

TEXAS MORTGAGE BANKERS ASSOCIATION

BYLAWS

(Revisions through April 2024)

ARTICLE I

The name of the Association is: TEXAS MORTGAGE BANKERS ASSOCIATION, a non-profit corporation, incorporated under the laws of the State of Texas, herein referred to as the Association.

ARTICLE II PURPOSE

The purpose of the Association is as follows:

"The purpose for which this Association is formed is to promote the proper professional, educational, political, and ethical conduct of persons engaged in the mortgage banking and real estate finance business in the State of Texas by the holding of frequent meetings of such persons at stated times and their association at such meetings and the discussion by them at such meetings of subjects related to the mortgage banking and real estate finance business, and the circulation of literature relating to such business among such persons, and by other like means."

In furtherance of the purpose set out in the Charter, the Association shall promote certain aims, objectives and standards as follows:

Encourage and promote ethical business practices and procedures in the making, marketing and servicing of real estate mortgage loans.

Advocate and support sound, fair, and just legislation, judicial decisions and administrative regulations affecting real estate mortgage lending and Mortgage Bankers.

Inform members of the Association of changes and potential changes of laws and regulations relative to mortgage lending and real estate finance.

Preserve, promote and improve the mortgage banking correspondent system and encourage its use in making and servicing of real estate mortgage loans and real estate equity investments.

Cooperate with public agencies and private entities in the establishment and application of sound real estate appraisal practices.

Sponsor meetings and seminars for discussion of issues related to the purpose for which the Association was founded.

Work with other public and private agencies, associations and entities to encourage and promote the economic development of the State of Texas and all of its resources.

Establish and maintain communication with colleges and universities in the State of Texas in order to encourage and assist them in developing their curriculum and their faculty for both the advancement and enhancement of education in the field of mortgage banking and real estate finance.

Sustain a public relations effort to inform the general public of the important role played by Mortgage Bankers in making funds available for financing or investing in real estate within the State of Texas.

ARTICLE III OFFICES

Section 1:

The Principal Office of the Association shall be located at such a place as is designated from time to time by the Board of Directors.

Section 2:

The Association shall have and continuously maintain in the State of Texas a registered office, and a registered agent whose office is identical with such registered office, as required by the Texas Non-Profit Corporation Act. The registered office shall ordinarily be

identical with the principal office in the State of Texas, and the registered agent shall ordinarily be the Executive Vice President of the Association.

ARTICLE IV MEMBERSHIP

Section 1:

Classes of Membership.

The Association shall have five classes of members. The designation of such classes and qualifications and rights of members of such classes shall be as follows:

a) Regular Members.

This category of membership will encompass both residential and commercial mortgage bankers and be comprised of financial institutions that originate or service real estate loans and that meet one of the following criteria:

- 1) An entity that is approved as a Fannie Mae or Freddie Mac seller or servicer; or Ginnie Mae issuer;
- 2) An entity that is approved as a HUD Non-Supervised Mortgagee;
- 3) An insured depository institution, including banks, savings banks, savings and loan associations, and credit unions or a subsidiary or affiliate of an insured depository;
- 4) An investor or securitizer entity that purchases mortgage loans, mortgage servicing rights or other types of real estate loans, or acts as a securitizer of mortgage loans, mortgage servicing rights or other mortgage assets or real estate loans;
- 5) A portfolio lender company that primarily originates loans on commercial / multifamily real estate and holds those loans in portfolio or purchases commercial / multifamily loans for portfolio;
- 6) An entity that closes mortgage loans in its own name and funds mortgage loans using its warehouse lines or its own capital, and either holds the loans in its portfolio or sells such loans to an investor.

A qualified mortgage banker applying to be a Regular Member must have had a continuing business for at least two years prior to the date of the application of membership; however, this requirement for a two year continuing existence may be waived at the discretion of the Board of Directors if the applicant, or principals thereof, has shown to have otherwise had adequate mortgage banking experience.

