

**BY-LAWS
OF
MORTGAGE BANKERS ASSOCIATION OF THE CAROLINAS, INC.**

ARTICLE I

NAME, LOCATION AND REFERENCE

I:01. NAME. The name of the Corporation is Mortgage Bankers Association of the Carolinas, Inc.

I:02. PRINCIPAL OFFICE. The principal office of the Corporation shall be located in Charlotte, North Carolina.

I:03. REFERENCE. When herein used, the words "Association" or "Corporation" shall mean and refer to the Mortgage Bankers Association of the Carolinas, Inc., a non-profit corporation, organized and existing under the laws of the State of North Carolina.

I:04. FISCAL YEAR. THIS FISCAL YEAR OF THE CORPORATION IS FROM NOVEMBER 1 THROUGH OCTOBER 31.

ARTICLE II

PURPOSES AND ACTIVITIES

The purposes of this Corporation are:

II:01. MISSION STATEMENT. Our mission is to unite as an organization of mortgage professionals, creating value for the membership through education, legislative representation, and communication, while promoting the highest level of ethical standards.

II:02. STANDARDS. To formulate and maintain ethical standards for the guidance of its members in their relations with each other and with the public.

II:03. EDUCATION. To have and hold or sponsor seminars, institutes, conventions, lectures, discussions and meetings, write, publish, disseminate and circulate books, articles, papers, periodicals, magazines and other information, and generally further elevate and enhance the educational advancement of the members and others engaged in the making, marketing and servicing of real estate mortgage loans.

II:04. PUBLIC INTERESTS. To advocate necessary public improvements and oppose unnecessary or wasteful expenditure of public funds.

II:05. LEGISLATION. To communicate, alert and inform its members of pending, proposed changes of mortgage laws and the passage of laws affecting mortgage lending and banking and pending legislation affecting the real estate appraisal practices.

II:06. APPRAISAL PRACTICES. To cooperate with public and private agencies in the institution, establishment and maintenance of sound and improved real estate appraisal practices.

II:07. SCOPE OF ACTIVITY. The Corporation shall have the power either directly or indirectly, either alone or in conjunction or cooperation with others, to do any and all lawful acts and things and to engage in any and all lawful activities which may be necessary, useful, suitable, desirable or proper for the furtherance, accomplishment, fostering or attainment of any or all of the purposes for which the Corporation is organized, and to aid or assist other organizations whose activities are such as to further accomplish, foster or attain any such purposes. Notwithstanding anything herein to the contrary, the Corporation shall exercise only such powers as in furtherance of the exempt purpose of organizations set forth in Section 501(c) of the Internal Revenue Code and the Regulations there under as the same now exist or as they may be hereafter amended from time to time.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

III:01. DESIGNATION. The voting membership of the Corporation shall be classified and composed of any firm or corporation which is a Regular Members as defined in this section:

III:01.1. REGULAR MEMBERSHIP. A Regular Member shall be selected and approved from mortgage banking businesses, including those businesses which engage in any substantial amount of originations/closings and/or servicing of real estate mortgage loans for other investors, insurance companies, banks, trusts, savings and loan associations, pension funds and other institutions who regularly and by established policy, use the services of those engaged in mortgage banking business.

III:01.2. ASSOCIATE MEMBERSHIP. An Associate Member shall be selected and approved from the following:

- (a) Insurance companies, banks, trusts, savings and loan associations, pension funds and other institutions that invest in first lien real estate securities and subscribe and adhere to the Code of Ethics of this Association, but, as a matter of established policy, do not use the services of those engaged in mortgage banking business.
- (b) Title insurance companies and agencies, and law firms that devote a significant amount of time in their practice to land title issues.
- (c) Private mortgage insurance companies and agencies.
- (d) Credit bureaus and accounting firms that specialize in serving mortgage bankers.
- (d) Non-profit state, county, municipal or local subdivisions or agencies of state government which regularly and by established policy are involved in any aspect of the mortgage lending process or which work with mortgage financing issues.

III:01.4. AFFILIATE MEMBERSHIP. An Affiliate Member shall be selected and approved from businesses that provide or sell products to mortgage banking members. This includes such businesses as computer hardware and software vendors, office products and reference material suppliers, accounting firms, personnel placement firms, mortgage consulting firms and flood certification firms.

III:01.5. HONORARY MEMBERSHIP. An Honorary Member shall be selected and approved by the Board of Directors from any person, firm or corporation under such terms and with such privileges as the Board of Directors shall determine.

