



CHARLES D. BAKER  
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THE COMMONWEALTH OF MASSACHUSETTS  
**DIVISION OF BANKS**  
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DAVID J. COTNEY  
COMMISSIONER OF BANKS

November 5, 2015

INDUSTRY LETTER REGARDING THE REGIONAL MORTGAGE REVIEW BOARDS AND REGIONAL  
SMALL BUSINESS LOAN REVIEW BOARDS

TO: All Interested Parties

The Division of Banks (the Division) has issued this industry letter to provide guidance relative to the operation and procedures of the mortgage review boards and small business loan review boards, which were established pursuant to M.G.L chapter 167, sections 14A and 14C.

Mortgage Review Boards

The regional Mortgage Review Boards provide an independent review option for an applicant who received a residential mortgage loan denial and who believes his/her application was denied on the basis of the location of the property. For the purpose of reviews conducted by the Mortgage Review Boards, "residential mortgage loan denial" is defined as the denial of an extension of credit to finance or refinance the purchase of a first lien on residential property located in the Commonwealth of four units or less and occupied in whole or in part by the mortgagor.

A mortgagee must include with each residential mortgage loan denial, as defined above, a notice instructing the applicant of the right to appeal the denial to the appropriate mortgage review board. The content of the notice shall conform substantively with the form attached as Appendix A.

The Mortgage Review Board shall review all documentation relative to each appeal to determine whether the loan was denied because the property is located in a specific neighborhood or geographical area. If the Mortgage Review Board determines that the denial was made on the basis of the location of the property, the Mortgage Review Board shall refer the application back to the mortgagee, with a recommendation that the mortgagee reconsider the decision. The Board may also take such other action it deems appropriate including, but not limited to, referring any apparent violation of applicable law or regulation to the appropriate state or federal regulator for further investigation.

Small Business Loan Review Boards

The regional Small Business Loan Review Boards provide an independent review option for small businesses that were denied an extension of credit. For the purpose of the reviews conducted by the Small Business Loan Review Boards, a "small business" is defined as a business that had gross revenues of \$1,000,000.00 or less in its preceding fiscal year.

A lender must include with each small business loan denial a notice instructing the applicant of the right to appeal the denial to the appropriate Small Business Loan Review Board. The content of the notice shall conform substantively with the form attached as Appendix B.

The Small Business Loan Review Board shall review all documentation relative to each appeal to determine whether the loan was denied on an unreasonable basis. If the Small Business Loan Review Board determines that a loan application was denied on an unreasonable basis, the Small Business Loan Review Board shall refer the application back to the lender, with a recommendation that the application be reconsidered. The Small Business Loan Review Board shall also provide information on its findings to the applicant and the Commissioner of Banks. Additional resources on alternative sources of financing, technical assistance programs, and information on other relevant programs offered by the Commonwealth are available to applicants at the Division's website at [www.mass.gov/dob](http://www.mass.gov/dob).

Guidance for persons who may be interested in filing an appeal of a residential mortgage denial or small business loan denial is available on the Division of Banks' website at [www.mass.gov/dob](http://www.mass.gov/dob).

Sincerely,

A handwritten signature in blue ink, appearing to read "D. J. Cotney". The signature is stylized and cursive.

David J. Cotney  
Commissioner of Banks

MASSACHUSETTS SMALL BUSINESS LOAN REVIEW BOARD NOTICE

[Date]

[Name of Lender]  
[Address of Lender]  
[Contact Person]  
[Telephone]

[Address of Property]  
[Name of Applicant(s)]

Dear:

If you believe that we denied your loan application on an unreasonable basis, you can appeal this denial to a Small Business Loan Review Board (the Board). The Board is made up of lenders and small business representatives from your area who are appointed by the Massachusetts Commissioner of Banks.

The Board will review the application to determine if it was unreasonably denied. If the Board finds that your loan was denied on an unreasonable basis, the Board will recommend that we reconsider the application.

If you wish to appeal your denial, you must sign the statement below and return it in the enclosed addressed envelope to:

Administrative Secretary  
Small Business Loan Review Boards  
Division of Banks  
One Federal Street, Suite 710  
Boston, MA 02110-2012

The confidential information in your loan application and appeal to the Board will be released only to the members of the Small Business Loan Review Board and the Administrative Secretary.

If you have any questions about this process, please contact the Administrative Secretary of the Board at the Division of Banks at (617) 956-1500.

The Board will notify you of its decision.

**Notice of Appeal**

I/We wish to appeal the denial of my/our loan application to the appropriate Small Business Loan Review Board. I/We authorize the release of the confidential material in my/our application solely for the purpose of this review.

\_\_\_\_\_  
Applicant

\_\_\_\_\_  
Date

\_\_\_\_\_  
Applicant

\_\_\_\_\_  
Date

Telephone:

Telephone:

MASSACHUSETTS MORTGAGE REVIEW BOARD NOTICE

[Date]

[Name of Mortgagee]  
[Address of Mortgagee]  
[Contact Person]  
[Telephone]

[Address of Property]  
[Name of Applicant(s)]

Dear:

If you believe that we denied your mortgage application on the basis of the neighborhood where the property is located, you can appeal this denial to a Mortgage Review Board (the Board). The Board is made up of lenders and citizens from your area who are appointed by the Massachusetts Commissioner of Banks.

The Board will review the application to determine if it was denied because the property is located in a specific neighborhood or geographical area. If the Board finds that your loan was denied because of the property's location, the Board will recommend that we reconsider the denial.

If you wish to appeal your denial, you must sign the statement below and return it in the enclosed addressed envelope to:

Administrative Secretary  
Mortgage Review Boards  
Division of Banks  
One Federal Street, Suite 710  
Boston, MA 02110-2012

The confidential information in your mortgage application and appeal to the Board will be released only to the members of the Mortgage Review Board and the Administrative Secretary.

If you have any questions about this process, please contact the Administrative Secretary of the Board at the Division of Banks at (617) 956-1500.

The Board will notify you of its decision.

**Notice of Appeal**

I/We believe that my/our mortgage application was denied based on the location of the property and I/we wish to appeal the denial of my/our mortgage application to the appropriate mortgage review board. I/We authorize the release of the confidential material in my/our application solely for the purpose of this review.

_____	_____	_____	_____
Applicant	Date	Applicant	Date
Telephone:		Telephone:	