

PUBLIC DISCLOSURE

March 24, 2011

**MORTGAGE LENDER COMMUNITY INVESTMENT
PERFORMANCE EVALUATION**

**MLD MORTGAGE INC. d/b/a THE MONEY STORE
MC1019**

**30B VREELAND ROAD
FLORHAM PARK, NJ 07932**

**DIVISION OF BANKS
1000 WASHINGTON STREET
BOSTON, MA 02118**

NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this mortgage lender. The rating assigned to this mortgage lender does not represent an analysis, conclusion or opinion of the Division of Banks concerning the safety and soundness of this mortgage lender.

GENERAL INFORMATION

Massachusetts General Laws chapter 255E, section 8 and the Division of Banks' ("Division") regulation 209 CMR 54.00, Mortgage Lender Community Investment ("MLCI"), require the Division to use its authority when examining mortgage lenders subject to its supervision who have made 50 or more home mortgage loans in the last calendar year, to assess the mortgage lender's record of helping to meet the mortgage credit needs of the Commonwealth, including low- and moderate-income neighborhoods and individuals, consistent with the safe and sound operation of the mortgage lender. Upon conclusion of such examination, the Division must prepare a written evaluation of the mortgage lender's record of meeting the credit needs of the Commonwealth.

This document is an evaluation of the MLCI performance of **MLD Mortgage Inc. d/b/a The Money Store ("MLD Mortgage")** prepared by the Division, the mortgage lender's supervisory agency, as of March 24, 2011.

SCOPE OF EXAMINATION

An evaluation was conducted using examination procedures, as defined by MLCI. A review of the Division's records, as well as the mortgage lender's public MLCI file, did not reveal any complaints.

The MLCI examination included a comprehensive review and analysis, as applicable, of MLD Mortgage's:

- (a) origination of loans and other efforts to assist low and moderate income residents, without distinction, to be able to acquire or to remain in affordable housing at rates and terms that are reasonable considering the lender's history with similarly situated borrowers, the availability of mortgage loan products suitable for such borrowers, and consistency with safe and sound business practices;
- (b) origination of loans that show an undue concentration and a systematic pattern of lending resulting in the loss of affordable housing units;
- (c) efforts working with delinquent residential mortgage customers to facilitate a resolution of the delinquency; and
- (d) other efforts, including public notice of the scheduling of examinations and the right of interested parties to submit written comments relative to any such examination to the Commissioner, as, in the judgment of the Commissioner, reasonably bear upon the extent to which a mortgage lender is complying with the requirements of fair lending laws and helping to meet the mortgage loan credit needs of communities in the Commonwealth.

MLCI examination procedures utilize two performance tests: the Lending Test and the Service Test. This evaluation considered MLD Mortgage's lending and community development activities for the period of January 2009 through December 2010. The data and applicable timeframes for the Lending Test and the Service Test are discussed below.

The Lending Test evaluates the mortgage lender's community investment performance pursuant to the following five criteria: geographic distribution of loans, lending to borrowers of different incomes, innovative and flexible lending practices, fair lending, and loss of affordable housing.

Home mortgage lending for 2009 and 2010 is presented in the geographic distribution, lending to borrowers of different incomes and the Minority Application Flow tables. Comparative analysis of the mortgage lender's lending performance for the year of 2009 is provided because it is the most recent year for which aggregate HMDA lending data is available. The aggregate lending data is used for comparison purposes within the evaluation and is a measure of loan demand. It includes lending information from all HMDA reporting lenders which originated loans in the Commonwealth of Massachusetts. Home mortgage lending data for 2010 is referenced to illustrate trends in MLD Mortgage's lending data.

In addition to gathering and evaluating statistical information relative to a mortgage lender's loan volume, the MLCI examination also reflects an in depth review of the entity's mortgage lending using qualitative analysis, which includes, but is not limited to: an assessment of the suitability and sustainability of the mortgage lender's loan products by reviewing the lender's internally maintained records of delinquencies and defaults as well as information publicly available through the Federal Reserve Banks and through local Registries of Deeds and through other sources available to the examination team. The examination included inspection of individual loan files for review of compliance with consumer protection provisions and scrutiny of these files for the occurrence of disparate treatment based on a prohibited basis.

The Service Test evaluates the mortgage lender's record of helping to meet the mortgage credit needs by analyzing the availability and effectiveness of a mortgage lender's systems for delivering mortgage loan products, the extent and innovativeness of its community development services, and, if applicable, loss mitigation services to modify loans and/or efforts to keep delinquent home borrowers in their homes.

