

Funding Partners for Housing Solutions, Inc.

Conflicts-of-Interest Policy

Purpose

The Trustees of Funding Partners for Housing Solutions, Inc. (FP), its employees and its agents (“affected party”) owe a duty of loyalty to the organization which requires that in serving FP they act, not in their personal interests or in the interests of unrelated parties, but rather solely in the interests of FP. By extension, that loyalty and undivided interest shall ultimately advance the interests of the individuals and communities served by FP. Trustees and employees must demonstrate unqualified allegiance to FP’s mission. However, this policy should not be construed as a restriction to secure capital, operational support, expertise, credit facilities or other resources that are necessary, indeed encouraged, to conduct its business activities through overlapping relationships among the Board, employees and its agents.

Limitations

Within the context of FP program activity, Trustees, employees and its agents may not use their position or association with the organization to secure pecuniary or personal benefit¹ for themselves, relatives², outside businesses, or other organizations, associations or enterprises with which the affected party is associated. Without prior consent from the Executive Committee of the Board of Trustees, affected parties are strictly prohibited from releasing confidential information, or knowingly cause such information regarding FP, its endeavors and affiliates, clients, investors and other business relationships to be used for the advancement of third party interests.

The extension of a loan or advancement of funds from FP to individual trustees, employees or its agents shall only be permitted under strict adherence to the guidelines of established FP programs and with consent of the Executive Committee. Business transactions between FP and any other entity in which a Trustee or employee has a financial interest shall require consent of the Executive Committee. Such proposed transactions shall be thoroughly reviewed to determine whether the best interests of FP are served and direct influence from conflicted parties is mitigated through the duration of such transactions. For the purposes of this policy, a Trustee or employee has an interest in a proposed transaction if he/she has a substantial financial interest at stake, or has a substantial financial interest in any organization involved in the proposed transaction, or holds a position as trustee, director, principal officer, employee or agency relationship in any such organization.

Disclosure

Prior to consideration of a loan or investment request by the organization, or upon recognition that a potential conflict of interest may exist, Trustees, employees and its agents are expected to make full disclosure that, to the best of their knowledge, what, if any, dual interest exists between FP and other parties to the transaction. The affected party shall submit a statement to the; 1) Board President; 2) Board Secretary; or, 3) Executive Director, (“designated officer”) supplying any reasons why the transaction potentially represents a conflict of interest. The receiving officer shall forward copies of this disclosure report to the Executive Committee for formal determination of the existence of conflict prior to final consideration of the proposed transaction. In the event such potential conflict of interest is identified at the time an action or deliberation is taken up before the Board of Trustees, the full Board will consider and determine appropriate action related to the conflict.

Confidentiality

Affected parties shall not use confidential information of FP for his/her personal benefit, or use his/her position within the organization to compromise the interests of FP. Confidential information is defined as any and all detail within the organization that has not been released to the general public.

¹ Personal or pecuniary benefit shall be defined as any financial, economic or non-monetary advantage that in the judgment of a reasonably prudent person would tend to impair independence of opinion or action.

² Relatives shall be defined as any person who is associated with the affected party by legal decree or extension thereof, direct blood relationship, or open demonstration of cohabitation.

Presumption of Conflict

No "presumption of conflict" is created by the mere existence of outside relationships. However, if an employee or board member has any influence on transactions involving purchases, contracts, loan applications or investment activity, it is imperative that he or she discloses to a designated officer of the organization as soon as possible the existence of any actual or potential conflict of interest so that safeguards can be established to protect the integrity of the process.

Conflict Determination

Upon receipt of a conflict disclosure from an affected party, or at the instigation of any Board member or employee who has knowledge to suggest a conflict may exist with another affected party, the designated officer shall bring the matter forward at the next regularly scheduled meeting of the Executive Committee. The committee shall request additional information, in writing or oral form, from the affected party(s) as necessary to issue a formal determination as to whether; 1) the conflict exists; 2) is material in nature; or, 3) warrants further consideration by the Board of Trustees; and, what procedures are appropriate to remedy any such conflict.

Remedies

A Trustee deemed to have a conflict of interest in a proposed transaction shall not be allowed to vote on the matter, though depending upon the circumstances, may be permitted to engage in all discussions of the transaction prior to a formal vote. Any employee or agent deemed to have a conflict of interest will be subject to specific remedies established by the Executive Committee to safeguard the integrity of the affected transaction. Each Trustee and employee has a duty to place the interests of FP foremost in any dealings involving the organization and has a continuing responsibility to comply with the requirements of this Policy. On an annual basis, each affected party is required to complete a Conflict Disclosure Statement.

