



**BY-LAWS OF THE
DELAWARE MORTGAGE BANKERS ASSOCIATION**

ARTICLE I

NAME

The name of this Corporation shall be Delaware Mortgage Bankers Association, hereinafter referred to as "DMBA".

ARTICLE II

MISSION

The mission of the Delaware Mortgage Bankers Association is to provide services, support and information to its members, and to promote sound and ethical business practices consistent with industry standards in order to provide an environment where ideas are welcomed and shared.

In keeping with this mission, the ultimate purpose of the DMBA is to:

- a. Help, through its members, to serve the mortgage financing needs of the people of the State of Delaware

- b. As the voice of the mortgage industry, it shall, when appropriate, seek and support legislation beneficial to its membership and the general public; conversely, it shall openly and actively oppose legislation deemed to be harmful to its constituency, providing a forum where our members will be able to come together as one and have a voice to either support or oppose legislation which impacts our community.
- c. Encourage and promote sound and ethical business practices among its members and the real estate finance community at large
- d. Through education, it will seek to improve our profession by promoting sound and ethical business practices among its members and within the real estate community; and
- e. As a recognized community leader in Delaware, it shall provide a vehicle for the advancement of members of the real estate finance community, through active lobbying, educational forums, and the support and efforts of committees dedicated to the mission of DMBA.

ARTICLE III

MEMBERSHIP

Section 1. - Qualifications

All Members of this Corporation shall be classified as one of the following:

- a. **Lender Member.** A corporation, partnership, limited liability company, financial institution, sole proprietorship, or other business entity whose business, in whole or in part, involves the origination or servicing of mortgage loans or the investment in mortgage loans, or an individual whose employer's business, in whole or in part, involves the origination or servicing of mortgage loans or the investment in mortgage loans.
- b. **Individual Lender Member.** An individual whose business, in whole or in part, involves the origination or servicing of mortgage loans or the investment in mortgage loans.
- c. **Vendor Member.** A Vendor Member is a corporation, partnership, Limited Liability Company, sole proprietorship or other business entity whose business is interested in mortgage lending or supports mortgage lending that is not eligible for Lender Membership or Not-for-profit Membership in the Corporation. This category includes closing agents, Real Estate Attorneys, Title Companies and any other related businesses.
- d. **Not-for-Profit Member.** A Not-for-profit Member is an entity whose business is interested in mortgage lending that has federal tax-exempt status under Section 501(c) of the Internal Revenue Code that is not eligible for Lender Membership or Vendor Membership
- e. **Individual Affiliate Member** – An individual whose business is interested in mortgage lending that is not eligible under the 'Lender', 'Individual Lender', 'Vendor', or, 'Not-for-Profit' membership categories. This category is limited to; Realtors, builders, homeowners insurance agents, financial planners and CPAs etal, except where prior approval for membership is approved by the State Board Membership Committee.

Unless otherwise noted, "Member," "Members," or "Membership" hereby refer to and include Lender Members, Individual Lender Members, Vendor Members, Not-for-Profit Members, and, Individual Affiliate Members.

Section 2. – Membership Applications

Application for membership in this Corporation shall be made in writing on forms prescribed by the Board of Directors in the following manner:

- a. Applicants for membership shall be recommended in writing by two or more Members of this Corporation, including one lender member, in good standing.
- b. Each application for membership shall be accompanied by the required application fee and referred for investigation and recommendation to the Executive Director or State Membership Chair of the Corporation in accordance with criteria established by the Board of Directors.
- c. A prospective member company whose application is rejected may re-apply after one year from the date of rejection unless otherwise approved by the Board of Directors. Action of the Board shall be confidential and final.