MORTGAGE LENDER'S MLCI RATING:

This mortgage lender is rated "Satisfactory."

- The geographic distribution of the lender's loans reflects an adequate dispersion in low- and moderate-income Census tracts as it is reflective of the distribution of owner occupied housing in those Census tracts.
- The distribution of loans by income of the borrower reflects, given the demographics of Massachusetts, an adequate record of serving the credit need among individuals of different income levels, including low- and moderate-income.
- MLD Mortgage offers a limited number of flexible lending products.
- Fair lending policies and practices are considered reasonable.
- The mortgage lender's Community Development Services were considered to need improvement at this time.

PERFORMANCE CONTEXT

Description of Mortgage Lender

MLD Mortgage was incorporated on August 18, 2000 in the State of New Jersey. MLD Mortgage was granted a mortgage lender and mortgage broker license by the Division on December 7, 2005, and does business in Massachusetts under the name The Money Store. MLD Mortgage has no branch offices in Massachusetts. Its main office is located at 30B Vreeland Road in Florham Park, New Jersey. The company is also licensed to do business in 39 other states and the District of Columbia.

MLD Mortgage offers a variety of mortgage loan products to meet the needs of the Commonwealth's borrowers. MLD Mortgage is an approved lender for the Federal Housing Administration.

Underwriting and major functions in the loan process are done at MLD Mortgage's main office. MLD Mortgage's business development relies primarily on referrals and repeat customers. Loans originated are closed in MLD Mortgage's name and sold immediately to investors, servicing rights released.

Demographic Information

The MLCI regulation requires mortgage lenders to be evaluated on their performance within the Commonwealth of Massachusetts. Demographic data is provided below to offer contextual overviews of economic climate along with housing and population characteristics for the Commonwealth of Massachusetts.

DEMOGRAPHIC INFORMATION*						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	N/A
Geographies (Census Tracts)	1,361	8.4	21.7	46.1	23.4	0.4
Population by Geography	6,349,097	5.8	20.5	47.6	26.0	0.1
Owner-Occupied Housing by Geography	1,508,248	1.6	12.8	54.0	31.6	0.0
Family Distribution by Income Level	1,587,537	20.5	17.7	22.3	39.5	0.0
Distribution of Low and Moderate Income Families throughout AA Geographies	606,419	10.0	29.4	46.2	14.4	0.0
Median Family Income		\$65,318	Median Housing Value		\$209,519	
2009 HUD Adjusted Median Family Income		\$82,684	Unemployment Rate		8.1%**	
Households Below Poverty Level		9.8%				

*Source: 2000 US Census

**as of 10/10

Based on 2000 Census data, the Commonwealth of Massachusetts has a total population of just over 6.3 million people and a total of 2.6 million housing units. Of the total housing units, 1.5 million or 57.5 percent are owner-occupied, 935,332 or 35.7 percent are rental-occupied, and 6.8 percent are vacant units.

There are 2.4 million households in the Commonwealth with a median household income of \$53,686 according to the 2000 Census. Over 40 percent of the households are classified as low- and moderate-income. In addition, 9.8 percent of the total number of households are living below the poverty level. Individuals in these categories may find it challenging to qualify for traditional mortgage loan products.

Households classified as “families” total slightly over 1.5 million. Of all family households, 20.5 percent are low income, 17.7 percent are moderate income, 22.3 percent are middle income, and 39.5 percent are upper income. The median family income according to the 2000 census was \$65,318. The Housing and Urban Development (“HUD”) adjusted median family income is \$82,684. The adjusted median family income is updated yearly and takes into account inflation and other economic factors.

The Commonwealth of Massachusetts contains 1,361 Census tracts. Of these, 114 or 8.4 percent are low-income; 295 or 21.7 percent are moderate-income; 628 or 46.1 percent are middle-income; 319 or 23.4 percent are upper-income; and 5 or 0.4 percent are NA or have no income designation. The five census tracts with no income designation are located in Bridgewater (a correctional facility), Boston (islands in Boston Harbor), Amherst (UMASS campus), Harvard (Fort Devens), and Grafton (Tufts Veterinary School). These Census tracts contain no housing units and will not be included in this evaluation since they provide no lending opportunities.

The median housing value for Massachusetts was \$209,519 according to the 2000 Census. However, recent figures from the Warren Group, publishers of the Banker and Tradesman, show the median price for a single-family increased to \$285,000 in 2009 and further increased to \$295,000 in 2010. Fluctuating housing values have a direct effect on the types of financial products adequate for homeowners and property buyers.

