



## **Constitution of the Intermediary Mortgage Lenders Association**

### **Introduction**

The Intermediary Mortgage Lenders Association (“IMLA”) was established in 1988 as the Association of Mortgage Lenders (“AML”). In 1995, it adopted its current name as a way of emphasising the one common feature that unites its members, ie, selling mortgages through intermediaries.

Deregulation in the financial markets in the 1980s and particularly the in-roads made by banks and centralised lenders into the mortgage market created a need for a broader industry body. This led to AML and other trade bodies coming together to create the Council of Mortgage Lenders (“CML”) as the industry-wide trade body for all mortgage lenders. IMLA continues to have a close working relationship with the CML as is evidenced by joint submissions and working arrangements.

IMLA today is an active member and business focussed trade body with a strong membership. More details can be found on the IMLA website [www.imla.co.uk](http://www.imla.co.uk)

IMLA is run by up to five member-elected Directors (including the Chairman) and an Executive Director.

Until 2010 IMLA also nominated four members of the CML Executive Committee. This has now ceased but a number of IMLA members have been appointed to that committee and we would expect this to continue. There is thus an opportunity for IMLA views to be fed through this route in addition to any direct work IMLA is undertaking with the CML.

### **Mission statement**

IMLA’s mission is to support the maintenance and development of a professional, profitable and sustainable intermediary mortgage lending sector.

To achieve this mission, IMLA has the following objectives:

- (i) To provide a strong representative voice for all mortgage lenders whose mortgage origination strategy is actively, but not exclusively, through intermediaries.
- (ii) To represent such lenders’ views, both pro-actively and reactively to Government departments and agencies, Parliament, regulators, the media and any other relevant bodies.
- (iii) As part of this to offer a clear voice for smaller lenders in general and specialist lenders in particular who might otherwise find their views are adequately represented.
- (iv) To be a source of information and research and to work with other relevant trade bodies all as part of furthering our overall mission.

- (v) To provide speakers and chairmen to relevant conferences.
- (vi) To enhance the reputation of its members and the mortgage industry by the promotion of good lending practices.

## **Membership**

Membership of IMLA is available to all first charge mortgage lending institutions which have a separate and clearly defined operating structure dedicated to processing intermediary introduced mortgage business.

## **Admission**

Admission to membership is at the discretion of the IMLA Executive Committee. This is exercised via the Management Committee and an application will only be considered from a lender which meets the membership criteria approved from time to time by the IMLA Executive Committee.

## **Suspension or revocation**

Membership of IMLA may be suspended or revoked in the following circumstances:

- (i) The member ceases to be a mortgage lender as defined above and with its own mortgage assets or mortgage assets under management where such loans are securitised or otherwise funded off-balance sheet.
- (ii) The member fails to meet the requirements of regulation without remedying such failure or non-compliance in reasonable time.
- (iii) The member misrepresents its relationship with IMLA, on a persistent basis, in advertising, promotional literature or in any other way.
- (iv) The member otherwise breaches the constitution of IMLA or brings IMLA or the industry into disrepute and is unable to remedy the situation to the satisfaction of the IMLA Executive Committee.

## **Finances**

The financial year for IMLA shall be from July 1st to June 30th and each member shall pay a subscription, which is set annually by the Executive Committee in an amount sufficient to meet the objectives of IMLA for the ensuing year. The membership fee currently stands at £3,000 per annum (or part thereof for members joining during a financial year). The membership fee will be invoiced for in June of each year and is payable on or before 1st July.

With the agreement of members, IMLA may also create specialist sub groups from time to time.

IMLA presents draft financial statements for each year for approval at the AGM. The financial statements will be subject to independent review by external auditors, who will be appointed each year at the AGM.

## **IMLA Executive Committee**

All members are entitled to send one representative to the Executive Committee (EXCO) meetings who will be empowered to vote. In the event of a tied vote the Chairman shall have the casting vote. All members are invited to put forward items for inclusion on the agenda. Additionally, specialist employees of members are able to attend IMLA meetings, at the Chairman's discretion, when relevant subjects are on the agenda for discussion.

## **IMLA Management Committee**

IMLA is run by up to five elected Directors, all of whom serve on the IMLA Management Committee (MANCO). The Directors will normally be employees of member firms. The

Directors are elected on an annual basis (see below). The Directors are responsible for the strategic direction of IMLA, its budgets and its staff (contracted or otherwise). Their duties include:

- The Strategic direction of IMLA taking into account the interests of its members and the constitution.
- Overseeing the work of the Executive Director and other staff (contracted or otherwise). This includes agreeing contracts and terms and conditions as well as giving support and direction to them.
- Acting as cheque signatories, overseeing the finances of IMLA, setting the budgets, and ensuring the collection of annual subscriptions.
- Taking a lead role in specific IMLA activities as discussed and agreed at MANCO meetings.
- Attending MANCO and EXCO meetings and representing IMLA at CML meetings.
- Contributing to IMLA media activity and conference presentations.

### **Elections for Chairman and Directors**

In November each year, a ballot is held for the position of IMLA Chairman, Vice Chairman and up to three Management Committee members. All serve as Directors of IMLA.

In the event of a contested election for Chairman this will be agreed on the basis of the number of votes cast for the candidates. The person with the highest number of votes for the position of Chairman will be elected. In the event of there being no candidate the Directors will put forward an interim arrangement until such time as a candidate is identified.

Election for the remaining places will be separate from that of Chairman and will be made on the basis of the candidates receiving the highest number of votes. The candidate with the highest number of votes as a Director (other than the Chairman) will be offered the role of Vice Chairman, though this is normally subject to agreement in MANCO.

Management Committee members will be eligible for appointment as Directors and be empowered to sign cheques and otherwise act on behalf of IMLA.

The term of office for the Chairman should ideally be for two years. This is renewable by election. The term of office of all other directors shall be for one year in the first instance. This is renewable by election.

In the event of a director resigning during his/her term of office a ballot of members will normally be held as soon as possible thereafter to appoint a replacement.

Finally, directors will have the authority to co-opt a member to act as a director or representative until such time as they can seek member approval at an EXCO meeting and/or hold a ballot.

### **Annual General Meeting**

IMLA will hold an Annual General Meeting in November each year at which the appointments for Chairman and fellow Directors are agreed. In addition the meeting will consider the annual accounts, agree the annual subscription, discuss and agree any amendments to the constitution and appoint the auditors.

### **Revision of the Constitution**

This Constitution shall be amended as necessary at the Annual General Meeting or if necessary at a general meeting of the Executive Committee, provided that at least 75% of the members present at the meeting (or in writing if not present) vote in favour of amendments of which at least 14 days prior notice has been given.