



AmeriDream

Down Payment Assistance Program



Doing things right for America's homebuyers.



Fraud is always trying to get in your door

Keep your **Customers, Company**
and **Career Safe**

5 Easy Things you can do

There are numerous Down Payment assistance providers. Some of them have already visited, called or e-mailed you. Some of them may have convinced you that they are the best provider for you. Well, most victims usually feel that way before being victimized. To avoid being a victim of fraud, AmeriDream, the Gold Standard for Down Payment Assistance suggests that there are five steps you can take to protect your customers, your company and your career from unethical and fraudulent down payment assistance providers.

Insist

1. Insist on the organization having their Final Determination Letter from the IRS. Many down payment organizations operate under a filed application or an Advanced Ruling Letter. An organization has to be serving its mission for 5 years and meet a test by the IRS before getting its Final Determination Letter. **It's important to note that organizations who do NOT pass the Final Determination Letter test of the IRS will have their non-profit status revoked.** *AmeriDream's Final Determination Letter is attached.*
2. Insist on the organization adhering to a Code of Ethics and Conduct *AmeriDream's is attached.*
3. Insist on the organizations having open disclosure of their financial records making available both current and historical 990s or other applicable financials for church-related organizations. *AmeriDream's is on our website at www.ameridream.org*
4. Insist the non profit organization does not use for profit companies owned by the executives of the non profit organization or their family members. *AmeriDream is in compliance with this action.*
5. AmeriDream is known for being the Gold Standard in the industry. If you have complaints regarding down payment assistance providers AmeriDream has implemented a complaint referral process. Please contact us 301-977-9133 or compliance@ahaanow.org

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