

**EXHIBIT A**  
**SUMMARY OF IN-STATE OFFICE REQUIREMENTS**  
**FOR MORTGAGE LENDERS AND BROKERS**  
**2002**

A total of twenty states have either requirements for in-state offices or otherwise place more restrictive requirements on brokers/lenders without a physical presence in the state. The states break down as follows:

- Fifteen states currently require mortgage lenders and/or brokers to maintain in-state offices.
- Oklahoma has enacted recently enacted a statute, effective July 1, 2003, requiring mortgage brokers (defined broadly to include persons *making* residential mortgage loans) to maintain an in-state office.
- Four other states (Georgia, Illinois, Kansas and Wisconsin) place more onerous requirements on mortgage lenders and/or brokers which do not maintain in-state offices than on those which do.
- Three states (Alabama, Ohio and North Carolina) have enacted in-state office requirements since January 2000.
- Since January 2000, two states (Mississippi and New Mexico) eliminated their in-state office requirements.
- During the 2002 legislative session Kentucky House Bills 234 and 235 were considered which would have required mortgage brokers to maintain physical offices in Kentucky.

State	Law	In-State Office Requirement
Alabama	Mortgage Brokers Licensing Act, Ala. Code § 5-25-1 <i>et seq.</i>	<u>Mortgage brokers</u> : Must maintain and transact business from a principal place of business in Alabama, or from a principal place of business and one or more branch offices. A principal place of business or branch office must consist of at least one enclosed room or building of stationary construction in which negotiations of mortgage loan transactions may be conducted and carried on in privacy and in which all of the books, records, and files pertaining to mortgage loan transactions are maintained. Ala. Code § 5-25-11.
Alaska	Small Loan Act, Alaska Stat. §06.20.010 <i>et seq.</i>	<u>Small loan lenders</u> (those making loans of \$25,000 or less, in excess of state usury rate, including second mortgage loans): Small loan license permits lender to make small loans at the location specified in the license (Alaska Stat. §06.20.060). Requirement for in-state office is stated on application for license (first page).

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Arizona	Mortgage Brokers and Mortgage Bankers Act, Ariz. Rev. Stat. § 6-901 <i>et seq.</i>	<p><u>Mortgage brokers</u> (Ariz. Rev. Stat. §6-901 to 6-910): Must maintain a principal place of business in Arizona for the transaction of business. Ariz. Rev. Stat. §6-904(F). Arizona resident must be appointed as “responsible person” for the licensee. (Ariz. Rev. Stat. § 6-903(E)). The responsible person is required to be in active management of the activities of the licensee. If responsible person ceases to be in active management, licensee must notify Department of Banking within 10 days. The licensee has 90 days to replace the responsible person with a qualified replacement (i.e., another Arizona resident); otherwise, the license expires.</p> <p><u>Mortgage bankers</u> (Ariz. Rev. Stat. §6-941 to 6-948): Must maintain a principal place of business in Arizona for the transaction of business. Ariz. Rev. Stat. §6-944(D). Licensees other than natural persons must appoint an employee as the “responsible individual” for the licensee. Ariz. Rev. Stat. §6-943(F). A responsible individual must be active management of the activities of the licensee and have not less than 3 years' experience in making mortgage banking loans.</p>
California	California Real Estate Law, Cal. Bus. & Prof. Code § 10131 <i>et seq.</i>	<p><u>Mortgage brokers licensed as real estate brokers</u> (applicable to those who solicit borrowers or lenders for, or negotiate loans, or collect payments, or perform services for borrowers or lenders or note owners in connection with loans secured by real property, Cal. B&amp;P Code §10131(d)).</p> <p><u>In-state office</u>: Real estate broker must have a definite place of business in California for the transaction of business; the license must be displayed and personal consultations with clients held in this office. Cal. B&amp;P Code §10162. A license authorizes the licensee to do business only at the location stipulated in the license. <u>Id.</u> If licensee is a corporation, one officer of the corporation may act under the license. Cal. B&amp;P Code §10211. Other officers that act as real estate brokers must obtain additional licenses. Cal. B&amp;P Code §10158. The officer designated by a corporate licensee is responsible for supervision and control of the corporation’s activities requiring a real estate license and for its compliance with the real estate law.</p>
Georgia	Residential Mortgage License Act, Ga. Code Ann. § 7-1-1000 <i>et seq.</i>	<p><u>Mortgage brokers</u>:  A mortgage broker license will only be issued to (or renewed for) an applicant who does not have a physical place of business in Georgia if the applicant's home state does not require a mortgage broker to have a physical place of business in such home state. Ga. Code Ann. §7-1-1003.1.</p>
Hawaii	Mortgage Brokers and Solicitors Act, Haw. Rev. Stat. §454-1 <i>et seq.</i>	<p><u>Mortgage brokers and lenders</u>:  (1) In-state office (“for the transaction of business”), Haw. Rev. Stat. § 454-3(i).  (2) “Designated principal” for corporation licensed as a mortgage solicitor, Haw. Rev. Stat. § 454-3(f).</p>
Illinois	Residential Mortgage License Act, 205 ILCS 635/1-1 <i>et seq.</i>	<p><u>Mortgage brokers and lenders</u>: A foreign corporation must maintain a “full service office” unless it has a net worth of at least \$100,000 and maintains a fidelity bond of \$100,000. 205 ILCS 635/3-4.</p>
Kansas	Mortgage Business Act, Kan. Stat. Ann. § 9-2201 <i>et seq.</i>	<p><u>Mortgage brokers and mortgage lenders</u>: Registrants with a bona fide office in Kansas are required to file a \$50,000 surety bond. Registrants that do not have an office in the state must file a \$100,000 surety bond <u>and</u> maintain a net worth of at least \$50,000. Kan. Stat. Ann. § 9-2211.</p>