Section 3. - Lapse-Suspension-Expulsion

- a. Members who are delinquent for 90 days or more in the payment of dues or any other indebtedness to this Corporation may be suspended by the Board of Directors from all rights and privileges of membership. The Board of Directors may, within its discretion, grant extensions of time in the payment of dues or other obligations to this Corporation. A Late fee of 15 % can be assessed by the board in lieu of forfeiture or suspension of membership.
- b. The Board of Directors, on its own motion or a complaint filed with it, may cite any Member of this Corporation to appear before it for any alleged act of improper or unethical practice or conduct directly or indirectly injurious to the interest and general welfare of this Corporation. Should complaint be made by a Member, it shall be in writing and signed by such Member. Upon receipt of the complaint, the Board of Directors shall notify in writing the Member against whom the complaint is directed. Such notice shall state the nature of the complaint and shall notify such Member of the time and place of the meeting at which the charges and answers may be heard. The investigation of such charges shall be conducted in such manner as the Board may see fit. If upon inquiry and after hearing the Board shall be satisfied that the cited Member is guilty of such conduct, the Board may censure, suspend or expel such Member within the prerogatives of its discretion as determined by the circumstances of the case. The Board of Directors shall be the sole judge of what constitutes conduct injurious to the interests and welfare of this Corporation as well as the sufficiency of the evidence by which such conduct is shown. A majority vote of the Board of Directors shall be necessary to expel a Member.

Section 4. - Reinstatement

- a. Any Member who has forfeited his membership for non-payment of dues or other indebtedness to this Corporation may be considered for reinstatement to membership upon fulfillment of such obligation and other terms and conditions as the Board of Directors shall require.
- b. A Member who has been expelled from this Corporation for improper or unethical practice or for conduct considered detrimental to the interests and welfare of this Corporation shall not be considered for re-election to membership for a period of a least two years from the date of such expulsion. Upon written application, such former Member may be considered for re-election to membership in this Corporation upon such terms and conditions prescribed by the Board of Directors.

ARTICLE IV

DUES

Section 1. - Application Fees for Members

Each new Member of this Corporation shall be required to pay an application fee in the amount established from time to time by the Board of Directors, payment of which shall accompany the application for membership.

a. Dues

1. A Company or business that chooses to become a member of this corporation shall pay \$395.00. This fee will include membership for all of its employees or loan officers. This fee will run on the calendar year and shall be due for renewal by 01/31 of the following year.

2. An individual that chooses to become a member of this corporation shall pay \$95.00. This fee will be for the individual only. This fee will run on the calendar year and shall be due for renewal by 01/31 of the following year.

Section 2. - Dues for Members

Each Member of this Corporation shall pay annual dues, which entitle the Member to full membership privileges with one local chapter. If the Member elects to affiliate with more than one chapter, an assessment will be made for each additional chapter. The annual dues and assessments all shall be established from time to time by the Board of Directors and shall be payable upon receipt of a statement, which shall be mailed to each Member. The annual dues and assessments for a new Lender/Vendor/Not-for-Profit Member shall be prorated for the year based upon the date of its approval.

Section 3. - Non-Payment of Dues for Members

As hereinbefore provided, any Member who is delinquent for sixty days or more in the payment of dues or other indebtedness to this Corporation may be suspended by the Board of Directors from all rights and privileges of membership. It is further provided that any Member who is ninety days delinquent in the payment of dues or other indebtedness to this Corporation shall automatically, and without further action by the Board of Directors, be dropped from the membership roster of this Corporation and denied any further rights and privileges of membership.

Section 4. - Allocation of Application Fees and Dues to Local Chapters

A portion of the application fees and a portion of the annual dues of the Corporation may be allocated to the accounts of the active Local Chapters with which Members have affiliated. The Board of Directors shall, from time to time, establish the amounts, if any, that may be allocated to a Local Chapter's account. The direct expenses incurred by a Local Chapter shall be paid entirely from the Local Chapter's account, and indirect expenses incurred by a Local Chapter shall be allocable between the Local Chapter's account and other funds of the Corporation as the Secretary-Treasurer of the Corporation and the Treasurer of the relevant Local Chapter determine on an equitable basis.

ARTICLE V

**GOVERNMENT AND RULES OF
ORDER OF THE CORPORATION**

Section 1. Administration

- a. The administration of the affairs of the Corporation shall be vested in a Board of Directors made up of an odd number of 7 Officers and/or At Large Directors
- b. 4 Members of all duly acting Directors shall constitute a quorum.
- c. 2 of the 7 (but not more than 3) seats on the Board of Directors shall be non lender members.

