the proper membership category as provided in this article.

SECTION 2. There shall be two classes of members of the Association: Regular Members and Associate Members. The Board of Governors shall be authorized to create categories of membership in each membership class. Regular and Associate Members' employees who are paid on a W-2 basis may

participate in Association matters under their employer's membership. The qualifications for eligibility for membership as a Regular or Associate Member are as follows:

A. Regular Members. Any person or legal entity, including their branch offices, engaging in mortgage loan origination, brokering, lending or servicing, shall be eligible to apply for membership in the Association as a Regular Members.

B. Associate Members. Any person, or legal entity, which shall not be eligible for Regular Membership, but which shall consist of one of the following, shall be eligible to apply for membership in the Association as an Associate Member:

1. Life insurance companies, real estate investment trusts, public or private investment funds, pension funds, and similar institutions that invest a significant portion of their assets in first mortgage loans on real estate.

2. Title insurance companies and/or trusts and mortgage insurance companies.

3. Attorneys, appraisers, accounting organizations, architects, engineers, or such other persons or firms that share a common interest with the mortgage banking industry and that may be approved by the Board of Governors.

SECTION 3. Applicants for membership shall furnish such information as shall be required in the written application form prescribed by the Board of Governors. All applicants for membership shall be filed in writing with the Executive Director of the Association who shall immediately refer them to the chairman of the membership committee for investigation and recommendation to the Board of Governors. All applications for any class of membership shall include a subscription to the Canons of Ethics and Standards of Practice.

SECTION 4. The Board of Governors shall have the sole authority to determine the proper membership category of each application for membership and to approve or reject each application for membership. A majority of favorable votes of a quorum of the Board of Governors shall be necessary to approve each application for membership. Upon an application for membership being approved, notice of such approval shall be sent by the Executive Director to the applicant together with a statement of dues for the current fiscal year, the payment of which shall be held as an agreement to be bound by the Articles of Incorporation, the Bylaws and the Canons of Ethics and Standards of Practice of the Association. If the approved applicant shall fail to pay the required dues within thirty (30) days following the dues notice, applicant's approval of membership by the Board of Governors shall be void. Any application for membership which is rejected or voided may not be resubmitted to the Board of Governors for a period of six (6) months following the date the application was rejected or voided.

SECTION 5. The membership of this Association, Regular or Associate is not transferable. Any company whose ownership interest changes by sale or merger must submit a new application giving details of the ownership and sale and/or merger within a time specified by the Board of Governors, and submitting any information required by the Board of Governor, on the management of the successor firm. The Board of Governors, after investigation of the successor firm by the membership committee, has the authority to waive the application fee and/or endorsement on the successor company.

SECTION 6. Membership in the Association may be cancelled for business practices which do not comply with the Canons of Ethics and Standards of Practice in accordance with the provisions in Article III.

SECTION 7. Only Regular Members shall be entitled to voting privileges and each Regular Member shall be entitled to one vote. The voting delegate of each Association or firm shall be designated in writing on the membership application, and Regular Members may change the voting delegate by written notice to the Executive Director of the Association who may rely upon such notice without verification or inquiry.

ARTICLE III

CANONS OF ETHICS AND STANDARDS OF PRACTICE PROCEDURES

SECTION 1. Each member of the Association shall be bound by the Canons of Ethics and Standards of Practice as adopted by the Mortgage Bankers Association of Georgia. The Canons of Ethics and Standards of Practice, as adopted, are by reference made a part of these Bylaws attached hereto and designated Exhibit A. Members of the Association and their employees shall conduct their business affairs in such a way so as to foster the aims and goals of the Association. Their actions must be consistent with those requirements or the members will be held accountable under the terms of this Article III. The Canons of Ethics and Standards of Practice are adopted to increase the professional standards of the Association and to provide a benchmark for the business activities of our membership.

SECTION 2. The President shall appoint an Ethics Committee under the authority of Article X at the beginning of his term of office. The purpose of the Committee shall be:

(a) To receive written complaints from members and others of purported violations of the Canons of Ethics and Standards of Practice by any member.

