Rev. 2/93

FIRST MORTGAGE BANKERS AND BROKERS

REPORT OF EXAMINATION
AND
EXAMINER'S QUESTIONNAIRE

Date of Examination: February 16, 1993 License # 1668

Name of Licensee: Financial Resources & Assistance, Inc. of the Lakes

Address: 61 Liscomb Circle, Laconia, New Hampshire 03246 Region

GENERAL

Type of Examination:
First Mortgage Banker _____ Broker _____ Both X

Exact location of office:
Liscomb Circle is off Route 11 on the southern side, across from Rich's Shopping Plaza. It is between Lakes Region Shopping Plaza and intersection of Laconia Bypass.

Office hours:
Officially 9:00 A.M. to 5:00 P.M. but is often open longer to accommodate customers.

Describe briefly the general plan of operation:
Business has both banker and broker license now but continues to operate primarily as a broker. It deals with several lenders and attempts to best match borrowers with lenders offering compatible loan packages. It hopes to do more direct lending as the economy improves.

Loans originated by licensee in last calendar year from the Annual Report
No. 8 $ 857,500

Portfolio of loans owned on this examination date at this location.
No. 0 $ 0

Loans serviced from this location on examination date.
No. 0 $ 0

Does licensee appear to be operating its business in a lawful, honest and fair manner?
Yes.

Does the licensee operate through an agent or other representative?
No.

Has the licensee violated any rule of the Banking Department?
No.

Are there any suits pending against the licensee with regard to its New Hampshire lending activity?
Yes, one frivolous suit with applicant bringing suit to recover appraisal cost when appraisal was low to grant loan. Details in workpapers.

GENERAL (CONTINUED)

Does the lender make VA and FHA loans? No.
If so, estimate percentage, based on number of loans of its business in such loans.

VA _____ FHA _____ Other 100%

Has licensee received any form of notice of violation, complaint or cease and desist order from the Banking Department?
No.

LICENSE

Principal office license X or Branch office license _____?

Is license conspicuously posted in office? Where?
Yes. In conference room where applicants are interviewed.

Is this person or company required to hold a mortgage banker and/or broker license?
Yes.

Is licensee a subsidiary of a bank or bank holding company? No.
List name and address of bank or holding company: N/A

Does licensee operate from other locations in this state? No.
If so, list locations: N/A

Is this license for a company office, agent location or other representative?
No.

Is the address on the license the current address of the licensee? Yes.
If not, has a location amendment been made by the Banking Department? N/A

Has there been a change in the trade or corporate name?
Not since previous examination.

Has there been a change in ownership of the business?
No.

LICENSE (CONTINUED)

Were any loans located that appear to be exempt under the provisions of RSA 397-A:4 Exemptions?
No.

Does the licensee make commercial loans?
Licensee does broker some commercial loans and would like to be more active in this area then the economy improves.

RECORDS

Are records and files of the licensee adequate to permit an examination that will determine if the licensee is complying with the provisions of RSA 397-A?
Yes.

Where are records and files maintained?
Metal file cabinet on premises.

How long are such records kept?
Indefinitely.

Are original or duplicate records kept?
Duplicate.

Are computer records maintained?
No, no need for computerized records because no loans are owned or serviced.

Were adequate loan payment records available at this office?
If not, how can we obtain such records? N/A
None. No loan servicing done.

Are copies of paid vendor invoices available for expenses incurred on the behalf of borrowers?
Yes appraisal fees and credit report fees.

INTEREST

- not checked, no loans owned or serviced.

Are charges computed on the unpaid loan balance?
N/A

What are the current rates of interest being charged?
Attach a rate sheet if available.
N/A

Did your calculation of charges disclose any overcharges?
N/A

Were these overcharges corrected during the examination?
N/A

List cases giving account number, name of borrower, rate of periods covering these overcharges and amount of overcharge:
N/A

Is borrower required to pay closing fee for examination of title, recording fee, appraisal fee, and legal fees? N/A
If so, are these fees reasonable, in your opinion? N/A
When paid out of the proceeds of the loan, are the attorney and appraisal bills a part of the file?
N/A

Does the lender provide for prepayment penalties in the loan documentation?
If so, what rate, percentage or amount is currently in use?
N/A