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Minnesota	Regulated Loan Act, Minn. Stat. Ann. §56.0001 <i>et seq.</i>	<p><u>Lenders subject to Regulated Loan Act</u> (applicable to lenders making loans of \$100,000 or less, with interest greater than the state's usury limit and expressly inapplicable to loans secured by first mortgage liens where loan is to finance the purchase of the borrower's primary residence, unless: (1) the loan is to finance the purchase of a manufactured home or a prefabricated building; or (2) the loan is used to satisfy the balance owed on a contract for deed.)</p> <p>No licensee shall transact the business or make any loan provided for by this chapter under any other name or at any other place of business than that named in the license. Minn. Stat. Ann. §56.12.</p> <p>Although statute does not expressly require maintenance of an office in Minnesota, the Department of Commerce will not issue a license to lenders without a Minnesota office.</p>
Missouri	Residential Mortgage Brokers License Act, Mo. Rev. Stat. §443.800 <i>et seq.</i>	<p><u>Mortgage brokers</u>: Must maintain at least one full-service office in Missouri with staff reasonably adequate to efficiently handle communication, questions and all other matters relating to any existing home mortgage with respect to which such licensee is performing services for any borrower or lender, note owner or for himself, while engaged in the residential mortgage business. Mo. Rev. Stat. §443.857.</p>
Nevada	Mortgage Companies Act, Nev. Rev. Stat. § 645B.010 <i>et seq.</i>	<p><u>Mortgage brokers and mortgage lenders</u>: Licensees are required to maintain an in-state office and a representative in the state. Nev. Rev. Stat. § 645B.020.</p>
New Jersey	Licensed Lenders Act, N.J. Stat. Ann. § 17:11C-1 <i>et seq.</i>	<p><u>Mortgage bankers and mortgage brokers</u>: Must have a place of business in New Jersey for the transaction of business. N.J. Stat. Ann. §17:11C-17(a), N.J. Admin. Code §3:15-1.3(a). Must maintain books and records at this New Jersey office unless approval is obtained from the commissioner of banking to maintain them elsewhere, in which case the records must be made available in New Jersey upon request of the commissioner. N.J. Stat. Ann. §17:11C-19(a), (c).</p> <p><u>Secondary mortgage lender</u>: Must have a place of business in New Jersey for the transaction of business. N.J. Stat. Ann. §17:11C-17(a). May not transact business subject to the licensed lender act at any location other than that designated in the license. (Transacting business includes the borrower's signing any instrument or document in the loan transaction except an application or closing documents. N.J. Stat. Ann. §17:11C-31(a).) A secondary mortgage loan can only be closed in the licensed New Jersey office of the lender or at the New Jersey office of an attorney licensed to practice in New Jersey.</p>

