

A. Overview

NAMMB is a national non-profit organization committed to its mission of promoting the general business purposes and objectives of mortgage professionals. Antitrust laws prohibit agreements among competitors that restrain trade, and NAMMB Members can be considered to be competitors for purposes of antitrust challenges even if their businesses are not in the same geographic areas or in the same product lines. The penalties for violations of the antitrust laws are severe for associations and their members.

NAMMB has a strict policy of compliance with all federal and state antitrust laws. In all Association activities, each member, as well as NAMMB leadership, staff and contractors shall be responsible for following the Association's Antitrust Policy. Officers, Directors and Committee Chairs shall ensure that this policy is understood and adhered to in the course of activities pursued under their leadership. Antitrust compliance is the responsibility of every NAMMB Member and particularly those in leadership positions.

B. Policy

NAMMB will not become involved in competitive business decisions of its individual members, nor will it take any action that would tend to restrain competition. NAMMB is firmly committed to the principle of competition served by the antitrust laws, and good business judgment demands that every effort be made to assure compliance with all applicable federal and state antitrust laws and trade regulations.

Association activities shall not be used for the purpose of bringing about, or attempting to bring about, encouraging, or facilitating any understanding or agreement, written or oral, formal or informal, expressed or implied, among competitors with regard to prices, terms or conditions of sale, discounts, territories or customers. Any agreement by competitors to fix prices or "honor," "protect," or "avoid invading" one another's geographic areas or product lines would violate the law.

Association activities and communications shall not include discussion or actions, for any purpose or in any fashion, of prices or pricing methods or other limitations on either the timing of services or the allocation of territories or markets or customers in any way. For example, NAMMB Members cannot come to understandings, make agreements, or otherwise concur on positions or activities that are directed at fixing prices. Likewise, NAMMB Members cannot make agreements as to whether they will or will not enter into contracts with certain investors, wholesalers or customers. Nor can they discuss allocating geographic or product markets. Even if no formal agreements are reached on such matters, discussions of prices, group boycotts, or market allocations followed by parallel conduct in the marketplace can lead to antitrust scrutiny or challenges. Members may, however, consult with each other and freely discuss general business trends; best practices in sales, marketing, or other legitimate business matters; changing market conditions; technological innovations; and the like.

NAMMB shall not undertake any activity that involves exchange or collection and dissemination among

competitors of any information regarding prices, pricing methods, cost of services or labor, or sales or distribution without first obtaining the advice of legal counsel, when questions arise as to the proper and lawful methods by which these activities may be pursued. For example, caution should be exercised in collecting data on workforce statistics and job market opportunities. While the mere collection of data on such matters is permissible, antitrust concerns may arise if the data become the basis for collective action.

In sum, Association activities and communications shall not include any discussion or action that may be construed as an attempt to: (1) raise, lower, or stabilize prices; (2) allocate markets, territories, or product lines; (3) prevent any person or business entity from gaining access to any market or to any customer for goods or services; (4) prevent or boycott any person or business entity, including specific manufacturers or customers, from obtaining products or services freely in the market; (5) foster unfair trade practices; (6) assist in monopolization or attempts to monopolize; or (7) in any way violate applicable federal or state antitrust laws and trade regulations. The actual purpose and intent of NAMB's policies and programs are important in this regard. They cannot be aimed at accomplishing anticompetitive objectives.

The antitrust laws are complicated and often unclear. If any member is concerned about being in a "gray area," the member should consult with NAMB. If the conversation among competitors at any NAMB meeting, conference or event turns to antitrust-sensitive issues, participants should discontinue the conversation until legal advice is obtained or leave the meeting immediately.

Discussions of pricing or boycotts as part of association-scheduled programs or at association-sponsored meetings or events could implicate and involve NAMB in extensive and expensive antitrust challenges and litigation. In addition, the U.S. Supreme Court has determined that an association can be held liable for statements or actions in antitrust-sensitive areas by volunteer leaders who claim to speak for the association, even if they are not authorized to speak in that area. Officers and Directors of the Association must therefore make clear whether they are speaking in their official capacity when they address such issues. By contrast, if they are making personal remarks outside of an association setting, the speaker should clearly state that he or she is speaking for him or herself, and not on behalf of the Association.

To assist NAMB leadership in recognizing situations that may give the appearance of an antitrust concern, the Board of Directors will provide to each Officer, Director and Committee Chairperson copies of the Association's Antitrust Policy. In addition, the NAMB's antitrust statement should be referenced at the start of each meeting where Association business will be discussed, and this action will be noted in the Minutes of the meeting.

