

Code of Ethics and Best Practices

for

Down Payment Assistance Organizations

Programs

- I. Programs shall be conducted in accordance with HUD Handbook 4155.1, Revision 5 and all HUD Mortgagee Letters applicable to down payment assistance programs.
- II. Organizations shall voluntarily comply with Real Estate Settlement Procedures Act (RESPA).
- III. Organizations shall not condone improper inflation of appraisals or sales prices and will reject any down payment assistance applications where this occurs.
- IV. Organizations shall state that the seller service fee is not a charitable tax deduction.
- V. Organizations shall not make misleading statements regarding the acceptance of their programs among conventional loan products.
- VI. Organizations shall encourage homebuyers to participate in pre- and post-purchase education.
- VII. Organizations shall provide homebuyers with counseling regarding default management assistance.
- VIII. Organizations shall not mislead underwriters or conceal from involved parties the true characteristics of a transaction.
- IX. Organizations shall not knowingly perpetrate any acts of fraud on behalf of program participants.
- X. Organizations shall ensure that their employees and agents do not make misleading statements or representations to prospective program participants. Organizations shall promptly correct any inaccuracies or mistakes that interfere with the completion of a transaction as scheduled by the parties.
- XI. Organizations shall treat all program participants, real estate professionals, settlement agents, builders, and lenders fairly and uphold the most ethical standards.
- XII. Organizations shall conduct their programs in a professional manner, ensuring that their personnel are knowledgeable in the areas of mortgage lending and are acting in compliance with sound practices and integrity.

Operations

- 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.
- IV. Organizations shall not offer executive compensation unreasonable for nonprofit organizations and shall not provide organization-backed loans to executives.
- V. Organizations shall disclose all conflicts of interest, including financial, managerial, programmatic, and ethical.
- VI. Organizations shall develop and implement privacy policies to ensure that confidential information is protected from improper disclosure.
- VII. Organizations shall conduct their programs without regard for race, creed, color, gender, marital status, familial status, religion, national origin, ancestry, age, or handicap of the persons with whom they deal.
- VIII. Organizations shall take all appropriate steps to ensure the overall quality of the programs that it offers.
- IX. Organizations shall take an active role in other charitable activities and organizations within the scope of its mission.
- X. Organizations shall educate their employees in the best practices of the mortgage and real estate industry.

Organizations and their employees shall abide by and uphold the requirements of this Code of Ethics and Best Practices.



Agreed to by: Aria Ashburn
Title: President & CEO
Organization: AmeriDream