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North Carolina	Mortgage Lending Act, N.C. Gen. Stat. § 53-243.01 <i>et seq.</i>	<u>Mortgage brokers</u> : Mortgage broker licensees must maintain and transact business from a principal place of business in North Carolina. Such principal place of business must consist of at least one enclosed room or building of stationary construction in which negotiations of mortgage loan transactions of others may be conducted and carried on in privacy and in which all of the books, records, and files pertaining to mortgage loan transactions relating to borrowers in North Carolina are maintained. The Commissioner may, however, by rule, impose terms and conditions under which the books and records and files may be maintained outside the state. S.B. 904, enacting N.C. Gen. Stat. § 53-243.09 (effective July 1, 2002).
Ohio	Mortgage Broker Law, Ohio Rev. Code Ann. §1322.01 <i>et seq.</i>	<u>Mortgage brokers</u> : Must maintain an office location in Ohio for the transaction of business as a mortgage broker in Ohio. May not originate a mortgage loan except at a location where the certificate of registration is maintained and where the mortgage broker business is regularly transacted. Ohio Rev. Code § 1322.02(A), (B), Ohio Admin. Code § 1301:8-7-03(A).
Oklahoma	Mortgage Broker Licensure Act, Okla. Stat. tit. 59, § 2081 <i>et seq.</i>	<u>Mortgage brokers (defined to include persons whomake residential mortgage loans)</u> : Must designate and maintain a principal place of business in Oklahoma for the transaction of business. H.B. 2009, enacting Okla. Stat. tit. 59, § 2085(H) (effective July 1, 2003).
Pennsylvania	Mortgage Bankers and Mortgage Brokers Act, 63 Pa. Stat. Ann. §456.01 <i>et seq.</i>	<p><u>Mortgage bankers and mortgage brokers</u>: If either is a foreign corporation, the corporation must maintain at least one office in Pennsylvania which is the office licensed as the principal place of business for purposes of the mortgage banker and broker licensing act. (However, a foreign corporation that acts only as a wholesale table funder is exempt from the requirement to maintain an office in Pennsylvania.) Pa. Stat. Ann. §456.304(d). A licensed mortgage banker or broker must maintain, at its principal place of business in Pennsylvania (or outside Pennsylvania, with approval of the secretary of banking), its books and records of the business conducted under the license. Pa. Stat. Ann. §456.308(a)(2).</p> <p>The Application for Licensure (First Mortgage Banker), Instructions section, states “A first mortgage banker licensee must maintain a principal office located within the Commonwealth of Pennsylvania. Principal offices and all licensed branches must be staffed with a minimum of one W-2 employee.” The corresponding application for a mortgage broker license states in the instructions to question 2 on page 5 “List complete address(es) where first mortgage loan business will be conducted. One location must be designated as the principal Pennsylvania office.”</p> <p><i>(Note: Neither license application makes the distinction between foreign corporations seeking a license and any other person or entity, although the statutory requirement for a Pennsylvania place of business specifically applies to corporations only.)</i></p>

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South Carolina	Licensing Requirements Act of Certain Loan Brokers of Mortgages on Residential Real Property, S.C. Code Ann. §40-58-10 <i>et seq.</i>	<u>Mortgage brokers</u> : Must maintain a sufficient physical presence in South Carolina and maintain records at this location. S.C. Code Ann. § 40-58-65(B). The broker must maintain an official place of business open during regular business hours, staffed by one or more employees who have the authority to contract on behalf of the broker and accept service of process on behalf of the broker. <u>Id.</u> Unless the place of business is open from 8:30AM until 5PM Monday through Friday, the broker must notify the Department of Consumer Protection of the hours maintained at the office. <u>Id.</u> Satellite offices may be maintained by a mortgage broker with an official place of business in South Carolina if certain conditions are met (i.e., the broker gives 10 days notice to the Department of the opening of the satellite office, gives notice that satellite office's records are stored in a South Carolina location staffed by one or more employees during regular business hours, maintains records of mortgage applications at the satellite or the broker's main location; and gives 2 days notice of the closing of the satellite office). S.C. Code Ann. §40-58-65(C).
Tennessee	Industrial Loan and Thrift Companies Act, Tenn. Code Ann. § 45-5-101 <i>et seq.</i>	<u>Lenders licensed under Industrial Loan and Thrift Companies Act</u> : The requirement to maintain an in-state office is not expressly stated in the law but the Department of Financial Institutions has repeatedly advised that it will not license applicants with no place of business in Tennessee. In addition, the law purports to require closing of loans made by licensed lenders to take place in the state. Section 45-5-103 states that real property loans made by licensed lenders are not required to be closed at the lender's licensed location if they are closed at the office of any attorney licensed to practice law in Tennessee or at a title company licensed in Tennessee, in either case if the location is in Tennessee and within 100 miles of the office of the registered lender making the loan.
Texas	Mortgage Broker License Act, Tex. Fin. Code Ann. § 156.001 <i>et seq.</i>	<u>Mortgage brokers</u> : Mortgage brokers licensed under the Act must maintain an in-state office in Texas as required by Tex. Fin. Code § 156.204.
Wisconsin	Mortgage Bankers, Loan Originators and Mortgage Brokers Act, Wis. Stat. § 224.71 <i>et seq.</i>	<u>Mortgage brokers and mortgage bankers</u> : Registration requirements are more onerous for mortgage bankers and mortgage brokers that do not maintain a "bona fide office" in Wisconsin. § 224.72.

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