(b) To investigate said complaint by interview of principals involved or by any other reasonable means of determining the facts.

(c) To make a recommendation to the Board of Governors in response to the complaint.

The Committee shall consist of five (5) members. The Chair shall be appointed by the President and one of the members shall be a Past President of the Association.

SECTION 3. (a) Upon receipt of a detailed written complaint signed by the complainant against a member, or on its own motion, the Ethics Committee shall meet to investigate said complaint and to determine the facts surrounding the allegation.

(b) As soon as the facts are determined, a recommendation for action shall be made to the Board of Governors. The Board shall be furnished copies of the complaint and all facts and data discovered in the investigation.

(c) Upon receipt of the recommendation, the complaint and other data, the Board shall review such data and shall notify in writing the member in question of the formal charges. The member shall be given at least ten (10) business days in which to request an appearance before the board to answer the charges. The member at his election may be represented by counsel at any such hearing. At the hearing, the member will be advised of the charges and the evidence supporting the allegation and will be given an opportunity to explain his actions to the board and to present evidence in his behalf. In addition, witnesses may be called by the member and by the board to rebut or to substantiate the charges.

(d) Upon completion of the hearing, the Board shall vote by secret ballot to:

- (1) Expel the member from the Association
- (2) Censure the member; or
- (3) Exonerate the member.

A simple majority of a quorum shall determine the question. If the member is expelled, the membership certificate will be cancelled, and the member will forfeit all rights and privileges of membership.

ARTICLE IV

DUES

SECTION 1. The Association may require applicants for membership to pay an application fee as determined by the Board of Governors, which fee shall accompany the application for membership.

SECTION 2. The annual dues of this Association for all members shall be determined by the Board of Governors and shall be due and payable within thirty (30) days after billing. The Board of Governors shall determine when to terminate membership for nonpayment of dues. Terminated members shall cease to enjoy all member benefits and privileges, including serving on the Board, serving on committees and voting. Any further consideration for membership shall be at the discretion of the Board of Governors.

SECTION 3. Dues of any new member shall be collected in advance and pro-rated as follows: admitted during the first half of the fiscal year 100%; and admitted during the second half of the fiscal year 50%.

ARTICLE V

BOARD OF GOVERNORS

SECTION 1. The affairs of the Association shall be managed by the Board of Governors, membership of which shall consist of the President, First Vice President, Second Vice President, the Secretary-Treasurer, the Immediate Past President, the President of the Atlanta Mortgage Bankers Chapter, or their designee, and sixteen (16) elected governors. At least twelve (12) of the sixteen (16) elected governors shall be Regular Members of the Association. Three (3) of the sixteen (16) governors shall be elected as State-at-Large governors and three (3) shall be elected from each of three (3) districts as defined in Section 2 of this article. If there are no eligible governors to fill a position in any one of the districts, then a governor from a different area of the state may serve as a governor of that district. Four (4) elected governors shall be Associate Members of the Association.

SECTION 2. The Board of Governors shall divide the State of Georgia into three (3) geographical districts, taking into account the Association membership, population and mortgage banking activities within each defined district. The districts shall be designated respectively as District No. 1, District No. 2, and District No. 3. each district shall be represented on the Board by three Regular Members of the Association who shall reside in the districts from which they are elected. The districts are defined as follows:

(1) District No. 1 shall be comprised of the following counties: Dade, Walker, Catoosa, Whitfield, Murray, Chattooga, Gordon, Floyd, Bartow, Polk, Fannin, Union, Gilmer, Pickens, Cherokee, Towns, Rabun, White, Lumpkin, Dawson, Forsyth, Hall, Banks, Jackson, Barrow, Habersham, Stephens, Franklin, Madison, Hart, Elbert, Clarke, Oconee, Oglethorpe, Wilkes, Lincoln, Haralson, Paulding, Cobb, Carroll, Douglas, Fulton, DeKalb, Gwinnett, Heard, Coweta, Fayette, Clayton, Henry, Rockdale, Walton, Newton, Morgan, Greene.

