



CODE OF ETHICS

PREFACE

Membership in the Receivables Management Association International (RMAI) is voluntary. By accepting membership, Members are agreeing to assume an obligation of self-discipline that goes above and beyond the requirements of laws and regulations.

RMAI's Code of Ethics is a written set of norms governing the professional conduct and behavior expected of its Members and their employees/agents. Failure to comply with the Code is a basis for invoking a disciplinary process. Compliance with the Code will be based on the totality of facts and circumstances as they existed at the time of the conduct in question, including but not limited to the willfulness and seriousness of the violation, extenuating factors, whether there have been previous violations, and general rules of reason.

The Code does not exist to presuppose a violation, to determine whether discipline should be imposed for a violation, or to determine the severity of a sanction. The Code is designed to provide guidance and to provide a structure for regulating conduct through a disciplinary process. The Code is not to be used by anyone other than RMAI and may not be used as a basis for civil liability as their sole purpose is to designate appropriate behavior within a membership organization. A violation of the Code is not a basis for a third party to have standing to seek enforcement or use as evidence of wrongdoing.

"Commentary" is provided for each Canon for purposes of guidance on the Canon. The commentary should not be treated as the Canon. The absence of a commentary for a particular fact pattern or scenario should not be interpreted to mean that the Canon does not apply. RMAI will add to the commentary from time-to-time when it determines that additional guidance on a Canon is warranted.

CANON 1 – INTEGRITY

An RMAI Member shall always demonstrate integrity with others which shall be revealed through honest and forthright interactions with others, honoring contractual obligations, compliance with laws and regulations governing the industry, and adhering to the RMAI Bylaws, RMAI Code of Ethics, and as applicable the RMAI Certification Program.

Commentary:

- (1) A Member shall not make a materially false statement in, or deliberately fail to disclose a material fact requested in connection with, its application for membership with RMAI.
- (2) A Member should only recommend companies for RMAI membership that the Member knows, through personal experience, have a good reputation within the business community. A Member shall not further the application of any company known by the Member to be unqualified.
- (3) A Member shall not circumvent the Code through actions of another.
- (4) A Member shall not engage in any conduct involving dishonesty, fraud, deceit, or misrepresentation.
- (5) A Member should never encourage another to commit criminal acts or counsel another on how to violate the law in such a way to avoid punishment.
- (6) A Member shall manage receivables in accordance with the contractual obligations of purchase and sale agreements.
- (7) A Member and its employees and agents shall not engage in any illegal conduct. Obedience to the law exemplifies respect for the law. Respect for the law should be more than a platitude.

CANON 2 – COMPETENCE

An RMAI Member shall always demonstrate competence in their business operations which shall be revealed through the knowledge and integrity of the employees and vendors retained to manage the company as well as established corporate processes to ensure that such employees and vendors continue to receive education and training concerning best industry practices.

Commentary:

- (1) The public should be protected from employees who are not qualified to perform their job responsibilities on behalf of a Member. To assure the maintenance of a high degree of competence, Members should only hire individuals with the requisite amount of education to reasonably perform their job responsibilities and affirmatively train, monitor, reward, and discipline their employees.

- (2) A Member is aided in attaining and maintaining its competence by keeping abreast of current legal literature and developments, participating in education programs, understanding the uniqueness of issues found in particular asset classes, such as auto, medical, or utility.
- (3) A Member should not purchase or manage receivables in any asset category for which it does not have adequate knowledge or capability to handle.
- (4) A Member should act with competence and proper care in dealing with obligors and their obligations. It should strive to become and remain proficient in its field and be competent to properly address issues which arise in connection with the ownership or collection of debts.

CANON 3 – CONFIDENTIALITY

An RMAI Member shall always demonstrate their commitment to maintaining the confidentiality of consumer account data which shall be revealed through the development, implementation, monitoring, and annual review of security measures adopted for its protection, not only while having title to the receivable but also during transmission of the data occurring during the sale or purchase of the receivable.

