I. OFFICES

The principal office of Collateral Risk Network, Inc. (hereinafter referred to as the “Corporation”) shall be located within or without the State of Maryland at such place as the board of directors (the “Board”) shall designate. The Corporation may maintain additional offices at such other places as the Board may designate. The Corporation shall have and continuously maintain a principal office within the State of Maryland (which may be identical to any other office of the Corporation) at such place as may be designated from time to time by the Board.

II. PURPOSES

A. To provide to the public and individuals engaged in the residential mortgage industry educational class offerings and conferences related to the residential mortgage industry, and other related educational programming; and

B. To carry out other purposes as stated in the Charter.

III. MEMBERSHIP

The Corporation shall have no members.

IV. BOARD OF DIRECTORS

A. Power of Board. The business and affairs of the Corporation shall be managed by the Board.

B. Number of Directors. The initial number of directors of the Corporation shall be seven (7), which number may be increased or decreased from time to time by the Board, provided that the tenure of office of no director shall be affected thereby.

C. Election and Term of Directors. Two (2) of the initial Directors of the Corporation shall serve for a term of one (1) year; two (2) of the initial Directors shall serve for a term of two (2) years; and the remaining initial Directors shall serve for a term of three (3) years, it being the intention that the Directors serve for
staggered terms. The Board shall determine the term of each of the initial Directors in accordance with the previous sentence. After the initial term described in the first sentence hereof, each Director shall serve for term of three (3) years. Election of Directors shall be held at the annual meeting of Directors, and once elected, a Director shall hold office for the term described in this Article IV, Section C or until his/her successor shall have been elected and qualify.

D. Term Limits. Except for Directors serving as officers, elected Directors may serve no more than three (3) consecutive full terms, but may be eligible for re-election after having been off the Board of Directors for a period of at least one (1) year. With respect to the initial Directors who have been elected to serve a term of one (1) or two (2) years, such Directors may serve three (3) consecutive full terms in addition to the initial term. A Director who is serving as an officer may serve a fourth term, but only so long as the Director is serving as an officer. The immediate past Chair may serve for one additional year following the maximum term limit.

E. Vacancies and Newly-Created Directorships. Newly-created directorships, resulting from an increase in the number of directors, and vacancies occurring in the Board for any reason, may be filled by vote of the Board at any annual, regular, or special meeting. A director elected to fill a vacancy shall hold office until the next annual meeting of the Board and until his or her successor is elected and qualified. A director elected by the Board to fill a vacancy which results from the removal of a director shall serve for the balance of the term of the removed director.

F. Removal of Directors. Except as otherwise provided by law, any one or more of the directors may be removed with or without cause at any time by affirmative vote of two-thirds (2/3) of the directors. The vacancy caused by a removal of a director shall be governed by the provisions of Article IV, Section 4.

G. Resignation. Any director may resign at any time upon notice to the President of the Corporation. Such resignation shall take effect at the time specified therein, and unless otherwise specified therein, no acceptance of such resignation shall be necessary to make it effective. If no time for such resignation to take effect is specified in the notice of resignation, such notice shall be effective at the time of acceptance as determined by the Corporation’s President.

H. Quorum of Directors and Action by Board. Unless a greater proportion is required by law or by the Articles of Incorporation, a majority of the Board then in office shall constitute a quorum for the transaction of business, and, except as otherwise provided by law or by the Articles of Incorporation or these Bylaws, the action of a majority of the Board then in office shall be the action of the Board. Each director shall have one vote.

I. Meetings of the Board. An annual meeting of the Board shall be held each year, at such time and place as shall be fixed by the Board, for the transaction of such business as may properly come before the Board. Regular meetings of the Board shall be held at such times as may be fixed by the Board. Special meetings of the Board may be held at any time whenever called by the President of the Corporation or by any director. Unless otherwise restricted by the Articles of Incorporation, members of the Board may participate in a meeting by means of a conference telephone or similar communications equipment if all persons
J. Location of Meetings of the Board. Meetings of the Board may be held at any place within or outside of the State of Maryland as may be fixed in the notice of meeting for regular or special meetings. Meetings may be held by means of a conference telephone or similar communications equipment if all persons participating in the meeting can hear each other at the same time.