(2) District No. 2 shall be comprised of the following counties: Troup, Harris, Muscogee, Chattahoochee, Meriwether, Talbot, Marion, Schley, Dooly, Macon, Taylor, Upson, Pike, Lamar, Spalding, Butts, Jasper, Monroe, Crawford, Peach, Houston, Pulaski, Dodge, Bleckley, Twiggs, Bibb, Jones, Putnam, Baldwin, Wilkinson, Laurens, Johnson, Washington, Taliaferro, Warren, Glascock, Jefferson, Burke, Richmond, McDuffie, Columbia, Emanuel, Treutlen, Wheeler, Montgomery, Toombs, Tattnall, Evans, Candler, Jenkins, Bullock, Screven.

(3) District No. 3 shall be comprised of the following counties: Effingham, Quitman, Clay, Early, Miller, Seminole, Decatur, Baker, Calhoun, Randolph, Terrell, Dougherty, Mitchell, Grady, Thomas, Brooks, Lowndes, Echols, Clinch, Charlton, Lee, Worth, Colquitt, Cook, Tift, Turner, Stewart, Webster, Sumter, Crisp, Wilcox, Ben Hill, Irwin, Berrien, Lanier, Atkinson, Coffee, Telfair, Jeff Davis, Bacon, Pierce, Appling, Wayne, Brantley, Camden, Glynn, McIntosh, Long, Liberty, Bryan, Chatham, Ware.

B. Except for the Immediate Past President, all Past Presidents shall continually hold membership on the Past Presidents' Advisory Committee as long as they are an employee or officer of a Regular or Associate Member of this Association. The Past Presidents will be voting members of the Board of Governors; however, no Past President shall be counted in the determination of a quorum. The President shall initiate at least one Past Presidents' Advisory Committee meeting (which may be conducted by phone) with the goal of offering recommendations to the Board as they deem appropriate.

SECTION 3. The Board of Governors may fill any vacancy among their members at a regular meeting of the Board. Any governor who leaves the employ of a Regular Member or Associate Member during their term of office may remain on the Board for no more than 60 days unless they join another Regular Member or an Associate Member in the case of an Associate Member Governor. At the end of the 60-day period if still unemployed by a Regular Member or Associate Member in the case of an Associate Member Governor, their position will automatically become vacant. Any governor so elected shall fill the unexpired term of his predecessor. The Board of Governors shall hold a regular meeting for the transaction of business at least once in each half of the fiscal year of the Association and may hold, in addition, such other regular meetings as the board may from time to time determine. At the call of the President, with ten days written notice, the Board shall meet on such day and at such hour and place as he shall decide. A majority of the Board of Governors, excluding Honorary Life Members and the advisory members of the Board of Governors, shall constitute a quorum and, unless otherwise specified by the Bylaws, the majority of those present shall control.

SECTION 4. The Board of Governors shall have the duty and power to control and manage all affairs of the Association; shall provide for the periodical review of the books; shall approve all contracts and purchases; and do any and all business necessary for the Association as set forth in its charter.

SECTION 5. The Board of Governors shall have the authority to employ an Executive Director and establish an Association office. The duties of the Executive Director shall be determined by the Board of Governors.

SECTION 6. The Board of Governors may, by majority vote at one of its regular meetings, name a Past President who is no longer eligible to be a member of the Past President's Advisory Committee, as an Honorary Life Member of the Board of Governors. Honorary Life Members shall have the same rights and privileges as an advisory member of the Board of Governors.

ARTICLE VI

OFFICERS

SECTION 1. The officers of the Association shall be the President, First Vice President, Second Vice President, Secretary–Treasurer and the Immediate Past President, all of whom shall be Regular Members of the Association. The President shall not be eligible to succeed himself. Nothing in this section shall prevent the election of a president who has been elected to serve the unexpired term of his predecessor in office, nor the election of a person who has, more than one term previously, formerly served as President.