Commentary:

- (1) A Member shall strive to implement the highest standards of information security policies, safety, and security plans and guidelines which meet or exceed any state or federal statutory and regulatory requirements for the safeguarding consumer personally identifiable information and account data.
- (2) A Member shall abide by all non-disclosure and confidentiality agreements with the parties with whom it has business dealings regarding the other parties' consumer accounts, proprietary business information, and trade secrets.
- (3) The obligation to protect confidences does not preclude a Member from revealing information when consent is provided; as permitted in statute, regulation, or case law for the collection of a debt; or when required by law.
- (4) It is not improper for a Member to give, as allowed by law, limited information from its files to an outside agency necessary for statistical, bookkeeping, accounting, data processing, banking, printing, or other legitimate purposes, provided it exercises due care in the selection of the agency and warns the agency that the information must be kept confidential along with the execution of proper confidentiality agreements.

CANON 4 – COMMUNICATIONS

An RMAI Member shall demonstrate caution in its verbal and written communications with others which shall be revealed through the absence of false, fraudulent, misleading, deceptive, or unfair statements.

Commentary:

- (1) A Member shall accurately represent professional memberships, designations, credentials, capabilities, and experiences.
- (2) The name under which a Member conducts its business should not mislead others concerning the identity, responsibility, and status of the Member, even if such name is permissible under the FDCPA or other state and federal statute.
- (3) A Member shall not directly or indirectly compensate or give anything of value to representatives of the press, radio, television, or other communication medium in anticipation of, or in return for professional publicity in a news item unless such payment is disclosed in such news item. The terms “paid advertisement” must appear on each page of any printed advertisement, or “this is a paid advertisement” must be spoken during any verbal story.
- (4) A Member in good standing who wishes to display or use the RMAI logo (inclusive of certification logos) to indicate that they are an RMAI Member may do so provided that they first execute an agreement with RMAI which: (i) grants the Member a nonexclusive license to affix the RMAI logo to certain promotional material, (ii) reserves the right for RMAI to terminate the nonexclusive license granted in the agreement and to prospectively change the terms and conditions of the Agreement from time to time in RMAI's own sole discretion, (iii) limits the use of the logo to the Member company's website or other promotional materials, (iv) prohibits the transfer of property rights, trademark, or other intellectual property interests of RMAI to the Member, and (v) prohibits the Member from assigning the right or authority to use the RMAI logo to any other party.
- (5) A Member shall not use the RMAI logo on company documents and/or letterhead to imply RMAI has approved or endorsed the content contained therein.

CANON 5 – REPUTATION OF THE INDUSTRY

An RMAI Member shall always demonstrate its desire to protect the reputation of the industry which shall be revealed through the avoidance of impropriety, including the appearance of impropriety.

Commentary:

- (1) A Member shall not engage in any conduct that materially and adversely reflects on the receivables management industry.
- (2) A Member should always be cognizant of the industry's perception to the public. Each contact a Member has with a consumer or others helps to mold that perception. Consequently, Members should always act in such a way that supports a positive reputation for the industry and avoids any conduct or activity that would reasonably result in lower public confidence in the profession.
- (3) A Member shall assist, support, and respond to the needs of other credit and collection professionals and promote accountability by all participants in the credit and collection cycle.
- (4) A Member shall maintain high standards of professional conduct and shall insist that fellow Members and business partners do likewise.
- (5) A Member shall maintain a good reputation in the community.
- (6) A Member acting under proper auspices should encourage and participate in educational and public relations programs concerning the receivables industry, including the operation of the legal system with particular reference to legal problems that frequently arise. Such educational programs should be motivated by a desire to benefit the public. Examples of permissible activities include the preparation professional scholarly articles for publication and participation in seminars, lectures, and civic programs.
- (7) A Member who writes or speaks for the purpose of educating members of the public shall never imply that he or she is speaking on behalf of any other entity, including RMAI, unless specifically authorized to do so.
- (8) A Member should report unethical behavior of others to the appropriate governing body.

CANON 6 – RESPECT FOR THE JUDICIAL SYSTEM

An RMAI Member shall always demonstrate respect for the judicial system which shall be revealed through the absence of litigation (or threat of litigation) that is intended to harass or maliciously injure another or knowingly violates local, state, or federal laws or court rules adopted for the bringing of an action before the judiciary.

