



EFFECTIVE DATE: July 25, 2019

REVISED: April 2026

POLICY #: MSHDA-OHR-006

SUBJECT: Ethical Standards, Conduct, and Disclosure of Interest

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PURPOSE

This policy provides standards to assist all Michigan State Housing Development Authority (MSHDA) employees in identifying and disclosing potential or actual conflicts of interest. In addition, this policy provides all employees with a clear understanding of the behavior expected of them to prevent improper conduct that may adversely affect public trust or confidence.

POLICY

All MSHDA employees shall comply with all applicable conflict of interest provisions, rules or regulations regarding any situation that may arise out of their work with any federal program administered by the MSHDA. Federal requirements may vary from program to program and staff are required to be knowledgeable as to, and comply with, additional programmatic conflict of interest requirements. This policy represents MSHDA employment responsibilities applicable to all staff.

For the purposes of this internal policy and in alignment with these legal and regulatory frameworks, MSHDA has established internal standards to guide employees in identifying and disclosing potential or known conflicts of interest. These standards are grounded in the following core principles, which support our commitment to fostering a culture of ethical behavior:

- **Respect and Integrity:** We value and respect all individuals and are committed to conducting our work with integrity.
- **Public Trust:** Maintaining the trust of the public is essential. Employees must act honestly and fairly.
- **Duty to the Public:** Employees are expected to uphold the highest standards of service in performing their official duties.
- **Impartiality:** Decisions must be made free from personal bias or self-interest.
- **Confidentiality:** Employees must exercise discretion with information acquired through their official roles.
- **Conflict of Interest:** Employees may encounter situations that present actual or perceived conflicts of interest. To preserve public confidence, employees are expected to avoid such situations and promptly disclose any potential conflicts. Timely identification and disclosure helps MSHDA appropriately manage conflicts of interest in the public interest.



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AUTHORITY

Code of Ethics approved by the Authority on July 25, 2019, Civil Service Rule 2-8, Ethical Standards and Conduct, Civil Service Rule 9-1, Executive Directive 2019-03, and Public Act 196 of 1973

DEFINITIONS

- Conflict of Interest: Any personal or financial interests of an employee, or members of the employee's immediate family, in any business or entity with which the employee has direct contact while performing official duties as an employee.
- Immediate Family Members: An employee's grandparent, parent, parent-in-law, stepparent, sibling, spouse, child, stepchild, grandchildren, and any persons whose financial or physical care is the principal responsibility of the employee.

STANDARDS

- 1) Employees shall not look up, divulge, reproduce, or release, for personal or financial gain for the employee or a member of the employee's immediate family, any information that is not by law, rule, regulation, or court order available to the general public. If, pursuant to an employee's regular work duties, they encounter personally identifying information in violation of this standard, the employee is required to cease working with that information and disclose the conflict to their supervisor.
- 2) Employees shall not represent their personal opinion as that of MSHDA, its leadership, nor its staff.
- 3) Employees shall use employer-provided personnel resources, property, and funds under their official care and control judiciously and solely in accordance with prescribed constitutional, statutory, and regulatory procedures and not for personal gain or benefit.
- 4) Employees shall not solicit, accept, nor agree to accept, anything thing of value (1) from any designated representative [as defined in [Rule 9-1](#)], and (2) under



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any circumstances that could reasonably be expected to influence the manner in which the employee performs work or makes work decisions.

- 5) De minimis Gift Exceptions: Any single, tangible or intangible non-cash item with a fair market value of less than \$20.00 is presumed acceptable, as MSHDA has determined that such gift could not reasonably be expected to influence how an employee performs work or makes decisions. Meals and refreshments as part of a conference, business meeting, seminar, training session, or organized function are similarly acceptable. However, any such de minimis exemption may not exceed the following limit:
 - i. Any combination of tangible and intangible items received by an employee during any 3-month period with an aggregate fair market value exceeding \$80.00.
 - ii. Any amount of money, including a loan of money, or pursuant to private contractual relationship from a known or potential third-party MSHDA stakeholder.
- 6) Employees shall not engage in or agree to engage in, for financial gain for the employee or a member of the employee's immediate family, any business transaction or private agreement which accrues from or is based on the employee's official position or authority or on confidential information gained by reason of the employee's position or authority.
- 7) Employees shall not make available any consideration, treatment, advantage or favor beyond that which is generally granted or made available to others under similar circumstances. This provision does not apply to reasonable accommodations, Violence Against Women Act exceptions, or transactionally negotiated terms granted pursuant to state and federal guidelines and pursuant to MSHDA policy and procedure.
- 8) Employees shall not exercise any decision-making authority of the state regarding any regulation, rule, enforcement, auditing, monitoring, or purchasing with respect to any business or entity in which the employee or a member of the



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employee's immediate family has any financial interest of management authority. If the employee is aware of, or becomes aware of, a familial relationship with an actual or potential external stakeholder doing business with MSHDA, the employee shall disclose that relationship to their immediate supervisor. Supervisors, upon receiving this disclosure must notify the Office of Human Resources immediately.