The unemployment rate for the state of Massachusetts as of October 2010 was 8.1 percent. This represents a decrease from the end of 2009 when the unemployment rate stood at 9.3 percent. Employment rates would tend to affect a borrower’s ability to remain current on mortgage loan obligations and also correlates to delinquency and default rates.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

MLD Mortgage's Lending Test performance was rated an overall "Satisfactory." MLD Mortgage's lending efforts are rated under the five performance criteria: Geographic Distribution, Borrower Characteristics, Innovative or Flexible Lending Practices, Fair Lending Policies and Procedures, and Loss of Affordable Housing. The following information details the data compiled and reviewed, as well as conclusions on the mortgage lending of MLD Mortgage.

I. Geographic Distribution

The geographic distribution of loans was reviewed to assess how well MLD Mortgage is addressing the credit needs throughout the Commonwealth of Massachusetts' low-, moderate-, middle-, and upper-income Census tracts.

The mortgage lender's geographic distribution of loans for 2009 is consistent with the distribution of owner occupied housing units and slightly below the performance of the aggregate distribution of loans for low- and moderate-income borrowers in the Commonwealth. Overall, MLD Mortgage's distribution of loans reflects an adequate distribution of loans in the Commonwealth.

The following table presents MLD Mortgage's HMDA-reportable loans as well as the 2009 aggregate data (exclusive of MLD Mortgage). In addition, the table also reflects the percentage of owner-occupied housing units in each of the Census tract income categories.

Census Tract Income Level	<i>Distribution of HMDA Loans by Income Category of the Census Tract</i>							
	% Total Owner-Occupied Housing Units	MLD Mortgage 2009		Aggregate Lending Data (% of #) 2009	MLD Mortgage 2010		MLD Mortgage Total	
		#	%		#	%	#	%
Low	1.6	2	1.8	1.5	1	1.5	3	1.7
Moderate	12.8	11	10.1	10.6	1	1.5	12	6.9
Middle	54.0	46	42.2	50.7	30	46.2	76	43.7
Upper	31.6	44	40.4	37.1	32	49.3	76	43.7
NA	0	6	5.5	0.1	1	1.5	7	4.0
Total	100.0	109	100.0	100.0	65	100.0	174	100.0

Source: 2009 and 2010 HMDA Data and 2000 U.S. Census

In 2009, the mortgage lender's geographic distribution of loans in low- and moderate-income Census tracts was consistent with the distribution of owner occupied housing units, as well as the aggregate's lending data. For 2010, the lender showed one loan originated in both the low- and moderate-income Census tracts. However, it is noted that the overall volume of lending for MLD Mortgage decreased significantly.

II. Borrower Characteristics

The distribution of loans by borrower income levels was reviewed to determine the extent to which the Lender is addressing the credit needs of the Commonwealth's residents.

MLD Mortgage achieved a reasonable record of serving the mortgage credit needs among borrowers of different income levels based on the area's demographics and a comparison to aggregate lending data in Massachusetts.

The following table shows HMDA-reportable loans to low-, moderate-, middle- and upper-income borrowers in comparison to the aggregate and the percentage of total families within the Commonwealth in each respective income group.

Median Family Income Level	Distribution of HMDA Loans by Borrower Income							
	% of Families	MLD Mortgage 2009		Aggregate Lending Data (% of #) 2009	MLD Mortgage 2010		MLD Mortgage Total	
		#	%		#	%	#	%
Low	20.5	3	2.8	5.1	3	4.6	6	3.4
Moderate	17.7	13	11.9	16.6	5	7.7	18	10.4
Middle	22.3	25	22.9	23.7	19	29.2	44	25.3
Upper	39.5	47	43.1	39.7	23	35.4	70	40.2
NA*	0	21	19.3	14.9	15	23.1	36	20.7
Total	100.0	109	100.0	100.0	65	100.0	174	100.0

Source: 2009 & 2010 HMDA Data and 2000 U.S. Census *Income Not Available

MLD Mortgage's performance for low- and moderate-income borrowers was below the aggregate in 2009. In 2010, although MLD Mortgage's overall level of lending decreased, the number of loans to low-income borrowers remained constant. Additionally, in both years there were a disproportionate number of borrowers for whom incomes were not available. The lender stated that this was due to the FHA streamline refinances, for which income verification is not required.

III. Innovative or Flexible Lending Practices

MLD Mortgage offers a limited number of flexible lending products, which are provided in a safe and sound manner to address the credit needs of low- and moderate-income individuals or geographies.