Section 2. - Officers

The officers of this Corporation shall be a President, Vice President, and a Secretary, and Treasurer.

Section 3. – Past President and Rules of Order

The immediate past president shall be an ex-officio Member of the Board of Directors, and the Chapter Chairs of each Chapter shall be ex-officio Directors of this Corporation.

Roberts Rules of Order, Revised, shall be the recognized authority for procedure of conduct for all meetings of this Corporation, except where inconsistent with the By-Laws of the Corporation.

Section 4. – Fiscal Year

The fiscal year of the Corporation shall begin on the first day of January.

ARTICLE VI

**APPOINTMENT OF INITIAL OFFICERS AND DIRECTORS AND
ELECTION OF OFFICERS AND DIRECTORS OF THE CORPORATION**

Section 1.

Directors of this Corporation shall be affiliated with a Lender Member, Vendor Member or a Not-for-profit Member whose business in whole or in part shall involve the origination or servicing of mortgage loans, with a majority of the Directors being Lender Members.

The initial Directors of the Corporation shall be appointed by the Incorporator and shall serve for a period of one year, or until their successors are duly elected. The initial Officers of the Corporation shall be elected by the Board of Directors. Officers shall be elected for a term of one year from the date of the annual meeting of the Corporation, or until their successors are duly elected.

Section 2.

A minimum of 120 days prior to the date of the annual meeting the Nominating Committee, consisting of the Executive Committee and the immediate Past President shall nominate individuals affiliated with one or more Member(s) in good standing as candidates for officers and directors of this corporation. Three or more Members of the Corporation in good standing may nominate candidates for officers and directors in addition to the candidates nominated by the Nominating Committee.

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ARTICLE VII

POWER OF BOARD OF DIRECTORS

Section 1.

The Board of Directors shall have the duty and power to control and manage all of the affairs of this Corporation, shall approve all purchases and contracts, provide for all expenditures and do any and all business necessary in connection with the transaction of business of the Corporation in carrying out its objectives and purposes. The action of the Board of Directors shall be final, shall not require the approval of Members of the Corporation to be valid, and shall include, but not be limited to, the following:

- a. The Board of Directors shall approve the standing and other committees of the Corporation (Article XI), and shall prescribe the purposes, members, responsibilities and goals of each. The term of any non-standing committee shall be designated at the time of approval unless expressly provided otherwise. Additionally, the Board shall also designate the Chair of each committee who's term will coincide with the Corporation's fiscal year.
- b. Authority to levy special assessments shall be vested in the Board of Directors, subject to the approval of a majority of the membership. This approval shall be secured at a regular or special meeting of the Corporation, or by giving Members written notice of the proposed assessment, with the request that they either approve or disapprove the action of the Board within ten days. Failure to reply within ten days would constitute an affirmative vote.
- c. The Board of Directors shall have the power to collect through the Executive Director or Secretary-Treasurer such dues and assessments that may be authorized.
- d. The Board of Directors may retain legal counsel and employ such other persons that may be necessary to the proper conduct of the business of the Corporation.
- e. The Board of Directors has the responsibility for the management and direction of the funds and properties of this Corporation, may designate a depository for the Corporation's funds, and may invest funds of the Corporation in such manner as, within the discretion of the Board, may appear prudent. All contracts or other instruments obligating or binding this Corporation shall be signed by at least one officer of the Corporation after approval thereof by the Board of Directors.

- f. The Board of Directors may fill any vacancy among the officers or directors at a regular or special meeting of such board. The person so elected shall hold office until his successor is duly elected.
- g. The Board of Directors, by a majority vote, may remove any member of the Board who fails, at their discretion, to fulfill his/her obligations to the Board.