- 9) Employees must not accept or engage in supplemental employment, nor represent or act on behalf of any private business or personal interest, whether paid or unpaid, in any situation where the State of Michigan has a direct and substantial interest involved, which could create a conflict between employee's private interests and official as a state employee. Employees are cautioned that this provision may encompass volunteer activity, such as serving on boards or donating time and effort to organizations that receive funding from MSHDA, and shall be reviewed by the MSHDA Ethics Committee.
- 10) Employees shall not engage in supplemental employment without the written approval of MSHDA OHR and are prohibited from engaging in any supplemental employment during actual-duty time, unless on approved annual leave. All supplemental employment approvals expire annually on December 31st. Therefore, a new approval request form must be submitted each year if the supplemental employment continues. If there is a change in approved supplemental employment during a calendar year, an employee must submit a new Supplemental Employment form within 14 calendar days of the change to MSHDA OHR.
- 11) No employee shall be a party, directly or indirectly, to any contract between himself or herself and MSHDA.
- 12) Employees shall not participate in the negotiation or execution of contracts, making of loans, granting of subsidies, fixing of rates, issuance of permits or certificates, or other regulation or supervision, relating to any business entity in which he or she has directly or indirectly a financial or personal interest. The restriction includes other situations in which the employee is a partner, investor,



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or employee, regardless of whether the activity generates current profit or not. This restriction also includes business entities in which close relatives or other personal associates of the employee have an interest.

13) If an employee has an ownership interest in, or business dealings with, an entity or individual seeking to conduct business with MSHDA, the employee shall:

- A. fully disclose any such ownership interest or business dealings; and
- B. in the case of a current ownership interest, fully divest themselves of the interest and refrain from participating in all activities of MSHDA relating to the entity or individual or subsidiary or affiliate thereof; or
 - i. in the case of business dealings which ended prior to employment by MSHDA or a past ownership interest, disclosure shall be sufficient; or
 - ii. in the case of business dealings while an employee of MSHDA, refrain from participating in all activities of MSHDA relating to the entity or individual or subsidiary or affiliate thereof.
- C. as an alternative to the provisions of B above, the entity or individual or subsidiary or affiliate thereof may withdraw from doing business directly or indirectly with MSHDA.
- D. MSHDA, may require fully divest of a current financial interest, or end certain business dealings, if the employee's position and responsibilities with MSHDA is so critical that the employee not being involved in the matter, on behalf of MSHDA will hamper MSHDA's ability to review and process the particular activity with which the entity or individual or subsidiary or affiliate thereof is involved.



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E. This section shall not apply to any interest or business dealings of a *de minimis* nature which are the same as the benefits to or dealings by other members of the public or broad segments of the public.

- 14) Prior to being hired, and on an annual basis, employees shall complete and submit the Financial Disclosure Form, disclosing all business and income-producing interests including those held by a spouse. It is the responsibility of the employee to amend the financial disclosure at any time there is a change; however, no amendment is necessary for the sale or purchase of stocks listed on the New York Stock Exchange, the American Stock Exchange, or on the listed Over-the-Counter Markets, unless the stock is stock of a sponsor or proposed sponsor or subsidiary or affiliate of such sponsor of MSHDA-financed housing.

Annual Financial Disclosure forms must be submitted to the MSHDA Legal Affairs division. Any change in an employee's personal or financial interest, or those of an immediate family member, that may relate to or be affected by the employee's official duties must be reported on a new Financial Disclose form within 14 calendar days of the change. All such information will be retained in confidence.

