MORTGAGE BANKERS' ASSOCIATION OF KENTUCKY, INC.

BYLAWS

ARTICLE I NAME

The name of this Association shall be the Mortgage Bankers' Association of Kentucky, Inc. (hereinafter "MBAKY")

ARTICLE II VISION AND MISSION

Our vision is to be the leading voice for the Mortgage Finance Industry in Kentucky. Our Mission is to promote the highest professional and ethical standards, provide education and industry-wide networking opportunities and act as the industry's leading voice on legislative and regulatory issues.

ARTICLE III MEMBERSHIP

Section III.1 Any person, firm, or corporation, who is a regular member in good standing of a member organization organized under the ultimate authority of the National Mortgage Bankers' Association, shall, upon compliance with these By-Laws, become a member of the MBAKY.

Section III.2 Any person, firm or corporation engaged directly or indirectly in the mortgage lending business and being eligible to conduct business in the state of Kentucky shall be eligible to become a member of this association upon election to membership by a vote of the Board of Directors of the MBAKY.

Section III.3 Any member who is expelled from the MBAKY shall be expelled from local associations.

ARTICLE IV DUES

Section IV.1 Each local association shall remit a $25 initiation fee to MBAKY upon approval of each new member company within 30 days of the approval. Additionally, on June 1st of each year, each local association shall remit a $50.00 fee for every company that renewed in the previous year, along with an accounting detailing each company.

Section IV.2 Annual dues shall be determined by the Board of Directors for each member company of the local associations, which shall not be in addition to the regular annual dues paid by Regular or Associate members to their local associations. The annual dues for "at-large" members (those not members of a local association) will be determined by the Board of Directors.

Section IV.3 Any local association failing to pay their dues to MBAKY by July 1st, shall be considered delinquent and may be subject to suspension by the MBAKY. Subsequently, upon tender of their dues, the local association shall be voted upon for reinstatement in accordance with the by-laws of the MBAKY.

Section IV.4 Dues paid directly to the MBAKY for new members that include local chapter affiliations, shall be remitted within 30 days of approval and payment to the local association(s), along with an accounting. Additionally, annual renewals that include chapter affiliations, shall be remitted to each chapter, along with an accounting, by March 31st of each year.

<u>ARTICLE V</u> BOARD OF DIRECTORS

Section V.1 The MBAKY shall be governed by a Board of Directors with full power to act on behalf of MBAKY. The Board of Directors shall be comprised of President, Vice President, Treasurer. Secretary President and Vice President shall each be elected for two- year terms. Secretary and Treasurer shall each be elected for one-year terms. Officers must have served as a Board Member of MBAKY for at least one year.
Not more than 50% of the Officers may be members of any one local association or at-large members. To serve as President, one must have served on the Board of Directors for at least two years and served as an officer for at least one year.

Section VI.2 The President shall serve as the chairperson of the MBAKY. The Vice President shall act as chairperson in the President's absence. The Secretary shall keep a record of all proceedings. The Treasurer and/or Executive Director shall receive and disburse all funds of the MBAKY, prepare financial reports and file tax returns when appropriate.

Section VI.3 If any Executive Officer is unable to complete the term of office, the vacant position shall be filled for the unexpired term in the following manner: 1. if the President position is vacated, the Vice President shall complete the term; 2. if the Vice President position is vacated, the Secretary shall complete the term; 3. if the Secretary or Treasurer position is vacated, the Board shall appoint a replacement.

Section VI.4 The board recognizes that there may be movement in the employment status of the Executive Officers. To maintain continuity and consistency within these Executive Officer positions, a transition period will be granted from the date the Executive Officer separates from current employment. Said officer will be granted 90 days to confirm an offer of acceptance with an employer in the mortgage industry. If the new employer is not a current member in good standing, an

expedited membership review/approval process will be initiated. The new company has 60 days from offer acceptance in which to apply for MBAKY membership and pay for dues. If the officer has not found employment in the industry within the 90-day timeframe, the board may proceed with the requirements of Section VI.3 and permanently replace the vacant position.

ARTICLE VII BOARD MEETINGS

Section VII.1 The annual meeting of the MBAKY shall be held in the third week of September in each year on such date and at such place as may be designated by the Board of Directors.

Section VII.2 Quarterly meeting of the MBAKY shall be held either in person or electronically as directed by the President. The President of the MBAKY may call special meetings to be attended by the Board of Directors of the MBAKY and other interested members. In no event shall such special meetings be in lieu of the regular annual meeting of the MBAKY.