Applicants shall affirm that they are in accord with the aims, objectives, and standards of the Texas Mortgage Bankers Association.

b) Professional Associate Members.

This category of membership will be comprised of loan officers of residential mortgage bankers who have completed at least twenty hours of educational coursework from an Association Certified Instructor and who is a residential mortgage loan originator licensed by the State of Texas. Only Professional Associates whose employer is a member of the Association shall be eligible to serve as a chair or vice-chair of a committee or as a Director of the Association.

c) Associate Members.

This category of membership will be comprised of all mortgage banking service providers including mortgage brokers, title companies, mortgage insurance companies, law firms, insurance companies, or any other provider that services the mortgage industry.

d) Affiliate Members.

This category of membership is available for out-of-state companies with limited operations within the state that do not want to become either a Regular Member or an Associate Member. If the company's corporate offices are domiciled within the state, the company will be required to participate either as a Regular Member or an Associate Member.

e) Local Affiliates.

This category of membership will be comprised of local mortgage banker association affiliates that elect to join as a Local Affiliate Member. A local mortgage banker affiliate is an association located in one or more Texas cities or towns: (i) whose membership consists of companies or the employees of companies that are eligible to be a Regular Member, Associate Member or Affiliate Member of the Association; (ii) that has adopted bylaws providing governance consistent with those required for not for profit corporations under the Texas Business Organization Code (if it is a not for profit corporation) or the Revised Uniform Unincorporated Associations Act (if it is an unincorporated association); (iii) that pledges to support the policies and purposes of the Association.

f) Honorary Life Members.

This category of membership will be selected by the Board of Directors, from time to time, from among the following candidates: past or present members of TMBA who have not served as President of the Association or persons associated with our industry who have

in a special or exemplary manner promoted the aims, objectives, and standards of the Texas Mortgage Bankers Association. Honorary Life Members who are retired from their company or employment shall not be required to pay dues.

g) Representatives.

Based on company size and dues paid, the Board of Directors by policy shall determine the number of representatives each Regular Member and each Associate Member shall have.

Section 2:

Election of Members:

Application for membership in this Association shall be made in writing on forms prescribed, from time to time, by the Board of Directors in the following manner:

- a) Applicants for Regular, Professional Associate, Associate and Affiliate membership shall be recommended by any designated TMBA member in good standing. Written recommendations must be mailed to the Association's Office.
 - 1) The completed application form must be sent to the Association Office for recording and processing.
 - 2 The Association Office will, after the application and accompanying information have been received, immediately forward the information to the Chair of the Admissions Committee.
 - 3) The Chair of the Committee shall see that proper investigation of the applicant's qualifications is made; shall in turn bring the application before the Admissions Committee; and upon action of the Admissions Committee report the same to the next meeting of the Board of Directors for final action. If, in the judgment of the Admissions Committee, a more timely approval is warranted, final action may be achieved by a written ballot mailed to all Directors.
 - 4) A majority of Directors present at the Board of Directors meeting must vote to approve election of a new member.
 - 5) Honorary Life Members must be proposed in writing to the President by a representative of a Regular Member and at least two Past Presidents of the Association. The proposal shall be submitted at least 60 days prior to consideration by the Board of Directors. Such proposals shall be without the knowledge of the candidate and submitted for action directly to the Board of Directors by the President. The candidate thus proposed shall be submitted to a majority vote of the members present at a meeting of the Board of Directors either at one of its regular meetings or otherwise by approval in writing by a majority of the Board.
 - 6) A local mortgage banking association that desires to become a Local Affiliate Member shall submit an application to the Association Office. The application shall be accompanied by a) a copy of the local association's bylaws; and b) a resolution duly adopted by the applicant authorizing the application and pledging support of the applicant of the policies and purposes of the Association. The application and supporting documents shall be submitted to the Chair of the Admissions Committee. Upon determination by the Admissions Committee that the applicant meets the requirement for membership, the Admissions Committee may recommend the applicant for membership to the Board of Directors to be acted upon at the next meeting of the Board of Directors. If the Admissions Committee deems a more timely approval is warranted, final admission may be granted upon the majority vote of Directors on a ballot mailed to all Directors.

