



The Commonwealth of Massachusetts

Office of the Commissioner of Banks

One South Station

Boston, Massachusetts 02110

JANE SWIFT
GOVERNOR

THOMAS J. CURRY
COMMISSIONER

January 15, 2002

Todd Stainbrook, Director of Marketing
Affordable Mobile Home Lenders, Inc.
242 Station Street
Bridgeville, PA 15017

Dear Mr. Stainbrook:

This is in response to your letter dated January 8, 2002 to the Division of Banks requesting an opinion relative to the licenses necessary to operate as mobile home broker in Massachusetts.

As described in your letter, Affordable Mobile Home Lenders, Inc. ("Affordable") would charge a fee for its services. It does not intend to hold the note for the loan, nor does it intend to service the loan. The majority of the loans are strictly installment financing on just the mobile home. The letter further states that Affordable solicits business from the consumer via print ads, radio and direct marketing. It markets towards business in the mobile home parks or on leased land. Occasionally, Affordable does run across loans in which real estate is involved.

Mobile home financing in the Commonwealth is treated, from a regulatory standpoint, the same as personal property financing. Three specific licenses may be required in order to do business in this state. Massachusetts General Laws chapter 255D governs the indirect financing of retail installment sales and services. This type of license is required for the purchase of commercial paper from dealers, and it applies to the indirect financing of consumer goods of which a mobile home would be included. In the event that the financing contract for the mobile home is made directly with the consumer by Affordable, said chapter 255D would not apply to the transaction.

The amount of the mobile home loan could also trigger a second licensing statute. If the amount of any loan to a Massachusetts consumer is \$6,000.00 or less, a small loan company license is required by Massachusetts General Laws chapter 140, section 96. This license applies to both direct and indirect financing and only where the rate of interest to be charged on the contract exceeds 12% per annum. The statute does not apply to loans in excess of \$6,000.00.

In the situation where your company is directly financing or assisting in financing the mobile home and the real estate on which it stands, a mortgage lender license or a mortgage broker license would likely be required under Massachusetts General Laws chapter 255E if the company originated 5 or more mortgage loans in a consecutive twelve month period. You or Affordable's counsel should review section 2 of said chapter 255E.



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The Division's Consumer Compliance Unit processes all of the licenses referred to in the letter. Accordingly upon review of the comments herein, feel free to contact that Unit at (617) 956 1500, extension 540 for further information on any appropriate application.

Please be advised that these licensing requirements are triggered by transactions in the Commonwealth or involving its citizens and would be applicable even if no office was located here. Moreover, these licensing statutes or their implementing regulations often require record retention 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 from the Division.

Sincerely,



Dennis C. Otis
Chief Director of Licensing
Consumer Compliance Unit

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