What is the order of application of mortgage payments?
N/A

Is mortgage type simple interest in use?
N/A

Does licensee compute interest to the date of payment or to a stated due date?
N/A

Is interest computed on a 360 day or 365 day basis?
N/A

How are partial or special payments applied and interest collected on same?
N/A

Are prepayments applied in conformity with RSA 397-A:15, I?
N/A

Does licensee pay interest on mortgage escrowed funds, including construction funds escrowed at closing on single family houses? N/A
When is interest credited or paid to borrowers? N/A
What is the rate of interest? N/A

What types of "Other Charges" are collected by the lender at loan origination, closing or during servicing?
N/A

PROCEDURES

Is a written disclosure of estimated charges given applicant? Yes.
Are such charges considered to be reasonable by the examiner? Yes.

Are interest rates considered to be reasonable when compared with rates charged by other licensees?
Yes.

On origination, is more than 31 days of prepaid interest collected from a borrower?
No.

Does this licensee use the standard form of conventional mortgage _____, open-end mortgage _____, FHA _____, VA _____, Other _____.
N/A - Licensee is not the lender.

Are closings made at an attorney's office? ___Yes___ If not, where are closings made?

If closings are not at an attorney's office, does an attorney prepare necessary legal papers?
N/A

Are all closings properly handled and are all files complete at time of closing?
Yes.

Does the licensee retain any or all loans it originates under this chapter in its own loan portfolio?
No.

Does the licensee, upon request provide borrower with a receipt for mortgage payments stating the following:

N/A - No loans owned or serviced by licensee.

(a) Date of payment?

(b) Amount paid?

(c) Amount applied to principal?

(d) Amount applied to interest?

(e) Signature or stamp of lender or his representative?

PROCEDURES (CONTINUED)

Has the licensee foreclosed on any borrower since the last examination?
No.

What is the licensee's policy on open-end loans that are paid in full with regard to the discharge of the mortgage lien?
No opened loans.

Does the mortgagee provide every borrower a mortgage discharge, upon payment in full, which conforms to RSA 479:7 I.
Not known, licensee is not mortgagee.

Who is responsible for recording the discharge of the mortgage?
Not licensee.

INSURANCE

List the types of insurance written on mortgage loans by this licensee:
None.

Are insurance rebates properly made?
Detail any exceptions located:
N/A

Were any death claims located?
Were they correctly settled?
N/A

MISCELLANEOUS

What notification is given to borrowers with regard to the payment of taxes and insurance premiums?
N/A

List the loan repayment plans in use as of the examination date:
N/A

Is the manager aware of the new requirements regarding company response to consumer complaints?
Yes.

MISCELLANEOUS (CONTINUED)

If special arrangements need to be made for a regular examination, list instructions below:

It is best to call ahead to make sure owner will be there to fill out questionnaire.

Interest on Escrow Accounts will now change on August 1 and February 1st each year. Have you informed the manager as to the procedure to obtain the correct and current interest rate on escrow accounts? (See RSA 384:16-e)

Yes, although licensee does not service any loans or collect any escrow.

If this company does not maintain a New Hampshire office, does it have any branch offices located outside of the State of New Hampshire that require a license under RSA 397-A:1, II(b)(1)?

N/A

VIOLATIONS - None.

	# of Violations	Dollar Amount of
Overcharges of interest _____	_____	$_____
_____	_____	$_____
_____	_____	$_____
Total Violations	#_____	$_____

Detail any other violations of law, rules or standard business practice:

None.

COMMENTS, RECOMMENDATIONS AND CONCLUSIONS

In my opinion, this licensee is operating its first mortgage banking and brokerage business at this location in conformity with RSA 397-A.

George D. Harrington

Examiner - In - Charge

BANKER

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FIRST MORTGAGE BANKER AND BROKER

EXECUTIVE OFFICER QUESTIONNAIRE

Name of Licensee Financial Resources & Assistance of the Lakes Region, Inc.

Examination Date 2/16/93 License Number 1668

1. Name of Office Manager: Scott Farah
List other employees, with titles, who work in this office.
Suzanne Robinson- Office Manager, Deborah Needham- Underwriter, Sheri Murray- Receptionist, Donna Gore- Broker, Daniel Farah- Broker

2. If licensee is affiliated with another business entity, list name, address and type of business: N/a

3. Provide the examiner with the following for this location only:

   (A) Number 0 and $ 0 amount of loans actually owned as of the examination date.