Section 3:

Voting Rights.

Each representative of a Regular Member, each Past President, each Professional Associate who is also a Director and each representative of an Associate Member who is also a Director shall be entitled to one vote at the annual business meeting or any special meeting of the Association. Representatives of Associate Members (other than Directors) and Affiliate Members and Honorary Life Members may not exercise the right to vote. Each Director, Officer, and Past President shall be entitled to one vote at each regular or special called meeting of the Board of Directors.

Section 4:

Termination of Membership.

The Board of Directors, by affirmative vote of two-thirds of all the members of the Board of Directors present and voting, after appropriate notice and hearing, may suspend or expel any member for cause.

A member that has not paid its annual dues by March 31 of the current year is suspended until its annual dues are paid, and is terminated if the dues are not paid by July 31st. During the period of suspension, the member is not entitled to member registration discounts.

Section 5:

Resignation.

Any individual member may resign by filing a written resignation with the Secretary-Treasurer of the Association with a copy directed to the principal office of the Association.

Section 6:

Transfer of Membership.

Membership in this Association is not transferable or assignable except that Regular or Associate Members may change the

individual(s) designated as their representative(s).

Section 7:

Reinstatement.

Any member who has forfeited their membership for non-payment of dues or other indebtedness to this Association may, upon written application, be considered for reinstatement upon such terms and conditions as the Board of Directors shall require.

ARTICLE V MEETINGS OF MEMBERS

Section 1:

Annual Meeting.

An annual meeting of the members of the Association shall be held at the date, time and place, within the State of Texas, designated by the Board of Directors. The annual meeting ordinarily will be held concurrently with an annual convention.

Section 2:

Special Meetings.

Special meetings of the members may be called by the Board of Directors. Any call for a Special Meeting of the members shall state the purpose, time and place of the meeting and notice shall be sent by regular mail at least fifteen days prior to the meetings; provided and except, however, any Special Meeting called for the purpose of amending these Bylaws shall be issued in accordance with Article XV hereof.

Section 3:

Quorum.

Thirty percent of the voting members shall constitute a quorum at all meetings of members.

ARTICLE VI BOARD OF DIRECTORS

Section 1:

General Powers.

The governance of the Association and the management of its affairs shall be vested in the Board of Directors and the Officers. Subject only to the Articles in the Incorporation and Bylaws of the Association, the Board of Directors shall have the duty and power to control and manage all of the affairs of the Association including the power to determine the policies of the Association and take any steps necessary to carry out the objectives and purposes of the Association or to transact its business. Actions of the Board of Directors shall be final and shall not require the approval of members to be valid. The Board shall ordinarily carry on the affairs of the Association through the duly elected Officers of the Association. Specific responsibility of the Board of Directors shall include but not be limited to:

- a) Authority to set the dues and/or special assessments of members and to collect such dues, assessments, or fees through the Executive Vice President.
- b) Manage and direct the funds and properties of the Association and invest the funds in such a manner as the Directors deem prudent. No Director or Officer shall have the authority to make contracts or other obligations, oral or written, except upon the express authorization of the Board of Directors or the Executive Committee acting for the Board of Directors between meetings. The Board may, however, authorize the Officers to make and pay obligations of the Association necessary to carry on its day to day affairs. The Board or the Executive Committee also may delegate to the Executive Vice President the authority to sign contracts when appropriate.
- c) Employment of an Executive Vice President who shall have such duties and powers as the Board of Directors may define. The Directors may retain Legal Counsel and may employ such other persons as are necessary to assure the proper conduct of the business of the Association.
- d) Fill any vacancy among the Officers or on the Board between annual meetings.

