



The Commonwealth of Massachusetts

Office of the Commissioner of Banks

One South Station

Boston, Massachusetts 02110

MITT ROMNEY
GOVERNOR

KERRY HEALEY
LIEUTENANT GOVERNOR

THOMAS J. CURRY
COMMISSIONER OF BANKS

BETH LINDSTROM
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OFFICE OF CONSUMER AFFAIRS
AND BUSINESS REGULATION

July 28, 2003

John A Nolie, Vice President
First Credit Corporation of New York, Inc.
21 North Main Street
Gloversville, New York 12078

Dear Mr. Nolie:

This letter is in response to your correspondence dated July 9, 2003 to the Division of Banks (the "Division") in which you request an opinion relative to whether the Division's high cost home loan mortgage regulations are applicable to loans on mobile/manufactured homes.

In your letter you state that First Credit Corporation of New York, Inc. ("First Credit") is a service company based in New York and doing business in several northeastern states. It generates and services mobile/manufactured home loans and places these loans with several banks. The loans are made for mobile/manufactured homes on leased land in mobile home communities and there is no real estate involved. The loan documentation does not include a real estate mortgage. You ask if the Division's high cost mortgage regulations are applicable to these loans.

The Division's high cost mortgage regulations, so-called, are found at 209 CMR 32.32. 209 CMR 32.32 (1) (a) states that the requirements of 209 CMR 32.32 apply to a consumer credit transaction that is secured by a consumer's principal dwelling. 209 CMR 32.02 defines "dwelling" as "a residential structure that contains one to four units, whether or not that structure is attached to real property. The term includes an individual condominium unit, cooperative unit, mobile home, and trailer, if it is used as a residence." In conclusion, in the event that the loans generated by First Credit on mobile/manufactured homes are the borrower's principal dwelling, 209 CMR 32.32 does apply if the interest rate on these loans exceed the threshold set forth in the regulation. The determining factor for the applicability of the regulation is whether the mobile/manufactured home is the borrower's principal dwelling and not whether real estate is part of the transaction.



John A. Nolie
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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

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