K. Notice of Meetings of the Board. Notice of regular and annual meetings of the Board shall not be required. Notice of special meetings of the Board shall state the date, place and hour of the meeting and shall be given not less than ten (10) days or more than forty-five (45) days prior to the date of the meeting. A notice, or waiver of notice, need not state the business to be transacted at, or the purpose of, any regular or special meeting of the Board. Notice of a meeting of the Board need not be given to any director who (i) signs a waiver of the notice which is filed with the records of the meeting, or (ii) is present at the meeting.

L. Informal Action by Directors. Any action required or permitted to be taken at any meeting of the Board may be taken without a meeting if a unanimous written consent which sets forth the action is (i) signed by each member of the Board and (ii) filed with the minutes of proceedings of the Board.

M. Compensation. The directors of the Corporation shall serve without compensation, and the Board by resolution may authorize the payment of reasonable expenses incurred by directors in the performance of their duties and in accordance with applicable law.

V. OFFICERS

A. Election. Officers of the Corporation shall be a President, Vice President, Treasurer, Secretary, and such other officers as the directors may designate. At each annual meeting of the directors, the directors shall elect the officers by majority vote, each officer to hold office for a term of one year until the next annual meeting of the directors and until his or her successor has been elected and qualified. A person may hold more than one office in the Corporation, but may not serve concurrently as both President and Vice President of the Corporation. A person who holds more than one office in the Corporation may not act in more than one capacity to execute, acknowledge, or verify an instrument required by law to be executed, acknowledged or verified by more than one officer.

B. Vacancies. Any vacancy that may occur in any office shall be filled by the person receiving a majority vote of the directors.

C. President. The President shall preside at meetings of the Board; shall be the chief executive officer of the Corporation; shall perform all duties delegated by the Board and shall perform such other duties as are necessarily incident to the office of President.
D. Vice President. The Vice President (if any) shall manage and conduct the activities of the Corporation as directed by the President. If the President is absent or disabled, the duties of the President shall be performed by the Vice President.

E. Treasurer. The Treasurer shall supervise all fiscal affairs of the Corporation in consultation with the President, the employed comptroller and/or chief financial officer, if any, and the Corporation’s independent accountants.

F. Secretary. The Secretary shall be the custodian of the corporate records and corporate seal, if any, of the Corporation, see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law, and in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to the Secretary by the Board and shall sign such documents on behalf of the Corporation as may require the signature of the Secretary.

G. Assistant Officers. The Board may elect one or more Assistant Secretaries and one or more Assistant Treasurers. Each such Assistant Secretary and Assistant Treasurer shall hold office for such period and shall have such authority and perform such duties as the Board may prescribe.

H. Removal of Officers. Any officer may be removed by the Board when, in the Board’s judgment, the best interests of the Corporation will be served thereby. Removal of an officer shall be without prejudice to his contract rights, if any, provided, however, that the election or appointment of an officer shall not of itself create contract rights.

VI. COMMITTEES

A. Standing Committees. There shall be the following standing committees of the Board of Directors which shall have the membership and duties as set forth below.

1. Governance Committee.

a) The Governance Committee shall consist of such number of members as may be determined by resolution of the Board of Directors from time-to-time.

b) The Governance Committee shall:

(1) From time to time review and recommend changes to the Charter and Bylaws of the Corporation;

(2) Develop and/or enhance as required ethical policies, including, investigating and managing ethical issues that arise within the organization;

(3) To monitor and manage potential conflict of interests;
2. Nominating Committee

a) The Nominating Committee shall consist of such number of members as may be determined by resolution of the Board of Directors from time-to-time.

b) The Nominating Committee shall:

   (1) Review and evaluate individual and collective Board performance, including, the assessment and tracking of current and anticipated needs for Board composition, design, and implementing board orientation; and

   (2) Recruit and nominate individuals to serve as Board members, officers, committee chairs, and vice chairs of the other committees, forums, and councils.

3. Education Committee

a) The Education Committee shall consist of such number of members as may be determined by resolution of the Board from time-to-time.

b) The Education Committee shall:

   (1) Monitor and oversee the development of content for, and promotion of educational meetings, webinars, conferences, and other educational offerings related to compliance and collateral risk in the real estate industry; and

   (2) Monitor and oversee the development of content related to compliance and collateral risk in the real estate industry for electronic or print circulation.