III:01.6. INDIVIDUAL MEMBERSHIP. The Board may select any person who is an employee or principal of a firm, business or organization that otherwise qualifies for Regular, Associate or Affiliate membership, but which firm, business or organization does not desire to become a member of Mortgage Bankers Association of the Carolinas, Inc. The dues to be paid by an Individual Member shall be set by the Board.

III:02. ELIGIBILITY. Any applicant meeting the qualifications of this section who is approved by the Board of Directors by a majority vote shall be eligible for membership.

III:03. APPLICATION FOR MEMBERSHIP. Application for membership in this Corporation shall be in a form prescribed by the Board of Directors, bear the written endorsement of two Regular Members or one Regular and one Associate Member at the Vice President level or above, and include such relevant information as shall be necessary to reasonably determine the qualifications of the applicant. The applicant shall be elected as set forth in Article III, Section 03.1.

III:03.1. PROCESSING. Such application shall be delivered to the Chairman of the Membership Committee, who shall make or cause to be made such investigations as are necessary and present the application to the Membership Committee for report, consideration and recommendations. The report, application and recommendations of the Membership Committee shall be made and submitted to the Board of Directors by the Chairman of the Membership Committee either at a meeting of such Board or by mail to its members. Two negative votes by members of the Board of Directors shall operate as a rejection of the applicant. No record shall be kept of individual votes but only the fact of election or rejection. The Executive Director shall promptly advise the applicant of acceptance or rejection. This notification shall be in writing.

III:04. SUSPENSION OR TERMINATION. In the opinion of any member of the Board of Directors, if any member shall at any time commit of an act prejudicial to the Corporation, or to the purposes for which it is formed, such member shall be notified to appear personally before the Board of Directors at a designated time not less than thirty days (30) after such notification and at such time be given a hearing. By a two-thirds vote of all of the Board of Directors present at the meeting, the membership of such member may be continued, suspended, or terminated.

III:05. RESIGNATION. Resignation from membership shall be presented to the Board of Directors, but shall not relieve any member from liability for any dues accordingly accrued and unpaid at the time when such is filed.

III:06. VOTING RIGHTS. Only Regular Members shall be entitled to vote and each Regular Member shall be entitled to one (1) vote on all matters properly coming before them for vote as provided in these By-Laws.

III:06.1. VOICE VOTE. Voting at membership meetings shall be via voice vote unless otherwise ordered by the Chairman.

III:06.2. PROXY ALLOWED. Voting by proxy shall be allowed.

ARTICLE IV

DUES AND FINANCES

IV:01. RIGHTS OF MEMBERSHIP. The rights of membership are subject to the prompt payment of dues and special assessments levied by the Corporation.

IV:02. AUTHORITY. The Board of Directors shall fix all membership dues, fees and special assessments for each class of members and determine and prescribe the manner and time of payment.

IV:03. DELINQUENCIES. If the dues of any member be unpaid for a period of sixty days (60) after the same shall have become payable, the Treasurer of the Corporation shall mail a notice of delinquency. If the dues of any member be not paid within thirty (30) days after the mailing of such notice of delinquency, the membership shall automatically terminate on that date by reason of such non-payment, but the Board of Directors may provide for subsequent reinstatement.

ARTICLE V

DIRECTORS

V:01. CONTROL. Except as otherwise required by law or provided by these By-Laws, the control of the affairs of the Corporation shall be vested in the Board of Directors.

V:02. MEMBERS. The membership of the Board of Directors shall consist of the Immediate Past President, the President, the President-Elect, the Vice President, the Secretary, the Treasurer, six (6) additional Regular Member Directors, two (2) President's Council Directors, and four (4) additional Associate Member Directors, which such additional Regular Member Directors, President's Council Directors, and Associate Member Directors shall be elected by the Regular Members, consistent with Sections III:06 and V:04 herein. The President's Council, comprised of presidents of local mortgage lending associations, shall be represented by two members of the Mortgage Bankers Association of the Carolinas, who currently serve or have served as President of a local mortgage lending association. One will be nominated to represent South Carolina and one will be nominated to represent North Carolina. The President's Council representatives will serve as voting members. The Executive Director, if any, shall serve on the Board of Directors in an Ex-Officio capacity.

V:03. CHAIRMAN AND SECRETARY. The President shall be Chairman. The President enforces orders and resolutions of the Board. The Secretary shall be ex-officio of the Board and shall keep the minutes of all proceedings in a book.

V:04. ELECTION. At each annual meeting, the Regular Members shall elect two (2) Directors from the Regular Membership at large, for terms of three (3) years; two (2) directors representing the President's Council, one (1) of which shall be a resident of North Carolina and one (1) of which shall be a resident of South Carolina, for a term of two (2) years; and two (2) Directors from the Associate Membership at large, one (1) of which Associate Directors shall be a resident of North Carolina and one (1) of which Associate Directors shall be a resident of South Carolina, for a term of two (2) years.

