

## Procedure for Processing Complaints

1. Complaint must be filed in writing with the association's executive director, the president, or a Board member
2. Complaints will be accepted from:
  - a. Broker and Associate Broker members of the local association
  - b. The association's Board of Directors
3. When a complaint is received by the local association (as in #1 above), it shall be forwarded to the Chair of the Ethics & Professional Standards Committee within five (5) business days.
4. The Chair of the Ethics & Professional Standards Committee shall:
  - a. Verify that the complaint meets the qualifications for being heard, as stated in #1 and 2 above
  - b. If the complaint does not meet the qualifications, the Chair will so notify the complainant
  - c. If the complaint does meet the qualifications, the Chair, or a member of the committee appointed by the Chairs, will serve as the "Initial Investigator"
5. The Initial Investigator will:
  - a. Check the association files to see if there are any previous proven offenses recorded against the Member. (Note: The association shall maintain a file of all complaints registered and the manner of resolution for a period of ten (10) years.)
  - b. Send a copy of the complaint to the Member respondent, and request a reply to the complaint within 15 business days.
  - c. Contact the Complainant for more details, or to request documentation regarding the allegations, as appropriate – to be returned within 15 business days.

(During this initial period, and if the complaint so warrants, the Initial Investigator should exert his best efforts to facilitate a resolution of the matter between the two parties at this level and before proceeding to other remedies by the full Committee).

If at this juncture the parties have resolved the complaint, the Initial Investigator will memorialize the results in a letter which will be sent to

both parties and also put on file at the association's office. In this instance, the Committee will be advised of the matter at its next scheduled meeting as no action by the Committee will be required.

d. When the requested material has been received, the committee will meet to review and determine if the complaint warrants further investigation, a hearing, or if the complaint should be dismissed. Based on the Committee's decision, action will be taken as follows:

1. If the Committee determines that the case does not warrant further action, a letter will be sent to both the complainant and the Member indicating the Committee's decision, along with supporting reasoning.
2. If the Committee determines that the case should be further investigated, they may consider if "Mediation" could be helpful and appropriate to resolve the complaint. If so, the Committee will ascertain if both parties are willing to participate in a mediation process. If the parties agree, the Committee will arrange for mediation between the complainant and the Member. If mediation is selected as the remedy, both parties must agree to share the expenses involved with the mediation process.

If Mediation is successful, a letter will be sent to both parties memorializing the decisions and also recorded in the associations files.

If Mediation is not successful, or if Mediation is not offered as an option, or if Mediation is offered but not selected by the parties, then the Committee shall proceed as follows:

3. The Committee will schedule a hearing to be held within 30 days between the complainant, the respondent (member) and any witnesses each party may wish to include. The respondent (member) may be represented by counsel. The complainant shall not be entitled to be represented by counsel. The Committee may have counsel present to represent the Committee and the Association in appropriate circumstances to ensure a fair hearing.

The committee shall serve as the "Hearing Panel" unless a member of the Committee is deemed to have a conflict of interest, in which case the Chair shall appoint a person from the general membership who is qualified to serve.

4. During the hearing, both parties will present their case to the Hearing Panel, including their testimony as well as the

testimony of any witnesses. In addition to the testimonies, the Hearing Panel may question any of the persons present on matters pertaining to the case.

5. Within five (5) days of the hearing, the Committee will conclude their deliberations and issue their decision. All actions of the Committee will be provided in writing to the appropriate parties, including the complainant, the Member, the Board of Directors, the association's executive director, and, as appropriate, other entities such as the regulatory bodies of the State, third party providers, etc.

Entities such as website listings of Members, Industry Publications, etc., will only be notified if the membership of the Member is suspended or revoked.

Broker members of the association may inquire of the association's executive director as to whether offenses are on file for a person he is considering for hire as a loan officer, and such information may be shared with the inquiring Broker.

Consumers may make inquiries to the Association regarding a member's record of complaints. The Association will disclose to the consumer: 1) any offenses currently on the Association's record; 2) if there are "multiple" charges pending against the member; and 3) if the association has knowledge of regulatory action taken against the member.

In cases where an Association does not accept complaints from either consumers or third party providers, the Association shall refer any complaints to the appropriate regulatory body.

6. Enforcement: If the Committee's decision requires action, such as loss of member benefits, this must be coordinated with the association's executive director. If the Committee's actions requires interaction between the complainant and the member (such as return of funds, or other specific actions), the Committee must place a date certain on such compliance, and require proof of actions completed. The Committee must also keep a forward calendar to monitor any date certain events it has imposed and follow up on those actions.