

## Sanctions/Forms of Discipline for Violations of Ethics & Professional Standards/Best Lending Practices

The following sanctions are designed to cover a broad range of disciplinary actions which should be rendered commensurate with the offense. They are designed to give the Committee and the Board of Directors a wide latitude in the type and severity of sanctions to be applied. It may often be appropriate to issue a combination of these sanctions for the same offense. There is no requirement to issue them in a “graduated” fashion (a first offense may call for the most severe sanction).

1. Letter of Warning placed in member’s file for a specified period of time. This letter from the Association President shall serve as a ‘warning’ that future similar conduct could result in more severe disciplinary action.
2. Letter of Reprimand placed in member’s file for a specified period of time. This letter from the Association President advises the member that the letter is to be construed as an ‘official reprimand’.
3. Imposition of a Training Requirement. A letter from the Association President advising the member of a lack of professional conduct or a violation of the Code, and which directs the member to attend a specific course or courses offered by the Association, and to provide proof of completion of such courses within a specified period of time.
4. Membership on Probation for a specified period of time (usually not less than 30 days nor longer than one year). This sanction would include verification that the member does not commit the same offense during the probation period. Any subsequent finding based on a violation of a similar nature which occurs during the probationary period may result in a suspension of membership.
5. Suspension of Membership for a stated period of time (usually not less than 30 days nor longer than one year). This action is a suspension of membership rights, including but not limited to, denial of association services on terms and conditions stated, including the use of the association’s MAMP Brand Mark and logo, for the period of time determined by the Hearing Panel. This sanction will specify that the member will be reinstated as a member in good standing at the end of the suspension period – at the discretion of the Committee and /or Board if the member has complied with the terms of the suspension (taken corrective measures to avoid a repeat of the offense, as well as the avoidance of additional offenses).\*
6. Expulsion of Membership from the Association with no reinstatement privilege. Reinstatement may only be approved after member has re-applied and has met all requirements for new members at that time. \*

7. Mediation – agreement by both parties to enter into a mediation process and to openly embrace the process so as to resolve the issue without additional sanctions.

\*When a member receives a sanction of suspension or expulsion of membership, the association will also:

1. Notify its state regulators;
2. Publish the notification of sanction in its newsletter;
3. If appropriate, notify HUD and other agencies;
4. Notify MAMP of the sanction.

After receipt of this information, MAMP will:

1. Send notice to all other states where licensee is a member
2. Add notice of sanction to a special section of its website created for the reporting of Ethics violations

## **Disciplinary Guidelines**

Factors to be considered in determining appropriate discipline include, but are not limited to:

1. Nature of the violation
2. Harm caused by the violation
3. Was the violation inadvertent or unintentional, or was it the result of knowing disregard for the Code?
4. Level of experience of the member
5. Previous violations on record for member
6. Mitigating or extenuating circumstances
7. Response of the member in acknowledgement of violation and expression of remorse or contrition

## **Processing Fees**

1. Personal and Professional Vindication – when a member is mistakenly charged and/or found to be not guilty of a violation
2. Education of members about their professional obligations, which will raise their consciousness to the meaning and significance of the Code (many ethics violations occur inadvertently or through ignorance)
3. Meaningful deterrent to future violations
4. Meaningful statement to the public that the Association takes the Code seriously, and is working diligently to police its own industry from within

## **Gray Areas**

In dispensing sanctions, Committees must recognize that “gray areas” may exist. The offense may have resulted from ignorance or from a mistake, in which case the sanction would reflect those findings. When the offense is determined to be flagrant disregard for the Code, the Committee must be cognizant that the Code exists for the protection of the public and this fact considered heavily when determining discipline.

## **Mitigating Circumstances**

Mitigating or extenuating circumstances should be considered in determining appropriate discipline. The fact that a respondent recognizes and acknowledges inappropriate or unethical conduct and took steps to remedy the offense and minimize harm should be considered in determining appropriate discipline.

## **Prior Violations**

Members' records concerning prior violations – or conversely having no record of violations – may be considered by the Hearing Panel when determining appropriate discipline.

## **Appeals Process**

A respondent who is found in violation of the Code of Ethics and/or Best Lending Practices Guidelines by the Hearing Panel may appeal the decision. Appeals will be presented to the full Board of Directors of the Association, whose decision shall be final.

## **Confidentiality**

All matters brought before the Ethics Committee of the Association, as well as the Hearing Panel, shall be conducted in confidence throughout the hearing process. Once a decision has been reached, any sanction imposed will state the parameters of distribution of the decision (to association members, newsletters, websites, HUD, regulatory bodies, MAMP, etc.)