ARTICLE VIII

DUTIES OF OFFICERS AND AT-LARGE DIRECTORS

Section 1. President and Past President

The President shall call and preside at all regular and special meetings of the Board of Directors, the general membership and the Executive Committee. The President shall be an ex officio member of each Committee of the Corporation. The President shall enforce the observances of the rules, regulations and By-Laws of this Corporation and shall propose and recommend action, which in his/her judgment is beneficial to the interests and welfare of this Corporation and its Members. The President, and with his/her approval the Executive Director, is the primary spokesperson for the Corporation and its Members to the media and public. Also, the President, unless otherwise unable to, shall Chair the Nominating Committee. The President shall serve a 1 year term running on the calendar year. The President remains a Board member for an additional 1 year as Past President and can opt to remain on the Board for 1 year or until a new president is elected. The President and Past President (once established) will each be considered a member of the Board of Directors - the 1st and 2nd members of the Board.

Section 2. Vice President

In the absence of the President, the Vice President shall perform all the duties and functions of the office of the President. The Vice President, unless otherwise unable to, shall also be the Convention Chair for the upcoming year and is the secondary spokesperson for the Corporation and its members to the media and public. In addition, the Vice President shall perform such other duties as may be determined from time to time by the Board of Directors. The Vice President shall serve a 1 year term running on the calendar year. At the end of the 1 year term as Vice president, the Vice President shall succeed to the position of President, at which time a new Vice President shall be elected. The Vice president shall be considered the 3rd member of the Board.

Section 3. Treasurer

The Treasurer shall perform all the duties and functions of the office of President in the absence of the President and the Vice President. The Treasurer is responsible for all

funds of the Corporation and all the disbursements, subject to the directives of the Board of Directors. Also, the Treasurer, shall Chair the Budget Committee. The Treasurer shall send notices to Members of dues and accounts payable and shall receive and receipt for all monies belonging to or repayable by the Corporation. The Treasurer shall keep a current record of and account for all monies coming into his hands and shall make a full report thereof at the annual meeting of the Corporation, and at such other times as may be prescribed by the Board of Directors. All the books and records of this Corporation of any nature whatsoever shall, at all reasonable times, be open for inspection by Members of the Corporation. The Treasurer shall perform such other duties as may be designated from time to time by the Board of Directors. The Treasurer shall serve a 1 year term or until a new Treasurer is elected. The Treasurer shall be considered the 4th member of the Board.

Section 4. Secretary

The Secretary will be responsible for keeping a record of the proceedings of the Corporation including, but not limited to, minutes of all regular and special meetings of the Board of Directors and of the general membership, which record and minutes shall, at all reasonable times, be open for inspection by Members of the Corporation. The Secretary is responsible for keeping an accurate roster of the Members of the Corporation, shall issue notices of meetings, and have charge of all files and records of the Corporation. The Secretary shall perform such other duties as may be designated from time to time by the Board of Directors. The Secretary shall serve a 1 year term or until a new Secretary is elected. The Secretary shall be responsible for sending out the notification of the Election meeting. The Secretary shall be considered the 5th member of the Board.

Section 5. At-Large Directors

All at-Large Directors shall participate in at least one and not more than two standing or other committees of the Corporation. There shall be always be at least one board member, officer, or delegate for each county within the State of Delaware to ensure representation within the board. In the event that none of the aforementioned officer positions are from a specific county then the At-Large Directors will need to be from the geographical county with no representation.

Possible Named At-Large Directors:

1. New Castle County
2. Kent County
3. Sussex County

The At-large Directors shall be considered the 6th and 7th members of the Board of Directors.

ARTICLE IX

LOCAL CHAPTERS

Section 1.

The Board of Directors shall, from time to time, recognize Local Chapters organized by Members in various metropolitan areas of the State of Delaware. The geographical area from which members for a Local Chapter can be obtained shall be the counties designated by the Local Chapter in its Rules of Conduct except as the Board of Directors may from time to time permit otherwise.

Section 2. - Purpose.

The purpose of each Local Chapter shall be the furtherance of the interests of the Corporation by Members at a local level.

Section 3. - Governance of Chapters.

Each Local Chapter shall be responsible for establishing its own written Rules of Conduct by which the Local Chapter shall elect a Chairman, Secretary, Treasurer, and such other officers of the Local Chapter as the members of the Chapter from time to time may determine pursuant to the written Rules of Conduct established by the Local Chapter. All of the elected officers of the Local Chapter shall constitute the Local Chapter's Executive Council/Board of Directors.