Section 2:

Number, Tenure and Qualifications.

a) Directors.

There shall be thirty Directors of the Association elected from representatives of Regular Members, Associate Members, or Professional Associates whose employer is a member of the Association. They shall serve for a term of three years. The terms of office shall be staggered and arranged so that ten Directors are elected each year. New Directors shall be selected by the Nominating Committee, recommended by the existing Board of Directors, and elected by the members at the annual meeting. Their term of office shall commence at the end of the annual meeting. At least twenty-one Directors shall be representatives of Regular Members or

Professional Associates whose employer is a member of the Association. Any vacancy on the Board of Directors shall be filled by a majority vote of the remaining Board members attending at a regularly scheduled Board Meeting voting on candidates nominated by the President to serve the remaining outstanding term.

If a director is employed by a member that is suspended that director is suspended during the term of suspension of the member, and is terminated in the event the member is terminated.

If a director ceases to be employed by a member during his or her term, the director may serve until (i) the next annual meeting if the remaining term is less than twelve months; or (ii) six months from the termination of employment unless this provision is waived by the Executive Committee.

b) Officers of the Association.

The President, the Vice President, and the Secretary-Treasurer of the Association shall be Directors by virtue of their office.

c) Past Presidents of the Association.

Each President of the Association upon expiration of his/her term of office shall continue as an ex officio member of the Board of Directors with the privilege of voting. Past presidents shall not be required to pay dues if they are retired from their company or employment. Such Past President(s) may resign their ex officio membership by filing with the Association a statement that they do not desire to serve.

Section 3:

Chair.

The President of the Association shall preside over all meetings of the Board of Directors. In the President's absence, the Vice President shall preside.

Section 4:

Meetings.

The Board of Directors shall meet at the time and place designated by the President. There shall be at least three regular meetings of the Board of Directors each year with one of the meetings being held at the time of the annual meeting of members. At least two of the meetings shall be held in the State of Texas. The President may also call special meetings of the Board of Directors.

Meetings of the Board of Directors may also be called at the request of any six members of the Board of Directors giving notice to the President. Upon receipt of such a request, the President shall notify each Director of the time and place of the special meeting which time shall be not less than five nor more than thirty days from the date of the notice. If the President fails to call the meeting when requested by six members of the Board, the Vice President shall do so.

Section 5:

Quorum.

Ten members of the Board of Directors (excluding Past Presidents but including the current officers) shall constitute a quorum for the transaction of business at any meeting of the Board, but if less than a quorum of the Directors are present at said meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

Section 6:

Telephone Meetings.

Subject to the requirements of these Bylaws for notice of meetings, members of the Board of Directors or members of any committees designated by such Board of Directors may participate in and hold a meeting of such Board of Directors by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this Section 6 shall constitute presence in person at such meeting.

Section 7:

Manner of Acting.

The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is specifically required by these Bylaws.

Section 8:

Vacancies.

Any Director failing to attend any two consecutive regular meetings of the Board of Directors shall be subject to automatic suspension which may be waived only by a majority vote of those attending a Board of Directors meeting.

Section 9:

Two Term Limitation.

No member of the Board of Directors shall be eligible for election to more than two consecutive full three year terms as an Elected Director. After an absence of one year the person may again be elected to serve as a Director.

*Section 10:***Advisory Directors.**

The current President of each Local Affiliate may serve as an Advisory Director. The term of the Advisory Director shall be that of the Advisory Director's incumbency as President of the Local Affiliate member. An Advisory Director may serve not more than two consecutive one year terms. After the absence of one year, the person may again be eligible to serve as an Advisory Director. Advisory Directors may attend meetings of the Board of Directors and, upon recognition of the presiding officer, may speak on any matter that comes before the Board. The attendance or absence of Advisory Directors is not considered in determining whether or not there is a quorum of Directors present under Section 5. Advisory Directors shall not, however, possess voting privileges. If the President of the Local Affiliate is a Director of the Association or has served two consecutive one year terms, then the Local Affiliate shall designate another of its members to be an advisory director by resolution duly adopted and furnished to the Secretary of the Association. An Advisory Director serves only so long as he or she is a representative of a Local Affiliate Member in good standing.