4. Programming Committee

a) The Programming Committee shall consist of such number of members as may be determined by resolution of the Board from time-to-time.

b) The Programming committee shall:

   (1) Recruit and coordinate speakers for corporate meetings;
(2) Monitor and oversee the development of compliance related content for presentation during compliance events; and

(3) Monitor and oversee the programming for the regular quarterly (or such increment as determined by the Board) meeting presented by the Corporation to the real estate finance and valuation industry.

5. Finance Committee.

a) The Finance Committee shall consist of such number of members as may be determined by resolution of the Board from time-to-time, including the Treasurer, who shall be the Chair, and at least one (1) other Director.

b) The Finance Committee shall:

(1) Review and revise as appropriate, and submit to the Board for adoption, an overall financial plan and annual budget prepared by the Corporation’s Treasurer, and ensure that the foregoing are in alignment with the strategic priorities of the Corporation.

(2) Oversee financial planning and fund raising;

(3) Establish policies for and monitor and supervise annual reviews of internal financial controls;

(4) Monitor the preparation of all tax forms and licenses as required by law;

(5) Monitor investments and report to the Board thereon and shall review and make recommendations to the Board concerning all matters relating to investments, including, without limitation, investment policies, performance and the engagement and retention of investment managers and consultants;

(6) Arrange for and review an annual audit of the financial operations, and report to the Board thereon; and

(7) Monitor and make recommendations to the Board regarding directors' and officers' liability insurance coverage.

6. Standards Committee

a) The Standards Committee shall consist of such number of members as may be determined by resolution of the Board of Directors from time-to-time.
b) The Standards Committee shall:

(1) Make recommendations to the Board regarding the development and adoption of new standards and mechanisms that would be beneficial in assessing collateral risk;

(2) Consider existing standards used in the real estate finance and appraisal industry, and make recommendations to the Board as to whether the Corporation should adopt such standards;

(3) Monitor and oversee the development of additional standards which the Board has recommended be developed; and

(4) Make recommendations to the Board regarding the adoption of new standards once developed.

7. Best Practices

a) The Best Practices Committee shall consist of such number of members as may be determined by resolution of the Board of Directors from time-to-time.

b) The Best Practices Committee shall:

(1) Consider existing best practices used in the real estate finance and appraisal industry, and make recommendations to the Board as to whether the Corporation should adopt such best practices;

(2) Consider what additional best practices would be beneficial in assessing collateral risk and make recommendations to the Board regarding the adoption of new best practices once developed;

(3) Monitor and oversee the development of additional best practices which the Board has recommended be developed; and

(4) Make recommendations to the Board regarding the adoption of new standards for best practices.

8. Government Affairs

a) The Government Affairs Committee shall consist of such number of members as may be determined by resolution of the Board of Directors from time-to-time.

b) The Government Affairs Committee shall:
(1) Monitor federal and state issues, pending legislation, and new laws that impact the real estate finance and appraisal industry;

(2) Arrange for coordinated response efforts to the legislature in an effort to advocate on behalf of the Corporation and the real estate finance and appraisal industry; and

(3) Make recommendations to the Board regarding the necessity of lobbying efforts and additional response efforts.

9. Membership Committee

a) The Membership Committee shall consist of such number of members as may be determined by resolution of the Board of Directors from time-to-time.

b) The Membership Committee shall:

(1) Collaborate with the Corporation’s other committees, councils, and forums, as well as the Corporation’s membership, administrative liaison, Board of Directors, and outside special interest groups regarding key strategies and challenges that impact the Corporation in order to enhance the Corporation’s ability to recruit new members;

(2) Arrange for and coordinate engagement and membership recruiting activities;

(3) Make recommendations to the Board regarding additional ways for recruiting new members and membership retention;

(4) Oversee the relationship between the Corporation and its existing membership to ensure member retention.

B. Other Committees

The Board of Directors may by resolution constitute and appoint such other committees to perform such other duties and functions as the Board may deem appropriate.

C. Term of Office

Unless otherwise provided by the Board of Directors, the term of the chair and members of a committee shall be for a one (1) year period.
D. Resignation
A member of a committee may resign by delivering his or her written resignation to the chair of the committee with a copy to the President. Such resignation shall be effective upon receipt (unless specified to be effective at some other time) and acceptance thereof shall not be necessary to make it effective unless it so states.