Recourse

In the event any action undertaken by FP is subject to a conflict of interest, such action shall not be deemed voidable, set aside, or give rise to an award of damages or other sanctions against the organization, affected party(s), or other parties to the action solely because a conflict exists. Such recourse shall not be construed solely because a conflicted party is an officer, employee or agent of FP, or holds dual interest in other parties to FP-related transactions; is present for or participates in deliberations of actions taken by FP; or, solely because a conflicted Trustee's presence at a Board or committee meeting is necessary to constitute a quorum for formal action or ratification of a conflicting interest transaction provided any such conflict is acknowledged by the presiding member of that Board or committee.

Complaint Resolution

In the event any individual, whether within the organization or a member of the general public, has substantial reason to believe a conflict of interest influenced any action undertaken or presently under consideration by FP, shall be allowed to submit a formal written complaint to a designated officer which outlines the rationale for such assertion. The complaint will first be considered by the Executive Committee at its next regularly scheduled meeting, provided such complaint is received no later than 48 hours prior to the scheduled meeting date. The Executive Committee may consider the testimony provided within the complaint, request personal testimony from the plaintiff, allow written or oral rebuttal to the complaint, or engage outside resources to promote adequate evaluation of material fact. The Executive Committee must excuse any of its membership subject to the complaint from resulting deliberations.

Ultimately, the Executive Committee will be charged to determine whether, in the judgment of a reasonably prudent person, the existence of such facts would tend to impair the independent opinion or action of the defending party. The determination should include any remedies to restore the integrity of the action(s) subjected to the complaint. The Executive Committee shall issue a formal report of the complaint and resulting action to the Board of Trustees at the next regularly scheduled meeting following its final determination.

**Funding Partners for Housing Solutions, Inc.
Conflict-of-Interest Disclosure Statement**

This Disclosure Statement is designed to help FP Trustees, employees and its agents meet their continuing responsibility to disclose potential conflicts of interest according to the Conflicts of Interests Policy of the organization.

Part A of this Disclosure Statement provides instructions that should be retained by affected parties and used as necessary during the coming fiscal year to report potential conflicts of interest as they may arise. In Part B, you are requested to list all organizations in which you are involved that do business with FP. Part B of this form should be filled in, signed at the bottom, and returned to a designated officer of FP.

Part A. Instructions for Disclosure of Potential Conflicts of Interest *(Retain for Future Use)*

If you have reason to believe that you may have an interest in a proposed business transaction of FP, you are requested to prepare a brief statement to the President or other designated officer listed within the policy statement describing the proposed transaction, your interest in it, and your views, if any, as to how a potential conflict exists. This information should be provided to the Board President or other designated officer as soon as you become aware of a potential conflict of interest.

A proposed transaction in which any affected party has a beneficial interest will be thoroughly reviewed to ensure that any action undertaken is independent of undue influence in the judgment of a reasonably prudent person. The Executive Committee may institute measures to ensure that the related transaction does not present a conflict of interest or the promote the appearance of a conflict of interest.

If there is any question in your mind, whether your interest in a transaction warrants disclosure, you should disclose the interest. If you have any questions about the application of the Board's policy on transactions between FP and other parties, please discuss it with FP's Board President or other designated officer.

Part B. Organizations Doing Business with FP in Which You Have an Interest

In the space below, please list all organizations; (1) in which you have a substantial financial interest; or, (2) in which you hold a position as trustee, director, principal officer, employee, or those with which you have an agency relationship; and, anticipate such organizations may engage business activity with FP (including contracts, investments, loans, or other transactions). Enter "N/A" if you have no organizations to report.

Name of Organization	Your Interest in the Organization
_____	_____
_____	_____
_____	_____

(Attach additional sheets if necessary)

I hereby acknowledge that I received a copy of the Conflicts of Interest Policy for Funding Partners and am in compliance with the statements contained therein. Further, I certify the information provided above is complete and correct to the best of my knowledge.

Your Name: _____

Signature: _____

Date: _____

(Please return Part B to a designated officer prior to the annual meeting of the Board of Trustees.)