ARTICLE VII OFFICERS

*Section 1:***Association Officers.**

The officers of the Association shall be a President, Vice President, Secretary-Treasurer and an Executive Vice President.

*Section 2:***Election and Term of Office.**

The officers of the Association, with the exception of the Executive Vice President, shall be elected annually at the Annual Meeting. Terms of all officers shall be for one year commencing at the end of the Annual Meeting. No elected officer shall be eligible for election to more than one full term in the same office.

The President, Vice President, and secretary Treasurer must be employed by a regular member.

*Section 3:***Removal.**

Any elected officer may be removed by a vote of three-fourths of the membership of the Board of Directors whenever in its judgment the best interests of the Association would be served thereby.

Notwithstanding any other provisions of these Bylaws, an officer who is employed by a member who is suspended or terminated, is removed from office as of the date of the suspension or termination without any action of the board.

*Section 4:***Vacancies.**

Where a vacancy exists or is created in the elected offices of the Association (other than President), the President shall have the power to make a temporary interim appointment to fill such vacancy. The Nominating Committee shall make a recommendation to fill such vacancy which must be approved by the Board of Directors.

*Section 5:***President.**

The President shall be the principal officer of the Association and shall in general supervise all of the business and affairs of the Association with the aid and assistance of the Executive Vice President. The President shall preside at all meetings of the members and of the Board of Directors. The President may sign, with the Secretary-Treasurer or other proper officer of the Association authorized by the Board of Directors, any deeds, mortgages, bonds, contracts or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws or by statute to some other officer or agent of the Association; and in general the President shall perform all duties incident to the office of the President and such other duties as may be prescribed by the Board of Directors from time to time. No person shall be qualified to serve as President of the Association unless and until that person shall have been a regular member of the Association for four consecutive years and served as a Director of the Association for one term. A person who is a regular member of the Association when elected President but who ceases to meet that qualification requirement during that person's term will be permitted to complete the term.

Section 6:

Vice President.

Vice President, who shall, when necessary perform the duties of the President, and who shall succeed to the presidency in the event of death, disability, removal from office, or resignation of the President. No person shall be qualified to serve as Vice President of the Association unless and until that person shall have been a regular member of the Association for three consecutive years, and serves as a Director of the Association for one term. A person who is a regular member of the Association when elected Vice President but who ceases to meet that qualification requirement during that person's term will be permitted to complete the term.

Section 7:

Secretary-Treasurer.

The Secretary-Treasurer shall have charge and custody of and be responsible for the books, records and all funds and securities of the Association; receive and give receipts for or cause the same to be done for monies due and payable to the Association from any source whatsoever and deposit or cause to be deposited all such monies in the name of the Association in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Article X of these Bylaws; and in general perform all the duties incident to the office of the Secretary-Treasurer and such other duties as from time to time may be assigned to that office by the President or by the Board of Directors; provided, that the Executive Vice President of the Association may be authorized by the Secretary-Treasurer with the consent of the Board of Directors to assume responsibility for day to day handling of the funds of the Association. No person shall be qualified to serve as Secretary-Treasurer of the Association unless and until that person shall have been a regular member of the Association for three consecutive years and served as Director of the Association for one term. A person who is a regular member of the Association when elected Secretary-Treasurer but who ceases to meet that qualification requirement during that person's term will be permitted to complete the term.

Section 8:

Executive Vice President.

