



*The Commonwealth of Massachusetts*  
*Office of the Commissioner of Banks*  
*One South Station*  
*Boston, Massachusetts 02110*

JANE SWIFT  
GOVERNOR

THOMAS J. CURRY  
COMMISSIONER

April 2, 2002

Gregory J. Hill  
P.O. Box 1488  
Concord, Massachusetts 01742

Dear Mr. Hill:

This letter is in response to your correspondence dated March 20, 2002 to the Division of Banks (the "Division") in which you request an opinion relative to whether a person who finds and arranges the sale of existing mortgage loans is required to be licensed in the Commonwealth.

In your letter, you state that you are considering engaging in the business of finding and arranging the sale of existing privately held notes secured by mortgages on properties in this state. You emphasize that you would not be lending money but would be paid a finder's fee from the sale of existing mortgages. You ask if a mortgage broker's license would be required and if there is a limit to the number of transactions which can be generated annually.

Massachusetts General Laws chapter 255E requires that any person who acts as a mortgage broker five or more times in a consecutive twelve-month period obtain a mortgage brokers license from the Division. A mortgage broker is defined as "... any person who for compensation or gain, or in the expectation of compensation or gain, directly or indirectly negotiates, places, assists in placement, finds or offers to negotiate, place, assist in placement or find mortgage loans on residential property for others." A mortgage loan is defined as a loan made to a natural person for personal, family, or household purposes secured by a mortgage on residential property.

Based on the information provided in your letter, the business activities that you propose to conduct do not meet the definition of a mortgage broker found in chapter 255E. It is the position of the Division that a person who brokers the sale of existing mortgage loans between investors is not required to be licensed as a mortgage broker under chapter 255E. Since no licensing is required, there is no numerical limitation on the number of loans.



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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

JAL/NTT/mhc  
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