V:05. VACANCIES. The President shall nominate a person to fill each vacancy for the remaining term of the departing Director. Such nomination must be ratified by a majority of the Board.

V:06. REMOVAL. Any Director may be removed at any time or without cause by a majority vote of the Regular Members at a meeting duly constituted and at which a quorum is present.

V:07. QUORUM. A majority of the Board members shall constitute a quorum.

V:08. COMPENSATION. The Board of Directors may compensate Directors for their services as such and may provide for the payment of all expenses incurred by Directors in attending meetings of the Board.

V:09. MEETINGS. The Board of Directors may hold regular meetings, monthly or as it may otherwise determine, at such place and at such times and upon such notice as it may in its discretion determine.

V:09.1. SPECIAL MEETINGS. Special meetings of the Board of Directors may be called at any time by the President or by any three (3) members of the Board upon at least two (2) days notice to each Director, given personally or by mail, facsimile, electronic mail, telegraph, or telephone.

ARTICLE VI

SPECIFIC POWERS AND DUTIES OF THE BOARD OF DIRECTORS AND THE EXECUTIVE COMMITTEE

VI:01. POWERS OF THE BOARD. The Board of Directors shall have power:

(a) To call special meetings of its members whenever it deems necessary or call a meeting at any time upon written request of one-fourth of the Regular Membership.

(b) To appoint and remove all officers, agents and employees of the Corporation, prescribe their duties, fix their compensation, and require of them such security or fidelity bond as it may deem expedient. Nothing contained in these By-Laws shall be construed to prohibit the employment of any member, officer or director of the Corporation in any capacity whatsoever.

(c) To establish, levy and assess, and collect the dues and charges referred to in Article IV.

(d) In the event that any member of the Board of Directors shall be absent from three (3) consecutive regular meetings of the Board of Directors, the Board may, by action taken at the meeting during which said third absence occurs, declare the office of said absent Director to be vacant. All members of the Board of Directors are to attend scheduled and called Board of Directors meetings. Excused absences must be approved by the Board of Directors.

(e) To create, amend or repeal standing committees.

(f) To waive any specified requirement for any membership classification.

(g) Amend, repeal or adopt new By-laws absent general membership approval with unanimous approval of the Board of Directors.

(h) To authorize expenditures of the annual budget in excess of the ten percent (10%) limitation on the executive committee.

(i) Revise and approve the annual Corporation budget.

(j) Unless stated otherwise in the By-Laws of the Corporation, actions of the Board of Directors are final and need no approval from general membership.

VI:02. DUTIES. It shall be the duty of the Board of Directors:

(a) To cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members and at any special meeting when such is requested in writing by one-fourth of the Regular Membership.

(b) To supervise all officers, agents and employees of this Corporation, and to see that their duties are properly performed.

VI:03. POWERS. The Executive Committee shall have the power to authorize the expenditure of any one item of up to 10% of the annual total budget without prior approval of the Board of Directors. Any expenditure approved by the Executive Committee under this provision must be duly reported to the Board of Directors at its next meeting.

VI:04. DUTIES. It shall be the duty of the Executive Committee:

(a) To maintain the fiscal soundness of the Corporation.

(b) To conduct annual performance evaluation for any salaried employee(s) of the Corporation.

(c) To receive and process the written resignation or notice of intent to retire of any officer, Director, or corporate employee.

(d) To create special committees without the approval of the Board of Directors.

(e) To appoint counsel that may attend all meetings of the Board of Directors and committee meetings in an advisory capacity.

- (f) To expand, modify, and/or delete the parameters of officers and committees responsibilities when necessary to meet current needs of the corporation.
- (g) To carry out such other duties as may be assigned by the Board of Directors.

ARTICLE VII

OFFICERS

VII:01. NUMBERS. The Officers of the Corporation shall be a President, President-Elect, Vice President, Secretary, Treasurer, Immediate Past President and Executive Director ex-officio. This group, along with the corporate accountant and the long range planning committee chairman, shall constitute the Executive Committee.

VII:01.1. COMBINATION. The offices of Secretary and Treasurer may be one combined office of Secretary-Treasurer and held by one (1) person.

VII:01.2. EXECUTIVE DIRECTOR. The Board of Directors shall from time-to-time employ an Executive Director of the Corporation, who shall have the duties, responsibilities, authority and compensation as the Board of Directors may determine. The Executive Director serves at the pleasure of the Board of Directors, and shall be an Officer and Director. The Executive Director reports to the Executive Committee, or in their absence, to the President of the Corporation.