The Board of Directors shall elect an Executive Vice President, who shall serve at the pleasure of the Board of Directors. The Executive Vice President shall devote his or her time and effort to conducting the business of the Association in accordance with its policies and objectives; shall manage and direct the day-to-day operation and financial affairs of the Association in accordance with the Budget and policies adopted by the Board of Directors. The Executive Vice President, shall serve as the registered agent of the Association. He or she shall be responsible to and under the direct control of the President and Board of Directors, and shall perform such duties and responsibilities as from time to time determined by the Board of Directors or the Executive Committee. The Board of Directors, in its discretion, may appoint the Executive Vice President to serve as the Chief Executive Officer or such other position or officer as the Board of Directors determines from time to time. The compensation and benefits for this officer shall be determined from time to time by the Board of Directors.

Section 9:

Fidelity Bonds.

The President, Secretary-Treasurer, Executive Vice President and other agents and employees whose duties require their handling any funds of the Association shall give such bond for the faithful performance of their duties as may be prescribed by the Board of Directors, the premiums on said bonds to be paid by the Association.

ARTICLE VIII COMMITTEES

Section 1:

There shall be such Committees of the Association as shall be designated and created from time to time by the President, with the approval of the Board of Directors. In appointing each Committee, the President will charge it with its responsibility and duty. The President shall appoint the members of all of the Committees (except as designated members of the Executive Committee and Nominating Committee) from members of all classes. The President shall also have the authority to remove from membership on any Committee any member(s) not performing their duties.

In addition to whatever other Committees shall be designated and created by the President, the following shall be standing Committees of the Association:

a) Executive Committee of the Board of Directors.

There shall be an Executive Committee of the Board of Directors consisting of the President, Vice President, Secretary-Treasurer, the two immediate Past Presidents of the Association, and one Associate Member recommended by the Nominating Committee and approved by the Board of Directors. The President shall act as Chair of the Executive Committee. The Executive Committee shall have authority to act for the Board of Directors when the Board is not in session on any matter necessary to carry on the affairs of the Association and which cannot reasonably be held for action at the next meeting of the Board of Directors. Actions by the Executive Committee shall be reported to the Board at its next meeting and spread on the minutes of such meeting. The Executive Committee shall meet at the call of the President and the President shall give due notice of the time and place of such meeting. Three members shall constitute a quorum of the Executive Committee.

b) Nominating Committee.

The Nominating Committee shall consist of five members: the three immediate Past Presidents of the Association and two Directors selected by vote of the Directors at the summer meeting of the Board. No Director may serve on the Committee more than once in a three year period. The most recent Past President shall serve as Chair. The Committee shall solicit recommendations for Officer and Director positions from the other Directors. Then the Committee shall make its recommendation to the Board at the regular meeting of the Board that precedes the annual meeting. If the report is approved by the Board, a list of the nominees shall be mailed to the membership within ten days advising that the nominations will be closed unless other nominations are filed with the Executive VicePresident at the Association's registered office thirty days prior to the annual meeting and signed by fifteen Regular Members of the Association in good standing. The nominees will be voted on by the members of the Association at the annual meeting.

c) Budget Committee.

The Budget Committee shall consist of eight members. The Executive Vice President and the Secretary-Treasurer shall serve as permanent members. The remaining six members shall be appointed by the President. This committee has as its principal duty the preparation of the annual budget of the Association which shall be presented for approval by the Directors. The Committee shall be charged with the responsibility of projecting the anticipated income and expense of the Association to provide not only a sound financial picture at all times but a progressive program of activities. It shall continually review and observe the financial affairs of the Association and be responsible for the annual audit of the Association's books of record.

(d) Audit Committee.

The Audit Committee shall consist of at least three members. The Secretary-Treasurer shall serve as Chair of the Audit Committee with the other members being appointed by the President. The Audit Committee assists the Board of Directors in its oversight of:

- The integrity of our financial statements.
- Compliance with legal and regulatory requirements applicable to the Association.
- The adequacy of our internal financial controls.
- The independence and performance of our independent registered public accounting firm.