- 15) Employees may apply for and be eligible to receive a Mortgage Credit Certificate (MCC) provided that the employee does not participate in any way in the processing or approval of the MCC and that the proposed participation by the employee is approved by the Authority Board.
- 16) Except as provided in this Section 16, employees shall not involve themselves in personal business activities where the U.S. Department of Housing and Urban Development (HUD), Rural Development (RD) or Rural Housing Services (RHS), or state or city housing subsidies or financing are involved. The term "personal business activities" includes both obtaining housing subsidies or housing financing as an owner, investor, or as an employee of an owner or investor. They also include serving as an agent, consultant, attorney, or contractor of any entity utilizing or proposing to utilize public housing subsidies or housing financing.



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Exceptions to the prohibition on involvement in “personal business activities:”

- 1) Employees may use housing subsidy programs (such as a Housing Choice Voucher) for their own personal residence, as long as they do not use their position to influence the process or gain preferential treatment.”
- 2) Employees may participate in HUD, RD, RHS, or city housing subsidy or financing program for one residential unit, as long as that unit was once their primary personal residence.
- 3) This prohibition does not apply to applications for HUD loan insurance that do not involve housing subsidies.

Employees must disclose any of the above activities on the required Financial Disclosure forms.

- 17) Unless permitted by state or federal law, employees whose employment with MSHDA ends shall not be involved in any manner with any development or program for which the employee, while employed by MSHDA, was responsible for any decision making or had a direct involvement. This restriction is applicable for a period of six months after the employee leaves MSHDA unless a longer period of time is required pursuant to state or federal statute.
- 18) Employees should exercise discretion and judgment with regard to this policy at all times.
- 19) Employees are subject to the Code of Ethics approved by the Authority on July 25, 2019. A copy of the Code of Ethics is attached. Please refer questions on the Code of Ethics to the Chief Legal Affairs Officer or the Director of In-House Legal Services.
- 20) This policy does not limit or supersede any other ethical obligation or responsibility that may be required of any employee.



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ENFORCEMENT

Supervisors and managers shall ensure that their employees comply with this policy.

Appropriate corrective action, up to and including termination, may be imposed for failure to comply with this policy.

POLICY GUIDANCE

Questions pertaining to this policy should be directed to the MSHDA Office of Human Resources or MSHDA's Chief of Legal Affairs.

Michigan State Housing Development Authority

Code of Ethics

Effective: JULY 25, 2019

I. Policy and Definition Statement:

To provide all employees of the Authority with a clear understanding of the behavior expected of them and to prevent improper conduct that may adversely affect public trust or confidence. Pursuant to Section 22(cc) of the Authority's Act and solely for purpose of this Code of Ethics, the term "employee" or "employees" shall encompass Authority employees, the Executive Director or anyone acting in that capacity, and student assistants.

II. Policy:

- A. Employees shall comply with Civil Service Rules 2-8 entitled "Ethical Standards and Conduct" and with Public Act 196 of 1973, as amended, entitled "Standards of Conduct for Public Officers and Employees".
- B. Employees shall comply with any conflict of interest provision, rule or regulation regarding any situation that may arise out of their work with any federal program administered by the Authority.
- C. Employees shall not divulge to an unauthorized person, confidential information acquired in the course of employment in advance of the time prescribed for its authorized release to the public.
- D. Employees shall not represent their personal opinion as that of the Authority.
- E. Employees shall use personnel resources, property, and funds under their official care and control judiciously and solely in accordance with prescribed constitutional, statutory, and regulatory procedures and not for personal gain or benefit.
- F. Employees shall not solicit or accept any gift or loan of money, goods, services, or other thing of value for the benefit of any person or organization, other than the state, which tends to influence the manner in which the employee or another public employee performs official duties. This restriction includes gifts directly to the employee or indirectly to the employee, such as a gift to any employee's relative or designated organization.

This restriction does not include a prohibition against de minimis contacts as described in Civil Service Rule 2-8.7(b); a prohibition against accepting meals or beverages paid for by a firm or organization doing business with the Authority when offered in conjunction with or incidental to a business meeting, seminar, training session, or other organized function which has a purpose beyond the provision of the meal or beverage and is attended by a substantial number of persons; or a prohibition against accepting meals or beverages in instances where the firm or person has a contractual arrangement with the Authority pursuant to which such person or firm will bill the Authority for its costs and it does not appear that such costs will exceed the allowable group rate for such meal.

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- G. Employees shall not engage in any business transaction or private arrangement for personal gain or financial gain for a member of the employee's immediate family, which accrues from or is based on the employee's official position or authority or on confidential information gained by reason of the employee's position or authority.
- H. Employees shall not engage in or accept employment or render services for any private or public interest, for compensation or otherwise, when that employment or service is incompatible or in conflict with the discharge of his or her official duties or when that employment may tend to impair his or her independence of judgment or action in the performance of his or her official duties.