Section VII.3 Special meetings of the MBAKY may be called at any time by any five (5) members of the Board of Directors, by filing with the Secretary of the MBAKY a written call over their own signatures. The Secretary shall notify each board member at least ten (10) days prior to that meeting.

Section VII.4 Any motion or resolution offered for the consideration of the MBAKY must have the affirmative vote of no less than two-thirds (2/3) of the members present, either in person or electronically. Robert's Rules of Order, Newly Revised, shall govern the meetings of the MBAKY.

ARTICLE VIII COMMITTEES

The Standing Committees of the MBAKY appointed by the President shall be: Communications, Ethics, Education, Membership/Networking, Legislative, Nominating, Budget, Bylaws and Policies, and Fundraising.

The President and/or Board of Directors shall have the authority to appoint any special committees as may be desirable for the activities of the MBAKY.

The President shall appoint a chair for each of the standing committees from the Board of Directors of the MBAKY. The Committee Chair shall report to the Board of Directors at the quarterly Board of Directors meetings. New committee chairs shall assume their chair by November 1st, or immediately at the conclusion of local chapter elections, whichever comes first.

The Standing Committees of the association are as follows:

1. **Communications**

   The Communications Committee shall prepare a yearly marketing plan to facilitate the organization's goal of being the leading voice for the mortgage financing industry in Kentucky.

2. **Ethics**
   The Ethics Committee shall develop a comprehensive program to promote the highest ethical and professional standards in the mortgage financing industry.

3. **Education**

   The Education Committee shall develop an educational plan to pursue educational offerings that are of value for all people in our industry.

4. **Membership/Networking**

   The Membership/Networking Committee shall develop a comprehensive program to enhance and increase membership to produce increased membership in the association.

5. **Legislative**

   The Legislative Committee shall keep the membership informed of all relevant national, state and local proposals. The Legislative Committee shall develop a plan to support legislation that facilitates industry grow and prevent legislation that will ultimately harm the consumer and the industry.

6. **Nominations**

   The Nominations Committee shall be chaired by the Immediate Past President and shall be composed of at least two additional past presidents, one at large director and one local association director. The Nominations Committee shall work throughout the year to solicit nominations for officers and directors.

7. **Budget**

   The Budget Committee shall, in conjunction with the Executive Director, develop and present an annual budget for adoption at the January quarterly meeting.

8. Bylaws and Policies

The Bylaws and Policies committee shall conduct an annual review of the association Bylaws and Policies to ensure both mirror the actual governance and operation of the association

9. Fundraising

The Fundraising Committee shall be responsible for organizing and administering activities that bring additional funds to the association. This committee is also responsible for submitting to the board a selection of entities with which to partner if it behooves an event/activity in which the association is taking part. The entity with the highest preponderance of support from the board will be the selected organization.

ARTICLE IX NOMINATIONS AND ELECTIONS

All nominees shall complete a nomination form which shall include the following information about each candidate:

- Professional experience
- Association involvement
- Willingness to serve on a specific standing committee(s)

At the quarterly meeting prior to the annual meeting the Nominations Committee shall report the proposed slate of officers to the Board of Directors to be approved.

The election of officers shall take place at the annual meeting in September. At the September annual meeting nominations may also be made from the floor.

The newly elected officers and board members shall assume their respective offices on October 1st.

ARTICLE X FINANCIALS

The President and the Treasurer may spend up to two hundred dollars ($200) in unbudgeted expenses without prior approval from the Board. Any expense(s) over Two hundred dollars ($200) must be approved by the Board.

ARTICLE XI AMENDMENTS

The by-laws of the MBAKY may be adopted, amended, altered or repealed by the affirmative vote of two-thirds (2/3) of the members in attendance at any meeting of the Board of Directors, after a 30-day notice to the membership. All amendments to the bylaws will be effective immediately when adopted.

ARTICLE XII INDEMNIFICATION OF OFFICERS AND DIRECTORS

The Corporation shall indemnify each of its Officers and Directors who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative or investigative (other than and action by or in the right of the Corporation) by reason of the fact that he/she is or was an Officer or Director of the Corporation, or is or was serving at the request of the Corporation as a Director, Officer, employee or agent of another Corporation, partnership, joint venture trust or other enterprise, against expenses (including attorney fees) judgments, finds and amounts paid in settlement actually and reasonably incurred by him/her in connection with such action, suit or proceeding if he/she acted in good faith and in a manner he/she reasonably believed to be in or not opposed to the best interest of the Corporation, and with respect to any criminal action or proceeding, had no reasonable cause to believe his/her conduct was unlawful.