Commentary:

- (1) A Member may, where permissible under the bounds of the law, exercise its reasonable judgment in pursuing with ardor legally owed obligations.
- (2) A Member may test the bounds of law when faced with issues that are new, uncertain, or have contradictory treatment by the courts, regulators, or in statute but shall not assert a position that is frivolous or for the purpose of harassing another.
- (3) A Member may, in good faith and within the bounds of the law, take steps to test the correctness of a ruling of a tribunal or the validity of a statute or regulation, provided they proceed with caution, demonstrate respect for the judicial, executive, or legislative entity being challenged, and strive to comply with the existing ruling, regulation, or statute until such time that it is overturned or otherwise changed.
- (4) A Member should treat proceedings that may occur in quasi-judicial or administrative systems with the same respect as they would with proceedings before the judicial system.
- (5) A Member shall not give or lend anything of value to a judge, official, or employee of a tribunal before which it has business.

CANON 7 – RESPECT FOR THE ASSOCIATION

An RMAI Member shall always demonstrate respect for RMAI which shall be revealed through their cooperation in adhering to the RMAI Bylaws, RMAI Code of Ethics, and as applicable the RMAI Certification Program and through prompt responses to correspondence from RMAI staff, RMAI agents, the RMAI Ethics Committee, RMAI Certification Audit Committee, or RMAI Certification Remediation Committee concerning alleged, perceived, or actual violations of the Bylaws, Code of Ethics, or Certification Program.

Commentary:

- (1) Membership in RMAI is a privilege and not a right. RMAI expends a large amount of time, energy, money, and resources to promote the interests of the industry. Members are ambassadors of RMAI and the industry and should conduct themselves accordingly so as to not damage their own reputation and that of RMAI.
- (2) A Member shall aid, respond, and cooperate with requests made by the RMAI Ethics Committee and, as applicable, the RMAI Certification Audit Committee and RMAI Certification Remediation Committee in furtherance of their responsibilities as provided in the RMAI Bylaws, RMAI Code of Ethics, or the RMAI Certification Program.

- (3) A Member should encourage individuals or companies that the Member is aware are attempting to benefit from an RMAI sponsored event to register for the event.

CANON 8 – DISCIPLINE

An RMAI Member recognizes that membership in RMAI is voluntary as well as a privilege and that such membership status is subject to disciplinary action or revocation for violations of the RMAI Code of Ethics based on the following:

- (1) **Jurisdiction:** All RMAI Members, RMAI certified companies, and RMAI certified individuals are subject to the RMAI Code of Ethics and the authority granted therein.
- (2) **RMAI Ethics Committee:** The Ethics Committee is charged with investigating violations or potential violations of the RMAI Code of Ethics. The RMAI Board of Directors shall appoint the Chair of the Ethics Committee, which at the Board's discretion may be a Board Member. The Ethics Committee Chair shall appoint no less than two (2) additional Members in good standing with voting rights (as described in the RMAI Bylaws) to serve on the Ethics Committee. The Ethics Committee may open investigations on its own accord when there are credible grounds for an investigation. The Ethics Committee may close investigations on its own accord if it determines there is insufficient evidence to substantiate a finding of a violation of the Code of Ethics. If the Ethics Committee finds credible evidence of a violation of the Code of Ethics, it shall provide a recommendation for disciplinary action to the RMAI Board of Directors. The RMAI Board of Directors shall make all final determinations on Member discipline. Ethics Committee members shall abstain from taking part in any proceeding in which there is a conflict of interest. In the event of an abstention, the President shall appoint necessary replacements to the Ethics Committee. The Ethics Committee may adopt procedural and administrative rules for its operation.
- (3) **Complaints:** All complaints or reports relating to misconduct of a Member shall be filed with the Ethics Committee in writing by way of letter or electronic mail addressed to the RMAI Executive Director or RMAI President. For complaints to be valid, the complaint shall be in writing and identify the name and contact information for the person submitting the complaint, identify the name of the Member who the complaint is against, and contain sufficient amount of detail to determine the nature of the complaint so that an investigation can be conducted. The Ethics Committee shall within ten (10) days commence an investigation of all complaints or reports received, unless the complaint or report appears, on its face, to be frivolous or without merit, in which case the Ethics Committee may dismiss the complaint or report without having formally reviewed the same. Complaints may be made by RMAI Members and non-Members.