SECTION 2. The Board of Governors shall fill any vacancy in the offices of President, the Vice Presidents or Secretary–Treasurer, by a vote of the majority of those present at a regular meeting of the said Board of Governors. Any officer who leaves the employ of a Regular Member during their term of office may remain on the board for no more than 60 days unless they are employed by another Regular Member. At the end of the 60–day period, if still unemployed by a Regular Member, their position will automatically become vacant. Any officer so elected shall hold office until his successor is elected and certified.

SECTION 3. The President or his nominee, so appointed by himself or the Board of Governors, shall preside at all meetings of the Association and Board of Governors. He shall be an ex–official member of all committees. He shall countersign all Certificates of Membership; shall enforce the Bylaws; appoint the chairman of all initial committees; and he shall, with the Secretary–Treasurer, sign all written contracts and obligations of the Association approved by the Board of Governors.

SECTION 4. In case of the temporary absence or disability to act of the President, the First Vice President shall perform the duties of the President. In the case of the temporary absence or disability

to act of the President of the First Vice President, the Second Vice President shall perform the duties of the President. In the event that neither the President nor any Vice President shall be able to act, the Board of Governors shall have the power to appoint one of its members to act as President *pro tempore*. The Vice Presidents shall also perform such duties as the Board of Governors may direct.

SECTION 5. The Secretary-Treasurer shall ensure that the Executive Director keeps an accurate list of the members of the Association. He shall be responsible for ensuring that accurate minutes of the proceedings of the Association and the Board of Governors are maintained and at all reasonable times be made available for inspection by members of the Association. He shall notify applicants of their election to membership; issue certificates; have charge of all files and records and general books of account. The Secretary-Treasurer shall be the custodian of the seal of the Association. He shall send notices to members of dues and accounts payable; shall receive and receipt for all monies belonging to or receivable by the Association and shall disburse the same in such manner as shall be designated by the Board of Governors. He shall keep a correct record of and account for all monies coming into his hands and of all disbursements and shall make a report thereof at the annual meeting of the Association and at such other times as the Board of Governors may direct. He shall prepare an annual budget of anticipated income and expenses within forty-five (45) days from the beginning of each fiscal year or as often as may be necessary and submit the same to the Board of Governors for their approval. He shall, in general, perform all duties incident to the office of Secretary-Treasurer, subject to the control of the President and the Board of Governors. All funds shall be deposited in a bank in the name of the Association as the Board of Governors may direct. Such funds may be withdrawn in accordance with a resolution adopted by the Board of Governors. The Secretary-Treasurer may assign the administrative duties of his office to the Executive Director.

ARTICLE VII

ANNUAL ELECTION AND TERM OF OFFICE

SECTION 1. A. Except as otherwise provided in Section 1, Paragraph B of this Article VII, the officers of the Association shall be elected at the annual membership meeting to be held each year. Members of the Board of Governors, whose terms have expired, shall also be elected at the annual membership meeting.

B. The officers shall be elected for a term of one year and the Governors for three (3) years, except the State-at-Large one year; provided however, the President, First Vice President, Second Vice President, Secretary-Treasurer, Past President, the State-at-Large Governors and Associate Member Governors, whose term of office shall begin January 1, 1985, shall hold office until June 30, 1986, or until their successors shall have been elected and certified as provided in these Bylaws; and provided further, any incumbent member of the Board of Governors on the date this Bylaw becomes

effective and whose terms of office shall expire on December 31, of any year, shall continue to serve until June 30, of the following year.

C. The Officers and Governors shall assume their offices on the first day of the new fiscal year following their election.

SECTION 2. At least sixty (60) days prior to the annual meeting of the Association, a nomination committee of three members shall be formed consisting of: The Immediate Past President who is still a Regular Member, who will be designated as Chairman and two Regular Members to be appointed by the President. The committee shall forward, at least thirty (30) days prior to the annual meeting of the Association, the list of nominees to the secretary, who shall mail to each Regular Member of this Association a list of nominees at least fifteen (15) days prior to the annual meeting of the Association. Additional nominations may be made from the floor at the time of election. Election shall be by majority vote of the Regular Members.