The lender is directly endorsed by HUD to underwrite FHA-insured mortgages. The FHA products offered by MLD mortgage provide competitive interest rates and smaller down payments for low- and moderate-income first-time homebuyers and existing homeowners. MLD Mortgage also offers FHA's 203 K loan program; the primary purpose of this program is geared to neighborhood revitalization and expanding homeownership. In 2009 and 2010, MLD Mortgage originated 40 FHA loans totaling \$10.6 million dollars.

IV. Fair Lending

The Division examines a mortgage lender's fair lending policies and procedures pursuant to Regulatory Bulletin 1.3-103 and Regulatory Bulletin 5.3-101. The mortgage lender's compliance with the laws relating to discrimination and other illegal credit practices was reviewed, including the Fair Housing Act and the Equal Credit Opportunity Act. The review included, but was not limited to, review of written policies and procedures, interviews with mortgage lender personnel, and individual file review. No evidence of disparate treatment was identified.

MLD Mortgage's compliance with the laws relating to discrimination and other illegal credit practices was reviewed. The fair lending review was conducted in accordance with the Federal Financial Institutions Examination Council (FFIEC) Interagency Fair Lending Examination Procedures. No evidence of discriminatory or other illegal credit practices was identified.

Fair lending is incorporated in MLD Mortgage's policy and procedures. All employees are required to complete a fair lending training, provided by management, and sign a letter of acknowledgement that they will adhere to MLD Mortgage's fair lending plan.

All loans are initially approved through an Automated Underwriting System (AUS) regardless of loan type. All loan files will then receive a second level review by an underwriter. In addition, MLD Mortgage has established an extensive policy to determine if a borrower will have the ability to repay the loan in accordance with the loan terms and conditions.

MLD Mortgage has two individuals who are responsible for training. The first individual is responsible for training all personnel on matters relating to compliance regulations. The second individual is responsible for training all underwriters in matters dealing with the secondary market and investor guidelines. All loan originators receive training from a contracted third party, in line with the requirements of the Nationwide Mortgage Licensing System.

MINORITY APPLICATION FLOW

For 2009 and 2010, MLD Mortgage received 231 HMDA-reportable loan applications from within the Commonwealth of Massachusetts. Of these applications, 17 or 7.4 percent were received from minority applicants, and 12 or 70.6 percent resulted in originations. The Money Store received 7 or 3.0 percent of HMDA-reportable applications from ethnic groups of Hispanic origin within its assessment area, of which 4 or 57.1 percent were originated.

Demographic information for Massachusetts reveals that the total ethnic and racial minority population stood at 18.12 percent of the total population. This segment of the population is comprised of 6.75 percent Hispanic or Latino and 11.38 racial minorities: 5.01 percent Black; 3.73 percent Asian; .18 percent American Indian; .03 percent Native Hawaiian/Other Pacific Islander; and 2.42 percent identified as Other Race.

Refer to the following table for information on the mortgage lender's minority application flow as well as a comparison to aggregate lenders throughout the Commonwealth of Massachusetts. The comparison of this data assists in deriving reasonable expectations for the rate of applications the mortgage lender received from minority applicants.

MINORITY APPLICATION FLOW								
RACE	MLD Mortgage 2009		2009 Aggregate Data		MLD Mortgage 2010		MLD Mortgage Total	
	#	%	#	%	#	%	#	%
<i>American Indian/ Alaska Native</i>	0	0.0	733	0.2	0	0.0	0	0.0
<i>Asian</i>	7	4.8	20,095	4.1	4	4.7	11	4.8
<i>Black/ African American</i>	6	4.2	10,065	2.0	0	0.0	6	2.6
<i>Hawaiian/Pac Isl.</i>	0	0.0	556	0.1	0	0.0	0	0.0
<i>2 or more Minority</i>	0	0.0	230	0.1	0	0.0	0	0.0
<i>Joint Race (White/Minority)</i>	0	0.0	5,024	1.0	0	0.0	0	0.0
Total Minority	13	9.0	36,703	7.5	4	4.7	17	7.4
<i>White</i>	64	44.1	344,136	69.7	32	37.2	96	41.5
<i>Race Not Available</i>	68	46.9	112,565	22.8	50	58.1	118	51.1
Total	145	100.0	493,404	100.0	86	100.0	231	100.0
ETHNICITY								
<i>Hispanic or Latino</i>	5	3.4	11,478	1.8	2	2.3	7	3.0
<i>Not Hispanic or Latino</i>	70	48.3	364,502	73.5	35	40.7	105	45.5
<i>Joint (Hisp/Lat /Not Hisp/Lat)</i>	0	0.0	3,692	0.8	0	0.0	0	0.0
<i>Ethnicity Not Available</i>	70	48.3	113,732	23.9	49	57.0	119	51.5
Total	145	100.00	493,404	100.00	86	100.00	231	100.00

Source: 2000 U.S. Census Data

MLD Mortgage's performance was above the aggregate's performance for racial minority applicants and ethnic minority applicants for 2009. Applications for 2010 showed a declining trend to the volume of applications generated. MLD Mortgage's minority application flow is reasonable when compared to the aggregate's lending performance levels and the demographics of Massachusetts.