VII:02. ELECTION. Officers shall be elected at each Annual meeting by the Regular Members and each shall serve and hold office for one year or until their death, resignation, retirement, removal, disqualification, or until their successor is duly elected and qualified.

VII:03. SUCCESSION. Only the President shall not be eligible to succeed his/her self in office, except in case where they are serving an unexpired term of a President.

VII:04. VACANCY. If any vacancy shall occur in any office by reason of resignation, death or otherwise, the Board of Directors shall elect a Regular Member of the Association to fill such vacancy for the unexpired term of the person whom they replace.

VII:05. REMOVAL. Any officer may be removed at any time with cause by a majority vote of the Board of Directors at a meeting duly constituted and at which a quorum is present.

VII:06. EMPLOYMENT TERMINATION. If an elected officer or member of the Board of Directors terminates his or her principal business employment with a Regular Member (Associate Member as applicable for Associate Director) the tenure of that Officer or Board Member shall not continue beyond the end of the day of the next annual meeting or the end of the last day of the sixth calendar month following the termination of employment, whichever day comes first, unless the Officer or Board member undertakes principal business employment with a regular or associate member prior to such time. If the status of reemployment is altered from regular member to associate or affiliate or associate, or if affiliate or associate status is changed to regular member the position may be deemed vacated at the discretion of the Board of Directors. Any vacancy will be filled in accordance with V:05.

ARTICLE VIII

COMMITTEES

VIII:01. NOMINATIONS COMMITTEE. Nominations for election of Officers and Directors shall be made by the Nominations Committee which shall be one of the Standing Committees of the Association.

VIII:01.1. APPOINTMENT. Prior to each annual meeting of the membership, the President shall appoint and announce a Nominations Committee of three, each of whom shall be Past Presidents, and the most Immediate Past President shall be the Chairman.

VIII:01.2. TERM. The Nominations Committee shall serve until the close of the next annual meeting of the membership.

VIII:01.3. ANNOUNCEMENT OF NOMINEES. At least ninety (90) days prior to the annual membership meeting, the Nominations Committee shall announce by mail, electronic mail or at a membership meeting its list of nominees for Officers and Directors.

VIII:02. OTHER COMMITTEES. The Board of Directors shall annually at its first meeting designate the duties of each Standing Committee. Standing Committees are as follows:

- (a) Certified Mortgage Banker Committee
- (b) Convention Committee
- (c) Conference Committee (Single Family)
- (d) Education Committee
- (e) Executive Committee
- (f) Finance Committee / Audit Committee
- (g) GSE/FHA/VA committee
- (h) Grievance Committee
- (i) Income Property Committee
- (j) Legislative Committee
- (k) Loan Administration Committee
- (l) Loan Range Planning Committee
- (m) Membership Committee
- (n) Nominating Committee
- (o) Political Action Committee (MAC-PAC)
- (p) Public Relations Committee
- (q) Scholarship and Recognition Committee
- (r) Sponsorship Committee
- (s) Wholesale/Broker/ Correspondent Committee
- (t) Affordable Housing Committee

VIII:03. PERSONNEL. Except as otherwise provided by the By-Laws, the President, the President-Elect and the Vice-President shall annually appoint chairmen for all committees. The appointed chairman will designate the personnel of his or her committee. The appointed chairman will be provided in writing the duties and responsibilities of his or her committee by the Board of Directors annually at its first meeting. Certain committees will be chaired by officers. These committees are as follows:

- (a) Grievance- Chairman shall be the Immediate Past-President of the Corporation.
- (b) Membership- Chairman shall be the Vice-President of the Corporation.
- (c) Political Action Committee- Chairman shall be the President-Elect of the Corporation.
- (d) Executive Committee- Chairman shall be the President of the Corporation.
- (e) Nominations Committee- Chairman shall be the most immediate Past President of the Corporation.

ARTICLE IX

MEMBERSHIP MEETINGS

IX:01. ANNUAL MEETING OF MEMBERS. The Corporation shall hold a regular meeting of its members at such time and place as may be determined by the Board of Directors, notice of which is to be given in such manner as the Board may determine and at which the President shall preside.

IX:02. SPECIAL MEETINGS. Special meetings of the members for any purpose may be called at any time by the President, President-Elect, Vice President, Secretary or Treasurer or by any three (3) or more members of the Board of Directors, or upon written request of one-fourth of the Regular Members.

IX:03. QUORUM. Any number of Regular Members in good standing shall constitute a quorum at a regular or special meeting.