SECTION 3. No more than two employees from one company can serve as an officer or governor during the same term of office, provided, however, this provision shall not apply to the office of Immediate Past President nor to any advisory member of the Board of Governors.

ARTICLE VIII

AMENDMENTS

These Bylaws may be amended, changed or repealed upon the affirmative vote of two-thirds of the Board of Governors at any regular or special meeting, provided that before any change(s) in the Bylaws shall become effective, such change shall comply with the following procedure:

1. Any proposed change shall be transmitted to each Governor and each Regular Member of the Association at least ten (10) days prior to the meeting at which the proposed change will be presented.

2. At the meeting following timely notice provided for in (1) above, the proposed change shall be presented to the Board of Governors by the President or his designee. Each Governor shall be given an opportunity to speak for or against each proposed change except that debate may be closed by the affirmative vote of two-thirds of the Governors present and voting. With unanimous consent, the Board of Governors may adopt the proposed change and the change so adopted shall become effective immediately.

3. Any proposed change failing to receive unanimous consent, shall be held until the next regular or special meeting of the Board of Governors at which time the President shall call for the

adoption of the proposed change. Upon the affirmative vote of two-thirds of the Board of Governors, the proposed change shall become effective immediately.

Any amendment to the Bylaws shall be incorporated into the Bylaws which shall be posted on the Association's website.

ARTICLE IX

COMMITTEES

SECTION 1. STANDING COMMITTEES – These shall be standing committees of the association as set forth in this section. The chairman shall be appointed by the President, except as otherwise provided, no later than the expiration of the first thirty (30) days of the President's term of office.

A. **Legislative Committee.** The Legislative Committee shall have the responsibility of proposing and implementing Association policies as related to local, state and federal legislation. The Committee shall be composed of any number of members necessary to accomplish the purposes as set forth. The Second Vice President shall serve as the Chairman of the Legislative Committee. The term of the Chairman and all members of the Committee shall be consistent with the term of all offices and the fiscal year of the Association. Members of this Committee shall include the Legislative Committee Chairman as well as the President and First Vice President of this Association.

B. **Convention Committee.** A Convention Chair shall be appointed each year who shall have served on the previous year's Convention Committee. The Convention Chair may select the committee from the active members of the Association and the duties of the committee shall be to plan the Convention.

C. **FHA-VA Committee.** The duties and responsibilities of this Committee shall be to hold timely meetings with the various department heads of the Federal Housing Administration and Veterans Administration in order to resolve or clarify any problems that might arise and further to work with the Education Committee in providing clinics that might be necessary to educate the membership on changes in FHA and VA regulations or procedures.

D. **Education Committee.** The duties and responsibilities of this Committee shall be to improve the technical skills and knowledge of the members of this Association. The Education Committee will closely coordinate any clinic, meeting or special function initiated by other committees of the Association. A member of the Education Committee shall automatically serve on any committee which promotes the education of its members.

E. **Public Relations Committee.** The duties and responsibilities of this committee shall be to keep the general public and Association members informed on matters pertaining to this

Association and the mortgage banking industry through timely periodical announcements and social media.

F. Membership Committee. The duties and responsibilities of this Committee shall be to solicit new membership applications and conduct membership campaigns and to evaluate applicants' eligibility for membership according to the Bylaws and make recommendations to the Board of Governors.

G. Ethics and Standards of Practice Committee. The Ethics and Standards of Practice Committee shall be comprised of three (3) members. The Immediate Past President of the Association shall serve as the chair. If the immediate Past President is unable to serve, then the President shall appoint an officer as chair. A quorum of this Committee shall be all three (3) members. The duties of this Committee shall be to investigate complaints about Association members on violations of the "Canons of Ethics and Standards of Practice" of this Association and to report its findings to the Board of Governors.