   (B) Number 0 and $ 0 amount of loans serviced on the examination date.

   (C) Attach a copy of your current rate sheet.

   See Attached.

4. Has this office foreclosed on any real estate loans within the past 18 months? No Indicate number of foreclosed properties 0.

5. Does the company pay interest on escrowed funds (taxes and insurance)? At what rate? _____% N/a

6. Does the lender collect any fee in advance of the loan closing, if so, state nature of fee and amount.

   $300, Non-refundable for the appraisal and credit check.
   If a client desires to lock a rate, a 1% deposit is required.
   It is refunded at the closing or refunded if the loan is denied.

7. List types of insurance you offer to borrowers on your mortgage loans.

   None

8. What is the comp . policy on rebating prepaid b owers insurance premiums in the event of a loan payoff before maturity?

N/a

9. Have there been any loan payoffs because of a life insurance death claim?
If so, provide name and loan number.

N/a

10. Is any advertising done from this office? Yes
If so, provide a copy or sample of such advertisement.

See attached.

11. What is company policy on the payment of taxes and insurance bills?

Most of our investors require escrows.

12. What is company policy on the return of fee and point money to applicants?
Fees N/a

Points See #6

13. Does the licensee have any suits pending against it instituted by borrowers or applicants? Yes If yes, provide details.

See attached.

14. Provide the name and address of all brokers and finders with which this office does business? Richard Morneau
Four M Enterprises
P.O. Box L, Gorham, NH 03581

15. List all investors, name and address, who purchase loans generated by this office:

See attached.

16. Does licensee make VA and/or FHA loans?

We broker them.

17. Does licensee make second mortgage loans?

We broker them.

18. Does licensee have a copy of RSA 397-A, First Mortgage Banker or Broker law?
Yes

19. Provide the examiner a list of all independent agents who are exclusive to your company under written contract and exempt from licensing under RSA 397-A:4, VIII?

Richard Morneau

20. Is a denial notice mailed to each applicant rejected for a loan?

Yes

21. Provide actual or estimated percentage of your mortgage or brokerage business, by type of loan, during the past 12 months:

VA 0 FHA 0 Conventional 90%

NHHFA 0 Other 10%

22. Detail the company procedure for the discharge of mortgage loans paid in full or refinanced. List who is responsible for recording the discharge at the Registry of Deeds.

N/a

Name of person who handles consumer complaints, Scott Farah

Date 2/16/93 Signature [redacted]

Title President

If more space is required to list the requested information, use a separate sheet.

17

ure Behind King Day Move

Mandis said he didn't recall the name of the organization.

"They indicated that maybe New Hampshire would not be hosting that convention because at that time there was no Martin Luther King Day," Mandis said.

In 1991, the National Council of the Churches of Christ U.S.A. said it would boycott New Hampshire until it passed a King holiday. The group represents a membership of 42 million.

Portsmouth lost an estimated $65,000 when the New England Association of Educational Opportunity Program Personnel pulled a conference scheduled for April 1992 from a Sheraton hotel. The organization stood to lose more than $6,000 in reservation penalties because of the decision, group President Jerry Ellis said.

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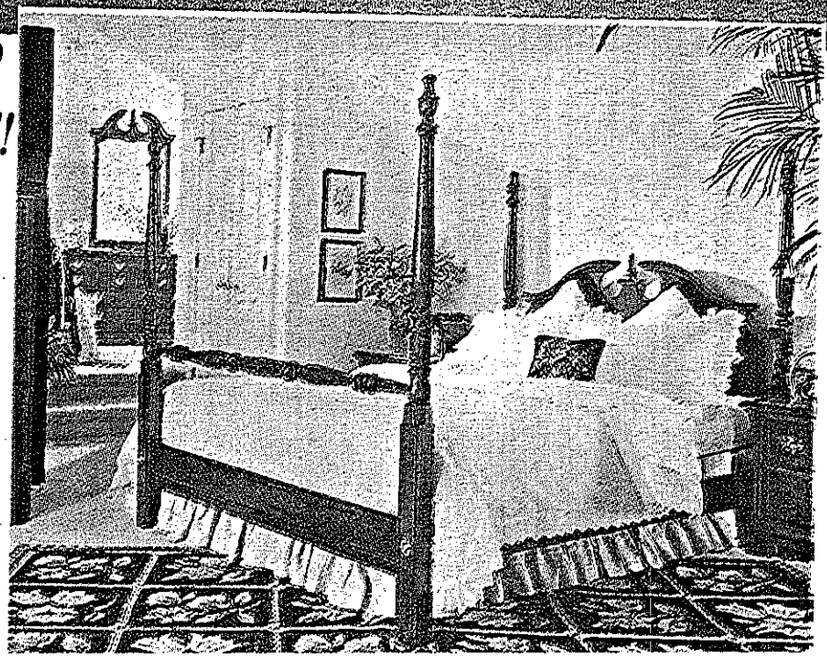