ARTICLE X

BOOKS AND PAPERS

X:01. INSPECTION. The books, records, and papers of the Corporation shall at all times, during reasonable business hours, be subject to the inspection by all members.

ARTICLE XI

CORPORATE SEAL

XI:01. DESCRIPTION. The Corporation shall have a seal in circular form having within its circumference the words: Mortgage Bankers Association Of The Carolinas, Inc., 1971.

ARTICLE XII

ETHICS

XII:01. CANONS OF ETHICS AND STANDARDS OF PRACTICE. Whereas the purposes for which the Mortgage Bankers Association of the Carolinas, Inc. was organized, as stated in the By-Laws, are:

“To unite in common organization those professionally engaged in real estate financing and to protect and promote their mutual interests and further their knowledge, understanding and sound ethical practices.”

To formulate and maintain ethical standards for the guidance of its members in their relations with each other and with the public.

To have and hold or sponsor seminars, institutes, conventions, lectures, discussions and meetings, write, publish, disseminate and circulate books, articles, papers, periodicals, magazines and other information, and generally further elevate and enhance the educational advancement of the members and others engaged in the making, marketing and servicing of real estate mortgage loans.

To advocate necessary public improvements and oppose unnecessary or wasteful expenditure of public funds.

To communicate, alert and inform its members of pending and proposed changes of mortgage lending and banking and as to pending legislation affecting the real estate appraisal practices.

To cooperate with public and private agencies in the institution, establishment and maintenance of sound and improved real estate appraisal practices.

Whereas, the members of this Corporation are mindful that the soundness, usefulness, prosperity and future of mortgage banking depend upon the honor, integrity and fidelity of all personnel engaged in this business.

Therefore, Be It Resolved, that each member of this Corporation pledges to observe and maintain the following standards of conduct in dealing with the public and with other members.

CANON 1. Members shall conduct their business in a professional manner, ensuring that their personnel are knowledgeable in the areas of mortgage banking in which they participate and are acting in compliance with sound industry practices.

CANON 2. Members shall act in conformity with applicable laws and regulations and shall cooperate in every appropriate way with all governmental bodies in the interest of establishing and maintaining an efficient and fair framework for mortgage credit.

CANON 3. Members shall act in a manner that recognizes that integrity and confidence are essential in the mortgage banking business.

CANON 4. Members shall accord oral agreements the same sanctity given written agreements.

CANON 5. Members shall not breach or avoid an agreement or commitment.

CANON 6. Members shall encourage healthy competition in the mortgage banking business.

CANON 7. Members shall conduct their business without regard to the race, color, sex, religion, marital status, national origin or age of the persons with whom they deal.

CANON 8. Members shall preserve the integrity of all parts of a loan submission and appraisal report and make full disclosure of all pertinent facts including any interest they may have in the loan project or property.

CANON 9. Members shall consider a servicing contract to be an integral part of the mortgage banking correspondent system and such a contract shall be terminated only with sufficient reason with the good faith nature of such a contract being recognized by both parties.

CANON 10. Members shall not quote a prospective borrower interest rates or other loan terms which are not likely of realization.

CANON 11. Members shall make all reasonable efforts to process loan applications and advise applicants of approval or disapproval promptly and to close and disburse in a timely manner.

CANON 12. Members shall use all efforts available in servicing investments entrusted to their care to effectively discharge their obligations to both investor and debtor.

CANON 13. Members shall maintain all monies which are received as escrow reserve or impound accounts in a prudent and identifiable manner and shall disburse these funds for the purpose for which they were received.

CANON 14. Members shall cooperate in furnishing information relative to any investigation of a possible violation of the Canons of Ethics and Standards of Practice.

XII:02 Violations of and complaints concerning the Canons of Ethics shall be filed with the Grievance Committee which shall file the appropriate report and recommendations for future action to the Board of Directors as provided in Article III, Section III:04 of the By-Laws.

ARTICLE XIII

AMENDMENTS

XIII:01. WITH NOTICE. After at least seven (7) days written notice to each member notifying each member of the proposed amendment, these By-Laws may be amended at a regular or special meeting of the members, by the affirmative vote of two-thirds of a quorum of Regular Members present, provided that those provisions of these By-Laws which are governed by the Articles of Incorporation of this Corporation may not be amended except as provided in the Articles of Incorporation or applicable law, or as allowed under Article VI, (g) of the By-laws.

XIII:02. WITHOUT NOTICE. These By-Laws may be amended without notice at a regular or special meeting of the members at which two-thirds of the Regular Members are present and all Regular Members unanimously and affirmatively vote for such amendment or amendments, or as allowed under Article VI, (g) of the By-laws.

XIII:03. GOVERNING AUTHORITY. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control.