



The Commonwealth of Massachusetts

Office of the Commissioner of Banks

One South Station

Boston, Massachusetts 02110

JANE SWIFT
GOVERNOR

THOMAS J. CURRY
COMMISSIONER

February 7, 2002

Maribeth Pochini, Business Manager
Russo Marine Financial Services, Inc.
357 Mystic Avenue
Medford, Massachusetts 02155

Dear Ms. Pochini:

This letter is in response to your correspondence dated November 26, 2001 to the Division of Banks (the "Division") in which you request an opinion relative to whether a company which acts as a loan broker in the refinancing of a boat loan is required to be licensed in the Commonwealth. The matter has also been discussed with you in telephone conversations with the Division.

In your letter, you state that Russo Marine Financial Services, Inc. ("Russo Marine") is a marine dealer in the Commonwealth. Its primary business is the retail sales of boats to consumers and it has a finance office which assists customers with financing new or pre-owned boats. One of the lenders used by Marine Russo to finance boat purchases and refinances, Key Bank, USA has offered the company an opportunity to earn a fee when it provides a customer to Key Bank to refinance an existing boat loan. There would be a consumer note, installment loan note, security agreement and disclosure statement executed by the bank and the borrower. Russo Marine would be paid a fee by Key Bank USA for its referral of the customer and the use of its office location to close the loan. You ask if any type of license would be required for Russo Marine to act as a loan broker under these circumstances.

Massachusetts General Laws chapter 255D requires that any person or entity engaging in the business of a sales finance company is required to be licensed in the Commonwealth. A sales finance company is defined, among other things, as any person other than an installment seller engaged, in whole or in part, in the business of purchasing retail installment sales agreements or revolving credit agreements of one or more retail sellers. Based on the facts presented in your letter, Russo Marine is not engaged in the business of a sales finance company and is not required to be licensed pursuant to said chapter 255D.




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Massachusetts General Laws chapter 140, section 96 requires that any person in the business of making loans of \$6,000.00 or less for personal, family or household purposes or arranging such loans is required to be licensed as a small loan company. In the event that Russo Marine acts as a loan broker in a transaction where the loan amount is \$6,000.00 or less, it would be required to obtain a small loan license from the Division. However, no license would be required if the amount in the refinancing of boat loans through Key Bank USA or any other lender exceeds a loan amount of \$6,000.00.

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,



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

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