The Audit Committee will represent the Board of Directors in its contacts and dealings with the independent registered public accounting firm conducting the Association's annual audit. The Audit Committee shall review the annual audit prior to its presentation to the Board of Directors.

Section 2:

Meetings.

Each Committee shall meet at the time and place designated by its Chair (who shall be designated by the President) and shall adopt rules for its own governance not inconsistent with these Bylaws or with rules adopted by the Board of Directors. Any action by a Committee shall be subject to approval by the Board of Directors.

Section 3:

Reports.

All Committees shall make written reports at each meeting of the Board of Directors and an annual written report shall be filed with the Executive Vice President by each Committee Chairman at the annual meeting of the Board of Directors.

Attendance at Board Meetings.

Chairs and Vice Chairs of Committees shall ordinarily attend regular meetings of the Board of Directors but will not have the privilege of voting.

ARTICLE IX REPRESENTATION OF THE ASSOCIATION

Section 1:

No Committee or member thereof shall assume to represent the Association or Committee before any legislative, administrative or judicial body, in any court or before any other tribunal, unless authorized to do so by the Board of Directors or the Executive Committee acting on behalf of the Board of Directors.

Section 2:

No report, recommendation or other action of any Committee of the Association shall be considered as the action of the Association unless and until it shall have been approved or authorized by the Board of Directors or the Executive Committee acting on behalf of the Board of Directors.

ARTICLE X CONTRACTS, CHECKS, DEPOSITS AND FUNDS

Section 1:

Contracts.

The Board of Directors may authorize any officer or officers to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances.

Section 2:

Checks, Drafts, Etc.

All checks, drafts, or orders for the payment of money, or other evidence of indebtedness, issued in the name of the Association, shall be signed by such officers of the Association, and in such manner as shall from time to time be determined by Resolution of the Board of Directors, such instruments shall be signed by the President, the Secretary-Treasurer, or the Executive Vice President.

Section 3:

Deposits.

All funds of the Association shall be deposited as soon as practicable after receipt thereof to the credit of the Association in such banks, or other depositories approved in advance by the Board of Directors but selected, from time to time, by the Executive Vice President with approval by the Secretary-Treasurer.

ARTICLE XI ETHICS AND STANDARDS OF PRACTICE

Section 1:

Authority to Establish.

The Board of Directors shall by Resolution establish Rules of Procedure for receiving, docketing, investigating, hearing and determining all matters pertaining to the administration and enforcement of the Canons of Ethics and Standards of Practice of the Texas Mortgage Bankers Association, the disciplining of members by censure, suspension or revocation of membership; provided, however, that such Rules of Procedure shall provide for appropriate notice and hearing of all parties concerned.

Section 2:

Committees.

The President is authorized to appoint an Ethics and Standards of Practice Committee for the purpose of receiving, investigating, docketing, hearing and determining all matters referred to in Section 1; provided, however, that any decision of the Committee pertaining to Ethics shall be subject to approval by the Board of Directors.

Section 3:

Duties.

It shall be the duty of the Ethics and Standards of Practice Committee to continue to study the question of ethics and fair practices in general and make recommendations for amendments to the Canons of Ethics and Standards of Practice as may appear to be advisable from time to time to the Board of Directors for its approval.

Section 4:

Ethics.

Any violation of the Canon of Ethics and Standards of Practice or the provisions of the Bylaws of the Texas Mortgage Bankers Association shall be considered to be unethical conduct. Actions of false or malicious injury to the business reputation of a member, or any conduct which publicly discredits the Texas Mortgage Bankers Association are also deemed to be unethical conduct. Matters involving a charge of unethical conduct and proceedings and deliberations of the Ethics and Standards of Practice Committee shall be confidential and shall be conducted in executive session. Such matter shall be initiated by the filing of verified written charges by an individual, an officer, or a Committee of the Board of Directors of Texas Mortgage Bankers Association, or an officer or members of the Ethics and Standards of Practice Committee delivered to the Executive Officer of the Association in a sealed envelope directed to the attention of the Ethics and Standards of Practice Committee. This communication shall be deemed a privileged communication and

