

# 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 THE 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.

# Michigan State Housing Development Authority

## Code of Ethics

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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

# Michigan State Housing Development Authority

## Code of Ethics

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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 ~~who~~ **WHOSE EMPLOYMENT terminate employment** with the Authority **ENDS** shall ~~be~~ 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 SUPERCEDE ANY OTHER ETHICAL OBLIGATION OR RESPONSIBILITY THAT MAY BE REQUIRED OF ANY EMPLOYEE.**