FINANCIAL RESOURCES, INC.
61 LISCOMB CIRCLE · LACONIA, NH 03246
(603) 527-0400 · FAX (603) 528-4930

List of Investors We Sell Mortgages To

* [redacted]

[redacted]

* We no longer sell to these mortgage companies, but did use them in 1992.

[redacted]

[redacted]

[redacted]

These are our three major investors.

FINANCIAL RESOURCES, INC.

61 LISCOMB CIRCLE • LACONIA, NH 03246

(603) 527-0400 • FAX (603) 528-4930

RATES AS OF FEBRUARY 2, 1993

30 YEAR FIXED		15 YEAR FIXED		7/23 PROGRAM	
7.500%	3.25pts	6.875%	3.25pts	6.375%	3.25pts
7.875%	1.25pts	7.625%	1.25pts	6.875%	1.25pts
8.500%	0.0pts	7.875%	0.0pts	7.375%	0.0pts
MAX LTV	95%		90%		90%

5/25 PROGRAM		1 YEAR ARM		1 YEAR ARM
				is 1 YEAR T-BILL
6.00%	3.25pts	3.875%	3.25pts	plus 2.75 2/6 CAPS.
6.50%	1.25pts	4.875%	1.25pts	To change to a convertible
7.00%	0.0pts	5.625%	0.0pt	add 0.125 to rate.
MAX LTV	90%		90%	

JUMBO PRODUCTS

30 YEAR FIXED		15 YEAR FIXED		6 MONTH ARM	
7.75%	2.75pts	7.25%	2.75pts	4.50%	1.75pts
8.25%	1.25pts	7.625%	1.25pts	4.75%	1.25pts
8.375%	0.75pts	7.75%	0.75pt	5.50%	0.75pt
MAX LTV	90%		90%		90%

LAND LOANS

1 YEAR ARM		1 YEAR ARM 40K MINIMUM LOAN	
13.95%	2.0pts	9.50%	3.0pts
MAX LTV	80%	10.00%	2.0pts
			70%

A TO C CREDIT PURCHASE MONEY PROGRAMS

All Debt to Income ratios are 45/45 as compared to 28/36 ratios for standard secondary market loans.

15 Year Fixed or 30 Year Fixed with a 15 Year Balloon	A credit	B credit	C credit
	11.99% 2.0pts	12.99% 3.0pts	13.99% 3.0pts
	MAX LTV 80%	80%	75%

6 Mo. Adjustable 1.5% CAP per adjustment tied to prime	A credit	B credit	C credit
	8.75% 3.0pts	9.75% 3.0pts	10.50% 3.0pts
	MAX LTV 80%	80%	75%

See us also for Construction and Business Financing.
Also loans for those with credit problems.

RESIDENTIAL REAL ESTATE and BUSINESS FINANCING

Rev. 2/93

FIRST MORTGAGE BANKERS AND BROKERS

REPORT OF EXAMINATION
AND
EXAMINER'S QUESTIONNAIRE

Date of Examination: FEARUARY 16, 1993 License # 1668

Name of Licensee: FINANCIAL RESOURCES & ASSISTANCE, INC. OF THE LAKES REGION

Address: 61 LISCOMB CIRCLE, LACONIA, N.H. 03246

GENERAL

Type of Examination:
First Mortgage Banker _____ Broker _____ Both ✓

Exact location of office: LISCOMB CIRCLE IS OFF ROUTE 11 ON THE SOUTHERN SIDE, ACROSS FROM RICH'S SHOPPING PLAZA. IT IS BETWEEN LAKES REGION SHOPPING PLAZA AND INTERSECTION OF LACONIA BYPASS.

