



The Commonwealth of Massachusetts

Office of the Commissioner of Banks

One South Station

Boston, Massachusetts 02110

JANE SWIFT
GOVERNOR

THOMAS J. CURRY
COMMISSIONER

September 6, 2001

Carol DiMuro
Continental Capital Corp.
1841 New York Avenue
Huntington Station, New York 11746

Dear Ms. DiMuro:

This is in response to your e-mail to the Division of Banks (the "Division") dated August 24, 2001 and letter of August 31, 2001 in which you request an opinion relative to whether Continental Capital Corporation ("Continental") is exempt from being licensed as a mortgage lender in the Commonwealth.

In your correspondence, you state that Continental is a wholly owned subsidiary of R & G Premier Bank of Puerto Rico ("R & G Premier"), a federally chartered bank which is itself, a wholly owned subsidiary of R & G Financial Corporation. You further state that you have been reviewing the licensing laws in the Commonwealth and you found certain references to Chapter 50 of the Acts of 2000 as a basis for a licensing exemption for a wholly owned subsidiary of a federally chartered institution. You ask what documentation must be submitted to the Division in order to qualify for a licensing exemption.

Chapter 50 of the Acts of 2000 made a major change to the mortgage lender licensing statutes by removing the statutory exemption for small loan agency licensees which exempted such licensees from also being licensed as mortgage lenders. It is the position of the Division that said Chapter 50 of the Acts of 2000 is not the basis for an exemption from mortgage lender licensing in the Commonwealth for Continental.

However, Massachusetts General Laws chapter 255E governs the licensing of mortgage lenders and mortgage brokers in the Commonwealth. Section 2 of said chapter 255E specifically exempts from licensing a national banking association, a federal savings bank, a federal savings and loan association and "any subsidiary". If Continental is a wholly owned subsidiary of R & G Premier, and R & G Premier is a federally-chartered bank, then Continental is exempt from mortgage lender licensing in the Commonwealth. However, in the event that Continental is a subsidiary of the holding company, R & G Financial Corporation, it would not be an exempt entity and would be required to be licensed as a mortgage lender in order to originate residential mortgage loans in the Commonwealth.



The conclusions reached in this letter are based solely on the facts presented. Fact patterns which vary from that presented may result in a different position statement by the Division.

Sincerely,

A handwritten signature in cursive script, reading "Joseph A. Leonard, Jr.", written in dark ink.

Joseph A. Leonard, Jr.
Deputy Commissioner of Banks
and General Counsel

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