Section 4. - Activities.

Each Local Chapter may engage in such educational and social activities as the Local Chapter from time to time determines in furtherance of the purposes established for the Corporation. A Chapter shall not, however, have the authority to establish the policies of the Corporation.

Section 5. - Finances.

The Treasurer of the Local Chapter shall keep a current record of, and account for, all monies coming into his hands and shall make a full report thereof to the Treasurer of the Corporation prior to the annual meeting of the Corporation, and at such other times as may be prescribed by the Board of Directors of the Corporation. All of the books and records of the Local Chapter shall, at all reasonable times, be open for inspection by Members of the Corporation. The Local Chapter shall not have the authority to obligate the Corporation beyond the amount of funds from time to time allocable by the Corporation to the Local Chapter.

Section 6. – Participation by President of Corporation

The President of the Corporation shall be invited to participate at each meeting of the Executive Council of each Local Chapter in a non-voting capacity.

Section 7. – Inactive Local Chapters

If a Local Chapter is determined by the Board to be inactive or to have disbanded, the Treasurer of the Chapter shall transfer the funds held by the Chapter to the Secretary-Treasurer of the Corporation and no further allocation of Application Fees and Dues shall be made to the Local Chapter. An inactive or disbanded Local Chapter may be reinstated on such basis as the Board of Directors may establish.

ARTICLE X

MEETINGS

Section 1.

Meetings for Members of the Corporation shall be held at such time and place as may be designated from time to time by the Board of Directors, provided, however, at least one membership meeting shall be held each year.

Section 2. - Board of Directors

The Board of Directors shall meet upon call at such time and place as may be designated from time to time by the President provided, however, that the Board of Directors shall meet at least 4 times per calendar year during each quarter. With the exception of extenuating circumstances, Board members are to be present, in person or by conference call, for each Board meeting, with two unexcused absences or a total of three absences in a fiscal year constituting a resignation from the Board.

Section 3. - Annual Meeting

The Annual Meeting shall be held, at such hour and place as may from time to time be designated by the Board of Directors. The Secretary shall provide all Members in good standing with notice of the date, time and place of the annual meeting.

ARTICLE XI

STANDING COMMITTEES

Standing committees of the Corporation include; Budget, Community Outreach, Compliance, Convention, Education, Future Leaders, Legislative, Membership, Nominating, with each having a Board member or other such designated Corporation

member in good standing approved by the Board as its Chair. See attachments A – I for committee purpose, members, responsibilities and goals.

ARTICLE XII

AMENDMENT OF BY-LAWS

Section 1.

These By-Laws may be amended in whole or in part by the Board of Directors at any regular or special meeting of the Board of Directors.

Section 2.

A Member of the Corporation may offer an amendment to these By-Laws at any membership meeting of the Corporation and if such proposed amendment receives a two-thirds vote of the Members in good standing present, such proposed amendment shall be reduced in writing by the Secretary-Treasurer and submitted to the Board of Directors at least thirty days prior to the Board's next regular meeting. If such proposed amendment shall fail to obtain the number of affirmative votes from the Board of Directors required for approval, the Secretary then shall cause notice in writing of the proposed amendment to be sent to each Member of the Corporation in good standing at least fifteen days prior to the next membership meeting of the Corporation at which time the proposed amendment shall be submitted to vote, and if approved by an affirmative vote of at least three-fourths of the Members in good standing present, such amendment shall be considered as adopted and shall become a part of the By-Laws of this Corporation.

Section 3.

These By-Laws may be amended or repealed by the vote or written assent of the majority of the Members entitled to vote, or by the vote of a majority of a quorum at a meeting of Members duly called pursuant to these By-Laws.

Attachment A

Current Standing Committees List (as of July 2015)

1. Education and Compliance
 - Co-Chairperson - Joe Beacher
 - Co-Chairperson - C.R. Vaighn

2. Legislative and Government Affairs
 - Co-Chairperson - Kevin Jornlin
 - Co-Chairperson - Kimberly Grim

3. Social Events and Community Affairs
 - Chairperson - James Bromwell

4. Membership
 - Chairperson - Brian Troutner