

# Code of Ethics and Best Practices

for

## Down Payment Assistance Organizations

- I. Organizations shall have received their **Final** Determination Letter from the IRS stating that organization is a not-for-profit that has been recognized by the Internal Revenue Service as an organization described in Section 501(c)(3) of the Internal Revenue Code. Organizations shall maintain such status.
- II. Organizations shall act in accordance with all Federal, State and Local Government laws.
- III. Organizations shall voluntarily comply with Sarbanes-Oxley and Real Estate Settlement Procedures Act (RESPA).
- IV. Organizations shall act in accordance with HUD handbook 4155.1 revision 5 and all HUD Mortgage Letters applicable to down payment assistance programs.
- V. Organizations shall not offer Executive Compensation unreasonable for nonprofit organizations and shall not provide organization-backed loans to executives.
- VI. Organizations shall encourage homebuyers to participate in pre- and post-purchase education.
- VII. Organizations shall not condone improper inflation of appraisals or list prices.
- VIII. Organizations shall not make misleading statements regarding the tax deductibility of service fees or the acceptance of their programs among conventional loan products.
- IX. Organizations shall provide homebuyers with substantive information regarding default management assistance.
- X. Organizations shall take an active role in other charitable activities and organizations within the scope of its mission.
- XI. Organizations shall not knowingly perpetrate any acts of fraud on behalf of a client or customer.
- XII. Organizations shall insure that their employees and agents do not make misleading statements or representations to prospective clients and customers. Organizations shall promptly correct any inaccuracies or mistakes that interfere with the completion of a transaction as scheduled by the parties.
- XIII. Organizations shall refrain from taking any action to mislead underwriters or conceal from any party to a mortgage transaction the true nature of a transaction.
- XIV. Organizations shall develop and implement privacy policies to insure that confidential information is protected from improper disclosure.
- XV. Organizations shall disclose all types of conflicts of interest, including financial, managerial, programmatic, and ethical.
- XVI. Organizations shall take all appropriate steps to insure the overall quality of the programs and products that it offers.
- XVII. Organizations shall treat all clients, customers, real estate professionals, settlement agents, builders, and lenders fairly.
- XVIII. Organizations shall conduct their business in a professional manner, insuring that their respective personnel are knowledgeable in the areas of mortgage lending and are acting in compliance with sound industry practices and integrity.
- XIX. Organizations shall conduct their business without regard to race, creed, color, gender, marital status, familial status, religion, national origin, ancestry, age, or handicap of the persons with whom they deal.
- XX. Organizations shall educate their employees and agents in the best practices of the mortgage and real estate industry.
- XXI. Organizations and their employees and agents shall abide by and uphold the requirements of this Code of Ethics and Best Practices. Organizations and their employees and agents shall abide by the obligations imposed by this Code in all business contexts, not merely in providing downpayment assistance.



Agreed to by:

*Aria Ashburn*

Title:

President & CEO

Organization:

AmeriDream