J. Quality Control Committee: The duties and responsibilities of this Committee shall be to educate Committee members on compliance with federal and state statutes and regulations as well as the trends and requirements of quality control. Additionally, the Committee may plan seminars to educate the general membership in these areas.

K. Production Council Committee: The duties and responsibilities of this Committee shall be to plan educational opportunities focusing on loan officers and is dedicated to education of loan officers.

Unless otherwise addressed in these Bylaws, each Committee chairman may select, by volunteerism or otherwise, the members of his Committee. A Committee member must be an employee of a member. Each Committee chairman shall keep the Board of Governors informed of their committee's activities and request prior approval of the Board for any expenditure(s) by their Committee.

SECTION 2. All Committee functions shall be closely coordinated with the Executive Director and/or Board of Governors as they deem necessary to ensure the continued success in the operation of the Association.

ARTICLE X

CHAPTERS

SECTION 1. (Organization) A local chapter may request chartering as a Chapter of the Mortgage Bankers Association of Georgia and the Board of Governors may grant a charter on request. All lenders/brokers of the chapter must be a member of the state Association. It is recommended that Associate Members operating statewide also be a member of the state Association. It is not mandatory that local Associate members be a member of the state Association. Each local chapter shall qualify as a tax-exempt organization or otherwise function in such manner as to not adversely affect the tax-exempt status of the Association. No local chapter shall use the name Mortgage Bankers Association without the written authorization of the Board of Governors.

SECTION 2. (Bylaws) Local chapters may adopt bylaws for their governance not inconsistent with the Bylaws of the Association. Each local chapter shall file a copy of their Bylaws with the secretary of the Association within thirty (30) days following adoption of such Bylaws.

SECTION 3. (Elections) Each local chapter shall notify the Association of changes in the officers and the directors of any such local chapters within thirty (30) days following each such change.

SECTION 4. (Reports) the association may request reports from each chapter.

SECTION 5. (Local Chapter Functions) Each local chapter will be encouraged to hold regular meetings of its membership, and social functions and engage in such other lawful matters to further the purposes of the Association.

SECTION 6. (Policy) The state Association through its Board of Governors will be responsible for the policy of the Association in the area of legislation, investor liaison, governmental relations and other areas as determined by the Board. Each chapter shall abide by the policies so established by the Board.

SECTION 7. (Revocation of Chapter) The Board of Governors of the Association shall have the authority to revoke the charter of any local chapter should the Board of Governors determine that such revocation would be in the best interest of the Association, whereupon the local chapter shall cease to exist.

ARTICLE XI

INDEMNIFICATION. Each governor, officer, employee or agent of the Association, and each person who at its request has served as a partnership, joint venture, trust or other enterprise shall be indemnified by

the Association against those expenses which are allowed by the laws of the State of Georgia and which are reasonably incurred in connection with any action, suit or proceeding, completed, pending or threatened, in which such person may be involved by reason of his being or having been a governor, officer, employee or agent of the Association or of such other enterprise. Such indemnification shall be made only in accordance with the laws of the State of Georgia and made only in accordance with the laws of the State of Georgia and subject to the conditions prescribed therein. The Association may purchase and maintain insurance on behalf of any such governor, officer, employee or agent against any liabilities asserted against such persons whether or not the Association would have the power to indemnify such governor, officer, employee or agent against such liability under the laws of the State of Georgia. If any expenses or other amounts are paid by way of indemnification, other than by court order, action by members or by an insurance carrier, the Association shall provide notice of such payment to the members in accordance with the provisions of the laws of the State of Georgia.

For purposes of this section, references to "the Association" shall include in addition to the surviving or new association, any merging or consolidating entity (including any merging or consolidating corporation of a merging or consolidating entity) absorbed in a merger or consolidation so that any person who is or was a governor, officer, employee or agent of such merging or consolidating entity, or is or was serving at the request of such merging or consolidation entity as a governor, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this section with respect to the resulting or surviving entity as he would if he had served the resulting or surviving entity in the same capacity.