Revised By-Laws on August 3, 2026

Mortgage Bankers Association of Kentucky Policies & Procedures

Membership:

- Membership is comprised of lenders and vendors working within the industry in Kentucky.
- Lenders and vendors that either do not have 'brick and mortar' offices in the State or have offices that are not within the marketing geography of the MBA chapters in the state will be direct members of MBAKY.
- Lenders and vendors who have 'brick and mortar' offices in the State and are within the marketing geography of at least one of the chapters are to be members of that chapter.
- Members of each of the Chapters automatically become members of the State and are to be included in the State's member database.
- Annual dues, $500 as of 2024, are determined by the Board of Directors and are subject to change annually or as the Board feels is appropriate.
- MBAKY provides the opportunity for members of the State to affiliate with one, two, or all three Chapters, at a fee determined by the MBAKY Board of Directors that, as of 2024 is $75/chapter.
- MBAKY will pro-rate dues each year starting with applications received in April. At that time, dues will equal 9/12 of the annual amount and be good through the end of the calendar year. Each month thereafter, dues will be reduced for that year by 1/12 through August. Beginning with applications received in September, dues will be at the full amount, and upon approval and payment, membership will be good through December 31st of the following year. Chapter affiliations will be calculated in the same manner while the initiation fee, $25 as of 2024, will stay the same throughout the year.
- Annually, after March 31st, the Executive Director of MBAKY will notify in writing the appropriate chapter representative with a list of State members who have paid for an affiliation to that chapter. Immediately following this, funds paid to the State will be transferred to the chapter, along with contact information on that State member's representative(s).
- Annually, after March 31st, the Executive Director will contact the appropriate chapter representative to request the following: a complete database spreadsheet of their members that includes names, titles and e-mail addresses, and, $50/company member remitted to the State.
- Upon receipt of all chapter members, the membership database will be updated, along with the website listing by the MBAKY Executive Director.

Board of Directors Job Descriptions:

President

- Serves as Chair and leads the quarterly and annual Board of Director meetings.
- Along with the Executive Director, sets the agenda for the Board meetings.
- Serves as the master of ceremonies for member meetings.
- Serves as a spokesperson for the organization to the media.
- Works with the Treasurer and Executive Director to develop the annual budget, presented for approval of the Board of Directors no later than at the January Board of Directors meeting.
- Is the designated association representative at the MBA's annual workshop and National Advocacy Conference in Washington D.C.

Vice President

- Attends the Board of Director meetings.
- Serves on at least one committee.
- Serves as Chair for the association when delegated those duties by the President or when the President is unable to serve.

Treasurer

- Attends the Board of Director meetings.
- Serves as Chair of the Budget Committee.
- With the assistance of the Executive Director, reviews all Association financial accounts and reports on a monthly basis.
- Works with the Budget Committee and Executive Director to prepare an annual budget for the association.
- Works with Executive Director and tax accountant to ensure annual federal and state tax filings completed on time.

Secretary

- Attends the Board of Director meetings.
- Serves on at least one Committee.
- Prepares minutes from the Board meetings and sends to the Executive Director for review and keeping records of all meeting proceedings.
- Working with the Executive Director, ensures that the annual report to the Kentucky Secretary of State is appropriately filed and fee paid.

Past President

- Attends the Board of Director meetings.
- Serves as Chair of the Nominating Committee

President Director

- Attends the monthly Board of Director meetings.
- Serves on at least one committee.
- The President may assign any other responsibilities.

Nominating Committee Director

- Attends the Board of Director meetings.
- Serves on at least one committee.

Past President Director

- Attends the Board of Director meetings.

- The Board of Directors will meet regularly five times in each calendar year
- These meetings will include four quarterly meetings on the 3rd Thursday of the following months; January, April, July and October
- The annual meeting of the Board will be the 3rd Thursday in September
- Working with the President and Committee Chairs, the Executive Director will send out the proposed agenda one week prior, and asking if any Board members would like to add anything additional, and if so, the ED will re-send prior to the meeting
- All of the meetings will start at 12:30PM Eastern and conclude by 2:00PM
- Presiding over these meetings will be the President or Vice President if the President is unable to attend
- Recurring on the agendas for these meetings will be current financials and minutes from the prior meeting that will need a move to approve and a voice vote, and, committee reports from the Committee Chair and/or the Executive Director
- Lunch will be provided for those attending on-site at noon Eastern REMOVE
- Lunch will not be provided for those attending on-site at noon Eastern
- That if any social post must have prior review by at least two people and no policital party affiliation. Two people shall be picked by the board of directors. ADD ON

Financial:

- The Executive Director, President and Treasurer shall be the authorized signatories on all Mortgage Bankers Association of Kentucky accounts.
- All Invoices shall be provided to the Executive Director for payment. The Executive Director shall pay invoices within 30 days of the receipt of the request for reimbursement. All requests for reimbursement must be provided within 30 days of expense. Failure to submit a timely request for reimbursement will relieve the association of responsibility to reimburse any expense. The request may be referred to the full Board for review in the case of unusual circumstance, and the Board at its discretion may allow reimbursement beyond the 30-day window. Under no circumstance will the Board be obligated to approve expenses outside of this policy, and no expense request submitted after 90 days may be considered.
- On a monthly basis, after the bank statement has been reviewed and the checking account balanced, the Executive Director will send the bank statement, all receipts and reconciliations to the Treasurer with notes as needed and will review with the Treasurer and President with either a phone call or virtual meeting monthly to review.

- The Executive Director, President and/or Treasurer are authorized to approve unbudgeted expenses not to exceed two hundred dollars ($200).

- All reimbursed expenses must have a reimbursement form completed, with receipt and must not be over 30 days old. President and Treasurer can approve the reimbursement. If any reimbursement is over 90 days old, the board must approve. For no reason will the association be responsible for any reimbursements over 90 days old.
- By the 15th day of the month following close of business, the Executive Director shall provide the monthly financial report, bank statements, receipts, and all other necessary supporting documents to the Treasurer, or a committee appointed by the Board, to review the financial standing of the association. The same shall be presented at the next Board Meeting for action by the full Board so that no more than 45 days shall elapse between close of business and final Board review of said month's activities.
- Reimbursement forms must be completed with receipt attached. The Executive Director or Treasurer shall disburse payment within 30 days of receipt.
- The Executive Director shall keep financial records up to date on Quicken™ software.
- The Executive Director is responsible for storing and maintaining financial records, including tax returns, in a safe place, and will maintain back-ups of financial records via physical discs and in 'the cloud'.
- The Executive Director is responsible for follow-up on all past due invoices. In the event that the invoice has not been paid in a reasonable amount of time, written documentation shall then be presented to the Treasurer and The Treasurer shall present past due invoices to the Board of Directors for any further action.
- The Executive Director shall submit to the Treasurer and Board monthly financial statements financial statement and cash flow analysis shall be approved by the Treasurer and Board of Directors at the monthly Board of Director's meeting.
- The Treasurer and President shall do a financial review with the Executive Director at the end of every fiscal year and prepare of budget for the following year by November 15.
- The Executive Director shall file all necessary reports annually or as required with the Kentucky Secretary of State to maintain the registration of the association as a not-for-profit corporation.

- The Executive Director and Treasurer are responsible for ensuring that the organization's tax returns are prepared and filed each year in accordance with I and Kentucky Department of Revenue requirements.
- Raffles or a donation box will be conducted at the monthly meetings, with the proceeds going to a charity designated by the Board of Directors. REMOVE

Membership Meetings/Events

Communications:

- The communications of the association include the following: membership database e-mails from the vendor providing the service, Facebook, YouTube, the website, and LinkedIn.
- The Executive Director is responsible for sending emails to the membership in regard to meeting notices, regulatory and legislative updates, newsletters, and industry information.
- Working with the Communications Committee, the Executive Director shall produce an e-newsletter and send it to the membership once the President has reviewed and approved.
- The Executive Director is responsible for needed updates to the web site as well as those recommended by the Communications Committee and President.
- The Communication Committee Chair will be jointly responsible, along with the Executive Director, for posts to Facebook, YouTube, the website, and LinkedIn.

Ethics:

<u>Canons of Ethics and Standards of Practice</u>

- CANON 1 – Professionalism Members conduct their business in a professional manner, ensuring that their personnel are knowledgeable in the areas of real estate finance in which they participate and are acting in compliance with sound industry practices.
- CANON 2 – Integrity and Confidentiality Members act in a manner that recognizes that integrity and confidentiality are essential in the real estate finance industry.