Any violation or potential violation of this Antitrust Policy must be brought to the attention of the Board of Directors, and the Board will deal with it in a timely and appropriate manner. The Board of Directors will consult with legal counsel when questions arise as to the manner in which the antitrust laws may apply to the activities of Association.

C. Member Responsibilities

NAMB programs are carefully designed and monitored on an ongoing basis to ensure compliance with antitrust law. Every NAMB Member, whether corporate or individual, has a duty and responsibility under the law to avoid and prevent antitrust violations. Every NAMB Member needs to understand basic antitrust laws, to recognize areas of potential antitrust risk, and to overtly object to

and refuse to participate in any activity that poses antitrust risk until that risk is properly assessed and cleared by legal counsel or another qualified advisor.

D. Areas of Risk

It is not possible to provide a complete or specific list of activities that amount to an antitrust violation. However, it is helpful to identify areas of risk, where close attention can be paid to the possible anti-competitive nature of the agreements or activity involved. Some areas of risk include discussions of the following:

- i. Controlling or influencing current or future prices (for purchase or sale), controlling or influencing price increases or decreases, or stabilization or standardization of prices¹.
- ii. What constitutes a “fair” profit level.
- iii. Procedures for establishing selling prices, cash discounts or credit terms.
- iv. Control of sales levels, inventory levels or timing of sales.
- v. Allocation or division of markets or geographical divisions of markets among competitors.
- vi. Agreements, recommendations or suggestions that members refuse to deal with certain other persons or firms (boycott).
- vii. Whether or not the pricing practices of any competitor/industry member are unethical, or constitute an unfair trade practice.
- viii. Agreements limiting or restricting advertising.

Some discussions relating to activities identified above will not amount to antitrust violations. However, all discussions relating to these issues and activities require thorough antitrust analysis and guidance prior to proceeding with the discussion.

E. Procedure for Association Meetings

To avoid even the appearance of impropriety, as well as to avoid inadvertent violation of antitrust laws, all NAMB Board and Committee meetings will be conducted in accordance with the following rules:

- i. A written agenda will be prepared and distributed in advance of each meeting. Agenda items with potential antitrust implications will be reviewed and discussed by the Chair, President and legal counsel, as necessary or appropriate. Additions to the agenda having potential antitrust implications should be postponed, or discussions of such matters held with legal counsel or other qualified advisor present.
- ii. Accurate, detailed Minutes of every meeting will be prepared and reviewed. Audio, video or other recordings of meetings will not be permitted. Minutes will be approved at the

¹ Discussion of prices established by third parties not influenced or controlled by the discussing parties is generally not, standing alone, anti-competitive or illegal.

next meeting.

- iii. In the event of concern regarding potential antitrust implications of a discussion, discussion must be discontinued pending resolution of the matter through the Executive Committee or legal counsel, if necessary.
- iv. In the event that any Member has a concern about potential antitrust implications of a discussion during a meeting, he or she should interrupt the discussion and state that concern immediately. If discussion is not terminated and the concern is not resolved, the concerned member should state that he or she is leaving the meeting for that reason, and leave.
- v. Conversations involving discussion of matters in violation of this policy will not be tolerated at any Association meeting, and parties in violation may be ejected from the meeting by the Chair.

NAMB observes the following antitrust statement at all Association meetings:

Trade and professional Associations that bring together competing entities, such as NAMB, are subject to strict scrutiny under both federal and state antitrust laws. NAMB recognizes that the antitrust laws were enacted to promote fairness in competition and as such supports laws against monopoly and restraints of trade and supports their enforcement.

It is the policy of NAMB, the Association of Mortgage Professionals and its Members to remain in compliance with all federal and state antitrust laws, and other regulations applicable to their activities, and to avoid even the appearance of impropriety.

NAMB and its Members believe that the nation is best served by voluntary compliance with the antitrust laws. NAMB will neither permit nor condone anti-competitive behavior, whether willful or inadvertent, in connection with any Association activity. To this end, NAMB and its Members will at all times avoid discussion or actions related to fixing prices, allocating geographic markets, unfair or deceptive practices, setting profit levels; boycotts, and other anticompetitive behavior.

Discussion of matters that may violate applicable laws and regulations should always be avoided, even in private settings, and cannot be tolerated in connection with any NAMB meeting, event or activity. Individuals engaging in possible violations of this NAMB policy during meetings, events or activities will be required to end such discussions or activities, and if necessary, are subject to ejection by the presiding officer of the meeting or chairperson of the event or activity.

Questions concerning antitrust or other laws or regulations connected to NAMB activities should be referred immediately to the President.