E. Appointment of Committee Members and Chairs
Except as otherwise expressly provided in the Bylaws, Chairs of all Committees shall be nominated by the Nominating Committee subject to the approval of the Board of Directors. Committee members shall be appointed by the Committee Chair, subject to the approval of the President. Unless otherwise specified in the by-laws, Members of Committees need not be members of the Board of Directors.

F. Voting Rights
Each member of any committee shall have the right to vote on any matters before the committee provided, however, in the event the Board of Directors delegates to any committee the authority to act on behalf of the Board of Directors, only those members of the committee who are members of the Board of Directors shall be permitted to vote on such delegated matters.

G. Quorum
Unless otherwise provided in these Bylaws or by resolution of the Board of Directors designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

H. Rules
Each committee may adopt rules or bylaws for its own governance not inconsistent with the Articles of Incorporation, with these Bylaws, with rules adopted by the Board of Directors, or with any applicable law of the State of Maryland.

I. Subcommittees
Subcommittees of any committee may be established by the Board or by any committee with the approval of the President or the Board. The members, scope of duties and duration of any subcommittee shall be subject to approval by the Board or the President.

J. Forums. There shall be the following Forums of the Board of Directors, which shall have the membership and duties as set forth below.

1. Forums shall consist of such number of members as may be determined by resolution of the Board of Directors from time-to-time.

2. Such Forums may adopt such bylaws, rules, and regulations as may be required to perform the duties and functions of the Forums, subject to approval by the Board.
3. The Corporation shall have two initial Forums, with the option to add additional Forums subject to the approval of the Board of Directors.

   a) The AMC Forum shall provide a forum for AMCs to collaborate and address the needs for AMCs within the valuation community.

   b) The Lender Forum shall provide a forum for lenders to collaborate regarding the needs of lenders within the valuation community.

K. Councils. There shall be the following Councils of the Board of Directors, which shall have the membership and duties as set forth below.

1. Councils shall consist of such number of members as may be determined by resolution of the Board of Directors from time-to-time.

2. Such Councils may adopt such bylaws, rules, and regulations as may be required to perform the duties and functions of the Councils, subject to approval by the Board.

3. The Corporation shall have three initial Councils, with the option to add additional Councils subject to the approval of the Board of Directors.

   a) The Executive Council shall be comprised of President, Vice President and the chairs and vice-chairs of committees, as selected by the Board of Directors, and shall direct the general operation of the Committees, Councils, and Forums between meetings of the Board of Directors. The President shall serve as the Chair of the Executive Council.

   b) The Stakeholder Advisory Council (SAC) may be comprised of representatives from entities such as, but not limited to, rating agencies, private mortgage companies, lenders, regulators, trade associations and think tanks. The SAC shall focus on collaborating and gathering information from each representative’s experience within the housing finance sector.

   c) The Government Enterprises Council (GEC) may be comprised of representatives from entities such as, but not limited to, Fannie Mae, Freddie Mac, Veterans Affairs, Federal Housing Administration, United States Department of Agriculture, Federal Home Loan Bank, and Ginnie Mae. The GEC shall focus on monitoring policy changes and advising the Corporation of these policy changes to ensure the Corporation remains aware of policy shifts that could impact collateral risk.

VII. DISBURSEMENTS

Disbursements shall be made by the Corporation only by the President, Vice President or Treasurer; provided, however, that such officers may delegate, from time to time, such responsibilities as each such officer
deems appropriate. For this purpose, signing a check to make a disbursement shall be deemed written consent to the disbursement.

VIII.
MISCELLANEOUS

A. Fiscal Year. The fiscal year of the Corporation shall begin January 1 and end December 31 or such other period as may be fixed by the Board.

B. Books and Records. The Corporation shall keep correct and complete books and records of account, the activities and transactions of the Corporation, minutes of the proceedings of the Board and any committee of the Corporation, and a current list of the directors and officers of the Corporation. Any of the books, minutes and records of the Corporation may be in written form or in any other form convertible into written form within a reasonable time.

C. Notices. Whenever, under the provisions of these Bylaws, notice is required to be given to any person or to the Corporation, it shall be construed to mean either notice in writing or notice by electronic transmission, in accordance with the provisions of the Maryland General Corporation Law applicable to notices to directors.

IX.
AMENDMENTS

Amendments to the Articles of Incorporation and to the Bylaws shall only be made by a majority vote of all directors of the Corporation.