



NATIONAL PRIVATE LENDERS ASSOCIATION

CODE OF ETHICS

Members of the NPLA
demonstrate the highest ethical
standard in Private Lending.

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NPLA members must review and accept the NPLA Code of Ethics upon being approved for membership and submit an annual statement attesting to its adherence.

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If you have suggestions for additions or edits, please contact info@nplaonline.com.

RESPONSIBILITY TO THE PUBLIC

As societal challenges present themselves, NPLA members will strive to meet their communities' needs by providing much-needed investment in the residential and commercial marketplace. NPLA members commit to the following regarding the communities they serve:

- Identify challenges and market trends and provide equitable and creative solutions to those challenges (Affordable housing, housing supply, etc.).
- Provide capital to communities to repair unsafe or unhealthy housing.
- Contribute to the access of capital for small businesses and those who may not qualify for a more conservative bank-loan program by offering diverse financing packages.
- Facilitate homeownership and long-term housing security.
- Raise the standard of living for communities.
- Promote sustainable development within the lending industry.
- Empower community members by employing local workers and promote entrepreneurship.

RESPONSIBILITY TO THE BORROWER

Regarding borrowers, NPLA members commit to the following:

- Inform the borrower about the total cost and provisions of the loan, including:
 - Interest rates
 - Points
 - Any other fees
- Communicate what fees are NOT refundable if the borrower decides to cancel the loan.
- Confirm with the borrower that they understand the loan requirements.
- When suitable, communicate why a loan is denied.
- Lenders, broker partners, and all other providers should strive to deliver the speediest service possible.
- When originating a loan, our members desire to see the loan succeed and perform according to the agreed-upon terms. At no time will our members originate a loan based solely on the desire to see the recipient fail with the express intention of obtaining title to the property.
- Assess the profitability of the deal before loan approval.
- Ensure the confidentiality and security of borrowers' personal and financial information by adhering to applicable data protection laws and regulations.
- Fund draws for completed work in a timely fashion in accordance with loan document requirements.
- We will not deny loans to borrowers due to sex, race, religion, color, national origin, handicap, family status, or sexual orientation or identity.

RESPONSIBILITY TO THE INVESTOR

With a commitment to transparency, trust, and long-term sustainability, the following key principles guide NPLA Members' responsibility to whole loan or fractional loan investors:

- Commit to providing clear, comprehensive information about borrowers and material loan risks, including known past borrower delinquencies.
- Ensure the transfer of all trailing mortgage recording and title insurance documents related to a loan in accordance with customary industry timeframes.
- Provide full disclosure of any conflicts of interest, including the following:
 - Any business relations between the lender and its employees on one hand and the borrower, its loan guarantors, and their owners on the other hand.
 - Any ownership by the lender or its employees of any appraisal companies or title agencies involved with the underwriting or closing of the loan.
 - Whether the loan is refinancing another delinquent loan originated or held by the lender.
- Commit to accurately reporting loan default statistics pursuant to a clearly disclosed and transparent matter.

RESPONSIBILITY TO THE NPLA AND THE PRIVATE LENDING INDUSTRY

Regarding the Private Money Lending industry and the NPLA, our members commit to the following:

- Communicate with other lending professionals and their companies regarding bad actors.
- Act with integrity, competence, and compliance with state and federal statutes and regulations. Educate and train employees on all state and federal laws and regulations regarding discrimination and good lending practices to ensure loans are legal and ethical.
- Ensure any verification of mortgage forms provided in connection with a refinancing of the loan are accurate.
- Advertisements for products and services shall be truthful and adhere to all laws, specifically defined through the Truth-in-Advertising Act under the FTC.
- Use reasonable care and exercise independent and professional judgment when communicating (verbal and written) with NPLA members and outside professionals.
- Communicate ethical behavior among employees, representatives, and vendors. Members will take appropriate action regarding those who do not act according to the NPLA code of ethics.
- Respect the confidentiality of interactions with members and respect intellectual property rights.
- Members will not discriminate in their interactions with lending partners based on their sex, race, religion, color, national origin, handicap, family status, or sexual orientation or identity.