

Montana Board of Housing Conflict of Interest Policy

Purpose

This policy is intended to protect against conflicts between the public duties and the private interests of board members by ensuring that board members: (1) avoid conflicts of interest and any potential harm to the integrity of the Board, its programs, interests or actions; (2) disclose any actual or apparent conflicts of interest; and (3) recuse themselves from participation in any Board actions in which a member has an actual or apparent conflict of interest unless otherwise provided by law.

Policy

The Board expects its members to respect their public office and duties and act in an ethical manner in accordance with the rules applicable to Montana public officers. Members must use sound judgment and awareness regarding the discharge of their public duties to the citizens of Montana, avoiding any activities that compromise the public trust.

Conflicts of interest subject to this policy and any required disclosure and recusal include both actual and apparent conflicts of interest. “Apparent” conflicts of interest are circumstances that may not constitute an actual conflict of interest but that would lead a reasonable, average person with knowledge of all relevant facts to think that a conflict of interest exists.

Board members will acknowledge and accept the responsibility to follow all applicable state laws and policies regarding ethical conduct of public officials and Board members, including without limitation the following:



Board members will comply with the terms of this policy, including completion, execution and submission of annual disclosure forms, disclosure of any actual or apparent conflict of interest with respect to any matter on which the Board may take official action, and refusal from participation any Board consideration or action on any such matter, unless otherwise allowed by law and express approval of the Board.

Board members may purchase and hold MBOH bonds only if: (i) the member intends to hold the bonds to maturity and refrains from buying and selling MBOH bonds on a regular basis; (ii) the member does not inquire of or otherwise communicate with staff or Board advisors regarding MBOH bonds that will be redeemed; and (iii) the member discloses such ownership and recuses themselves from participating in Board action relating to MBOH bonds where the Board action would directly and substantially benefit the member economically.

Board members will not:

1. Use public time, facilities, equipment, supplies, personnel or funds for private business purposes.
2. Engage in any substantial financial transaction for the member's private business purposes with a person the member inspects or supervises in the course of their official duties.
3. Disclose or use confidential information acquired in the course of official duties for the member's personal economic interests or otherwise except as allowed by law and Board policy.
4. Perform any official act that will directly and substantially affect the economic benefit of a business or other undertaking in which the member has a substantial financial interest or is engaged as counsel, consultant, representative or agent.



5. Acquire an interest in any business or undertaking the member has reason to believe may be directly and substantially affected to its economic benefit by actions taken by the Board.
6. Perform any official action which directly and substantially harms a business when the member has a substantial personal interest in a competing business.
7. Accept gifts or receive duplicate compensation from overlapping public positions in violation of applicable law or policies.
8. Take any official action related to the Board that would result in the receipt of a substantial financial benefit to the member or the member's family, relatives, related parties, property or business or employment interests.

Process

The Board will provide, and its members must participate in at least annual training regarding ethical conduct of public officials, including conflict of interest rules.

Board members must complete, execute and submit an annual conflict of interest disclosure in the form required by the Board.

Board members must disclose promptly, once a potential conflict becomes known to them, any actual or apparent conflict of interest with respect to any matter on which the Board may take official action. This includes, but is not limited to, Board action involving the award of contracts, loans or tax credits. Disclosure must be made on the record in a public meeting of the Board prior to the Board's consideration of the matter.

- Members are not considered to have conflict of interest *merely* because the member is stockholder, officer or employee of a lending institution that may



participate in Board's programs, but there may be more facts that indicate a conflict.

If a member has any doubt or question regarding the existence of any actual or apparent conflict of interest, the member will contact the Board's executive director or counsel to discuss and obtain guidance regarding whether the circumstances constitute an actual or apparent conflict of interest and any disclosure or recusal obligations with respect to such matter.

Board members must recuse themselves from participation in Board consideration, voting and other action on any such matter, unless otherwise allowed by law and express approval of the Board.

Recusal means a Board member's voluntary removal of themselves completely from the matter, including comment or other participation in deliberations or asking or directing any other person to comment or participate on their behalf.

- Recusal may not be required by law in some circumstances if the member's participation is necessary to establish a quorum or administer a statute and if the conflict is disclosed. However, such participation will be allowed only upon the determination of the Board in consultation with legal counsel.

The Board will provide a copy of this policy to each Board member and each member must sign and return the policy, acknowledging receipt of the policy and that the member has read, understands and will comply with the policy.

Acknowledgement

The undersigned Board member hereby acknowledges receipt of a copy of this policy and that the member has read, understands and will comply with the policy.

Dated: _____

Board Member Signature: _____

Print Board Member Name: _____

Please list all conflicts of interest to the applicable lines stated above:

1. I have the following personal or family relationships within Montana Board of Housing or the Department of Commerce: For each person, state the person's name and job title and the nature of relationship with the person. If none, state "NONE."

1. I have the following relationships (including personal, business, ownership, governance or other) with the following persons or entities participating or potentially participating in or providing services to the Board in connection with Board programs, contracts, loans, tax credit awards or other Board programs or benefits: For each person or entity, state the name of the person or entity, describe the nature of relationship (e.g., family relationship, ownership interest in business, parent/subsidiary of own business, contractual relationship with entity, director or other governance role in entity, etc.) and identify the related Montana Board of Housing program. If none, state "NONE."