V. *Loss of Affordable Housing*

This review concentrated on the suitability and sustainability of mortgage loans originated by MLD Mortgage by taking into account delinquency and default rates of the mortgage lender and those of the overall marketplace. Information provided by the lender was reviewed as were statistics available on delinquency and default rates for mortgage loans. Additionally, individual mortgage loans were tracked for their status through local Registries of Deeds and other available sources including public records of foreclosure filings.

An extensive review of information and documentation, from both internal and external sources as partially described above, did not reveal lending practices or products that showed an undue concentration or a systematic pattern of lending, including a pattern of early payment defaults, resulting in the loss of affordable housing units. Further, delinquency rates were found to be consistent with industry averages.

SERVICE TEST

The service test evaluates a mortgage lender's record of helping to meet the mortgage credit needs in the Commonwealth by analyzing both the availability and effectiveness of a mortgage lender's systems for delivering mortgage loan products; the extent and innovativeness of its community development services; and loss mitigation services to modify loans or otherwise keep delinquent home loan borrowers in their homes. Community development services must benefit the Commonwealth or a broader regional area that includes the Commonwealth.

MLD Mortgage's Service Test performance was determined to be "Needs to Improve" at this time.

Mortgage Lending Services

MLD Mortgage provides mortgage lenders services that are accessible to geographies and individuals of different income levels in the Commonwealth by providing financing opportunities through FHA loan products. MLD Mortgage's customers can apply over the telephone and via the company's website. Loans are originated from the main office in Florham Park, New Jersey. All processing and related support operations are performed from the main office. These loan products assist all income categories and provide opportunities to low and moderate income individuals to acquire or remain in affordable housing.

Business development relies primarily on referrals and repeat customers. MLD Mortgage does minimal advertising in Massachusetts.

As MLD Mortgage does not routinely service mortgage loans, it would not work directly with delinquent borrowers. Therefore, this review would not include an evaluation of loan mitigation and modification efforts as the mortgage lender would not be accountable for such action. However, as described above, lending practices and products did not show an undue concentration or a systematic pattern of lending resulting in mortgage loans that were not sustainable.

Community Development Services

A community development service is a service that:

- (a) has as its primary purpose community development; and
- (b) is related to the provision of financial services, including technical services

The Commissioner evaluates community development services pursuant to the following criteria:

- (a) the extent to which the mortgage lender provides community development services; and
- (b) the innovativeness and responsiveness of community development services.

There were no community development services identified during the examination period. MLD Mortgage does not participate in any community development services throughout Massachusetts.

Strong focus and a pro-active commitment on the part of management should be employed in community development activities or investments that meet the definition of community development under the MLCI regulation. Other activities may include, but not necessarily limited to: financial literacy education initiatives targeted to low and moderate-income individuals; and foreclosure prevention counseling and/or providing technical assistance to community organizations in a leadership capacity.

The Division recognizes that this examination is the mortgage lender's first evaluation of this test; however, records must be maintained to provide credit under this performance test

PERFORMANCE EVALUATION DISCLOSURE GUIDE

Massachusetts General Laws Chapter 255E, Section 8, and 209 CMR 54.00, the Mortgage Lender Community Investment (MLCI) regulation, requires all mortgage lenders to take the following actions within 30 business days of receipt of the MLCI evaluation of their mortgage lender:

- 1) Make its most current MLCI performance evaluation available to the public.
- 2) Provide a copy of its current evaluation to the public, upon request. The mortgage lender is authorized to charge a fee which does not exceed the cost of reproduction and mailing (if applicable).

The format and content of the mortgage lender's evaluation, as prepared by the Division of Banks, may not be altered or abridged in any manner. The mortgage lender is encouraged to include its response to the evaluation in its MLCI public file.

The Division of Banks will publish the mortgage lender's Public Disclosure on its website no sooner than 30 days after the issuance of the Public Disclosure.