Approval of all employment outside of the Authority must be obtained through the proper procedures and employees must keep the Authority informed of any contemplated changes in supplementary employment.

- I. No employee shall be a party, directly or indirectly, to any contract between himself or herself and the Authority.
- J. Employees shall not participate in the negotiation or execution of contracts, making of loans, granting of subsidies, fixing of rates, issuance of permits or certificates, or other regulation or supervision, relating to any business entity in which he or she has directly or indirectly, a financial or personal interest. The restriction includes other situations in which the employee is a partner, investor, or employee, whether for present profit or not. This restriction also includes business entities in which close relatives or other personal associates of the employee have an interest.
- K. If an employee has an ownership interest in or business dealings with an entity or individual seeking to conduct business with the Authority, the employee shall:
 - 1. Fully disclose any such ownership interest or business dealings; and
 - 2.
 - a. in the case of a current ownership interest, fully divest himself or herself of the interest and refrain from participating in all activities of the Authority relating to the entity or individual or subsidiary or affiliate thereof; or
 - b. in the case of business dealings which ended prior to employment by the Authority or a past ownership interest, disclosure shall be sufficient; or
 - c. in the case of business dealings while an employee of the Authority, refrain from participating in all activities of the

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Authority relating to the entity or individual or subsidiary or affiliate thereof.

3. As an alternative to the provisions of 2 above, the entity or individual or subsidiary or affiliate thereof may withdraw from doing business directly or indirectly with the Authority.
 4. The Authority may require full divestiture in the case of a current interest, or cessation in the case of business dealings, if the employee's position and responsibilities are such that non-participation by the employee will hamper the Authority's ability to review and process the particular activity with which the entity or individual or subsidiary or affiliate thereof is involved.
 5. This section shall not apply to any interest or business dealings of a *de minimis* nature which are the same as the benefits to or dealings by other members of the public or broad segments of the public.
- L. Prior to being hired, or for continuing employees on an annual basis, employees shall make a complete disclosure of all business and income-producing interests including those held by a spouse. It is the responsibility of the employee to amend the financial disclosure at any time there is a change; however, no amendment is necessary for the sale or purchase of stocks listed on the New York Stock Exchange, the American Stock Exchange, or on the listed Over-the-Counter Markets, unless the stock is stock of a sponsor or proposed sponsor or subsidiary or affiliate of such sponsor of Authority-financed housing.
- Disclosure statements and updates must be submitted to the Director of Legal Affairs. All information will be retained in confidence.
- Disclosure statements are is not required for employed student assistants or student co-ops of the Authority.
- M. Employees may apply for and be eligible to receive a Mortgage Credit Certificate (MCC) provided that the employee does not participate in any way in the processing or approval of the MCC and that the proposed participation by the employee is submitted to and approved by the Authority
- N. Except as provided in this Section N, employees shall not involve themselves in personal business activities where the U.S. Department of Housing and Urban Development (HUD), Rural Development (RD) or Rural Housing Services (RHS), or state or city housing subsidies or financing are involved. The term "personal business activities" includes both the obtaining of housing subsidies or housing financing

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either as an owner or investor or as an employee of an owner or investor and the representation as agent, consultant, attorney, or contractor of any entity utilizing or proposing to utilize public housing subsidies or housing financing.

Exceptions:

1. The term "personal business activities" does not include the utilization of a subsidized housing program with respect to one's personal residence
 2. This prohibition shall not apply to any interest or business dealings involving participation in a generally available HUD, RD, RHS, or city housing subsidy or financing program with respect to not more than one residential unit which was at some time the employee's principal residence.
 3. This prohibition does not apply to applications to HUD for loan insurance not involving housing subsidies.
- O. Unless permitted by state or federal law, employees whose employment with the Authority ends shall not be involved in any manner with any development or program for which the employee, while employed by the Authority, was responsible for any decision making or had a direct involvement. This restriction is applicable for a period of six months after the employee leaves the Authority unless a longer period of time is required pursuant to state or federal statute.
- P. Employees should exercise discretion and judgment with regard to this policy at all times. Code of Ethics questions and questions regarding this policy should be submitted to the Authority's Director of Legal Affairs.
- Q. The Code of Ethics does not limit or supersede any other ethical obligation or responsibility that may be required of any employee.