shall not subject any person to be liable therefor. The Executive Officer shall upon delivery of the envelope to him, dispatch to the parties concerned all information to be returned to the Committee before any examination of the charges shall be made. The information shall be filed and returned to the Executive Officer of the Association who shall then forward it to the Chair of the Ethics and Standards of Practice Committee. The Chair shall determine from the alleged charges whether a full Committee hearing shall be heard by the Committee and shall notify the accused member of the time that the hearings will be held by the Committee. No hearing shall be heard by less than six members of the full Committee. The normal meeting times shall be during the three annual meetings of the Board of Directors. No more than one continuance shall be granted to any of the persons charged by this procedure.

Section 5:

Hearing.

In conducting the hearing, the parties may introduce such documentary evidence and present such testimony of witnesses sworn by the Chair as the Committee shall reasonably deem relevant to the issue. Both sides of the controversy shall be accorded the full opportunity to be heard. Both sides may be accompanied by a counsel but counsel may not argue the case for either member, but may advise member of their rights on any matter. At the conclusion of the hearing, the Committee, as soon as it is practical and possible but not later than thirty days thereafter, shall after considering the evidence render a written opinion and decision to the Board of Directors of the Association and specify the reasons for its decision. In its opinion and decision, the Committee may find the charges unfounded or recommend reprimand, fining, probation, suspension, or expulsion as provided in the Bylaws of the Texas Mortgage Bankers Association. The parties to the proceedings shall be given a copy of the opinion and decision. Any party adversely affected by an opinion or decision of the Committee may within ten days after receipt of a copy thereof, apply for a rehearing upon showing of new discovered evidence relevant to the issue which could not have been discovered by diligent search prior to or during the hearing. The Committee shall act upon an application for rehearing within thirty days after its receipt, setting a new hearing date at one of the three annual meetings of the Board of Directors of the Association.

Section 6:

Appeal.

Any party adversely affected by an opinion or decision of the Committee may, within thirty days after it has become final, appeal to the Board of Directors of the Texas Mortgage Bankers Association.

ARTICLE XII ANNUAL DUES

Annual Dues.

The annual dues for each class of Association membership shall be fixed by the Board of Directors, and will determine and prescribe the manner and time of payment. Any member failing to pay membership dues within sixty days from their due date may be dropped from the membership by the Board of Directors for cause.

ARTICLE XIII PARLIAMENTARY AUTHORITY

Roberts Rules shall be the Association's final authority on all questions of procedure and parliamentary law to the extent such Rules are not inconsistent with these Bylaws.

ARTICLE XIV

The fiscal year of the Association shall commence on January 1 of each year.

ARTICLE XV AMENDMENT TO THE BYLAWS

These Bylaws may be altered, amended, or repealed at any regular meeting of the Board of Directors with prior notice, unless otherwise waived, or at any special meeting of the Board of Directors if notice of such alteration, amendment or repeal be contained in the notice of such special meeting. Any action by the Board of Directors altering, amending or repealing any provision of the Bylaws is subject to repeal or change by the membership at any annual meeting or special meeting of Members. Any alteration, amendment, repeal or new Bylaw proposed to be acted upon at a meeting of Members must either be recommended by the Board of Directors or submitted in writing signed by at least five percent (5%) of the Regular Members and delivered to the Secretary/Treasurer not less than

forty (40) days before an annual meeting or special meeting of the membership. A notice of said amendment to be acted upon by the Members shall be delivered to each Member at least thirty (30) days prior to the meeting at which such vote is taken. Provided that a quorum is present at an annual or special meeting, the proposed Bylaw change must be approved by a two-thirds vote of all delegates present and voting.