- CANON 3 – Public Trust Members do not commit fraud or misrepresentation against the public and do endeavor to protect the public against fraud, misrepresentation and unethical practices in the real estate finance business. Members help eliminate or prevent practices which could be damaging to the public or to the integrity of the real estate finance industry.
- CANON 4 – Fiduciary Responsibilities Members maintain and use money or property held on behalf of others in a prudent, identifiable manner and for the purposes such were received.
- CANON 5 – Disclosure of Information Members provide accurate, timely and meaningful information to those with whom they do business.
- CANON 6 – Conflicts of Interest Members disclose any financial or other conflicts of interest.
- CANON 7 – Compliance with Laws Members act in conformity with applicable laws and regulations and cooperate in every appropriate way with governmental bodies.
- CANON 8 – Non-discrimination Members conduct their business without regard to the race, color, sex, religion, marital status, national origin, or age of the persons with whom they deal.
- CANON 9 – Honesty in Advertising Member advertisements and solicitations accurately describe products and services, using clear, simple, truthful and understandable statements.
- CANON 10 – Sanctity of Agreements Members do not breach or avoid an agreement or commitment, whether written or oral.
- CANON 11 – Competition Members support healthy competition in the real estate finance industry.
- CANON 12 – Ethics Compliance Members and their employees engaged in real estate finance are familiar with and comply with these Canons. Members cooperate, promptly and in good faith, with any investigation related to compliance with these Canons. Failure to so cooperate may result in suspension from or termination of membership.
- CANON 13- When representing the MBAKY outside of the board meeting, all expenses must be budgeted and approved by the board and a per diem will be set at that time for each person for each day. If not in the budget, the board will decide if the association can sustain the cost of the event.
- CANON 14- Under no circumstance will the Association pay for any Alcohol.

Revised Policy and Procedures on August, 2026

Mortgage Bankers Association of Kentucky (MBAKY)

Expense Reimbursement and Budget Policy

Effective Date: 10/16/2025
Approved By: MBAKY Board of Directors

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1. Purpose

This policy establishes clear guidelines for the reimbursement of business-related expenses incurred by MBAKY Board Members and the Executive Director, and defines annual budget allocations to ensure responsible and transparent use of association funds.

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2. Scope

This policy applies to:

- All members of the **MBAKY Board of Directors**
- The **Executive Director**
- Committee Chairs when acting on behalf of MBAKY

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3. Policy Overview

MBAKY recognizes that Board Members and the Executive Director may incur expenses while conducting official association business that is approved by the finance committee and executive board. Reimbursement will be provided for **reasonable and necessary** expenses that directly support the mission and activities of MBAKY, within approved budget limits.

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4. Annual Budget Allocations

A. Board of Directors Budget

- A total annual budget shall be established for Board-related activities, approved by the Finance Committee and the full Board as part of the annual operating budget.
- Typical annual allocation: **$1000 annual or $250 per transaction** for Board operational expenses (e.g., travel for meetings, registration for MBA-related events, and official representation).
- Individual Board Members **MAY** be assigned per the budget a **maximum annual reimbursement allowance** of **up to $250**, unless otherwise approved by the Executive Committee.

B. Executive Director Budget

- The Executive Director shall have an annual operational budget line for travel, professional development, and administrative expenses directly related to MBAKY operations.
- The amount will be reviewed and approved annually by the Finance Committee.
- Any expenses exceeding the approved budget must receive prior authorization from the MBAKY President or Treasurer.

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5. Eligible Expenses

Reimbursable expenses include but are not limited to:

- **Travel**: Mileage (at IRS rate), airfare, lodging, parking, and tolls for official MBAKY business.
- **Meals**: Reasonable meal costs when attending meetings, conferences, or events representing MBAKY.
- **Registration Fees**: For MBAKY, MBA national, or industry-related conferences and events.
- **Supplies/Materials**: Items purchased for official MBAKY functions or educational purposes.

Non-reimbursable expenses include:

- Personal travel or entertainment
- Alcoholic beverages
- Fines, penalties, or late fees
- Spousal or guest travel costs (unless pre-approved for official business purposes)

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6. Reimbursement Procedure

1. **Submission**: Expense reports must be submitted within **30 days** of the expense or return from travel.

2. **Documentation**:
    - Itemized receipts are required for all expenses over $25.
    - Mileage reimbursement requests must include trip details (dates, purpose, starting and ending points).
3. **Approval**:
    - Board Member reimbursements require approval by the **Treasurer** and **President**.
    - Executive Director reimbursements require approval by the **President** and **Treasurer**.
4. **Payment**: Approved reimbursements will be processed within **15 business days** of approval.

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7. Oversight and Review

- The **Finance Committee** will monitor expenditures and ensure compliance with this policy.
- Budget allocations and reimbursement practices shall be reviewed annually prior to budget approval.
- Any exceptions to this policy must be approved by the **Executive Committee** and documented in the Board minutes.

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8. Ethics and Accountability

All expenditures must be consistent with MBAKY's mission and uphold the highest standards of integrity and fiscal responsibility. Misuse of funds or false reimbursement claims may result in disciplinary action and repayment obligations.

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9. Record Retention

Expense documentation and reimbursement forms shall be retained by the MBAKY Treasurer or Executive Director for **a minimum of seven (7) years** in accordance with association financial recordkeeping standards.