(4) **Investigations:** The following shall apply to Ethics Committee investigations:

- (a) The Ethics Committee shall afford a Member a reasonable amount of time to respond to Ethics Committee inquiries and to indicate why disciplinary action is not warranted before any recommendation is made to the RMAI Board of Directors. In cases where there may be imminent harm to other Members or the public, the Ethics Committee may recommend action without first affording a Member an opportunity to respond, provided that after an action is taken the Member is still afforded an opportunity to be heard and have any action modified.
- (b) All investigations, whether upon complaint or initiated by the Ethics Committee shall be conducted by the Chairman of the Ethics Committee or under his or her supervision. Complaint letters shall be sent to the Member to whom the complaint is directed for a response and the Member shall be given 30 days to respond.
- (c) Upon the conclusion of an investigation, the Ethics Committee shall either close the case or make a recommendation for disciplinary or non-disciplinary action to the RMAI Board of Directors. The Ethics Committee shall transmit its determination and/or recommendation by certified mail to the Member under investigation. If certified mail cannot be delivered, an email to the primary representative on the Member's account shall be deemed sufficient. Prior to any action being taken by the RMAI Board of Directors, the affected Member may, within seven (7) days of receipt of the Ethics Committee recommendation, file an appeal with the Board through certified mail to the Executive Director. The Board in its sole discretion may either review the subject matter of the Member's appeal based on its own investigation or look solely to the findings of the Ethics Committee and any additional information brought to the attention of the Board via the Member's appeal. Disposition shall thereupon be made by a majority vote of the Board. The Board in its sole discretion may communicate the disposition of the matter to other Members and the public at large.

(5) **Types of Discipline:** Violations of the RMAI Code of Ethics can result in disciplinary actions commensurate with the severity of the violation, including but not limited to:

- (a) Expulsion from RMAI;
- (b) Suspension of Membership;
- (c) Formal reprimand;
- (d) Informal admonition; and
- (e) Specified rehabilitative actions.

(6) **Precedence:** Disciplinary actions shall be determined on a case-by-case analysis. The Ethics Committee shall follow procedures to ensure fairness in the investigatory and determination process. The Ethics Committee shall independently investigate and review each case based on the individual facts and circumstances as they exist and shall not be compelled to take a certain

action or make a certain recommendation based exclusively on prior actions of the Ethics Committee.

- (7) **Membership**: The following restrictions shall apply to an application for RMAI membership:
- (a) Any former Member who has been expelled from RMAI may not reapply for membership for three (3) years from the date of expulsion, unless a shorter time was prescribed by the RMAI Board of Directors at the time of said expulsion. The Board in its sole discretion may accept or reject the application for membership as well as subject an approval to the satisfaction of conditions.
 - (b) Any individual who was in a leadership capacity in a company that was expelled from RMAI may not have a new entity in which they have a leadership role apply for membership for three (3) years. The Board in its sole discretion may accept or reject the application for membership as well as subject an approval to the satisfaction of conditions.
 - (c) The RMAI Board of Directors may in their sole discretion refer an application for RMAI membership to the Ethics and/or Membership Committee for investigation.
 - (d) Any applicant that was denied membership may not reapply for two (2) years from the date of denial.
- (8) **Pending Civil or Criminal Litigation**: The processing of complaints by the Ethics Committee should not be deferred or abated because of substantial similarity to the material allegations of pending civil or criminal litigation, unless authorized by the RMAI Board of Directors. Pending litigation or criminal matters may be the basis for investigation by the Ethics Committee.
- (9) **Confidentiality**: All proceedings, reports, and records of disciplinary investigations shall be maintained in confidence except to the extent necessary for investigation and consideration of the matter and shall not be divulged in whole or in part to the public unless the Ethics Committee recommends and the RMAI Board of Directors approves a formal Member reprimand or other discipline.