Office hours: OFFICIALLY 9:00 AM TO 5:00 PM BUT IS OFTEN OPEN LONGER TO ACCOMODATE CUSTOMERS.

Describe briefly the general plan of operation: BUSINESS HAS BOTH BANKER AND BROKER LICENSE NOW BUT CONTINUES TO OPERATE PRIMARILY AS A BROKER. IT DEALS WITH SEVERAL LENDERS AND ATTEMPTS TO BEST MATCH BORROWERS WITH LENDERS OFFERING COMPATIBLE LOAN PACKAGES. IT HOPES TO DO MORE DIRECT LENDING AS THE ECONOMY IMPROVE

Loans originated by licensee in last calendar year from the Annual Report
No. 8 $ 857,500

Portfolio of loans owned on this examination date at this location.
No. —0— $ —0—

Loans serviced from this location on examination date.
No. —0— $ —0—

Does licensee appear to be operating its business in a lawful, honest and fair manner? YES

Does the licensee operate through an agent or other representative? NO

Has the licensee violated any rule of the Banking Department? NO

Are there any suits pending against the licensee with regard to its New Hampshire lending activity? YES, ONE FRIVOLOUS SUIT WITH APPLICANT BRINGING SUIT TO RECOVER APPRAISAL COST WHEN APPRAISAL WAS TO LOW TO GRANT LOAN. DETAILS IN WORKPAPERS

GENERAL (CONTINUED)

Does the lender make VA and FHA loans? No
If so, estimate percentage, based on number of loans of its business in such loans.

VA _____ FHA _____ Other 100%

Has licensee received any form of notice of violation, complaint or cease and desist order from the Banking Department? No

LICENSE

Principal office license ___X___ or Branch office license _____?

Is license conspicuously posted in office? Yes Where IN CONFERENCE ROOM WHERE APPLICANTS ARE INTERVIEWED.

Is this person or company required to hold a mortgage banker and/or broker license? Yes

Is licensee a subsidiary of a bank or bank holding company? No
List name and address of bank or holding company: N/A

Does licensee operate from other locations in this state? No
If so, list locations: N/A

Is this license for a company office, agent location or other representative? No.

Is the address on the license the current address of the licensee? Yes
If not, has a location amendment been made by the Banking Department? N/A

Has there been a change in the trade or corporate name? NOT SINCE PREVIOUS EXAMINATION

Has there been a change in ownership of the business? No

LICENSE (CONTINUED)

Were any loans located that appear to be exempt under the provisions of RSA 397-A:4 Exemptions? No

Does the licensee make commercial loans? LICENSEE DOES BROKER SOME COMMERCIAL LOANS AND WOULD LIKE TO BE MORE ACTIVE IN THIS AREA WHEN THE ECONOMY IMPROVES

RECORDS

Are records and files of the licensee adequate to permit an examination that will determine if the licensee is complying with the provisions of RSA 397-A? Yes

Where are records and files maintained? METAL FILE CABINETS ON PREMISES.

How long are such records kept? INDEFINITELY

Are original or duplicate records kept? DUPLICATE

Are computer records maintained? No, NO NEED FOR COMPUTERIZED RECORDS BECAUSE NO LOANS ARE OWNED OR SERVICED.

Were adequate loan payment records available at this office? NONE. NO LOAN SERVICING DONE
If not, how can we obtain such records? N/A

Are copies of paid vendor invoices available for expenses incurred on the behalf of borrowers? YES, APPRAISAL FEES AND CREDIT REPORT FEES

INTEREST - NOT CHECKED, NO LOANS OWNED OR SERVICED

Are charges computed on the unpaid loan balance? N/A

What are the current rates of interest being charged? N/A
Attach a rate sheet if available.

Did your calculation of charges disclose any overcharges? N/A

Were these overcharges corrected during the examination? N/A

List cases giving account number, name of borrower, rate of periods covering these overcharges and amount of overcharge: N/A

Is borrower required to pay closing fee for examination of title, recording fee, appraisal fee, and legal fees? N/A
If so, are these fees reasonable, in your opinion? N/A
When paid out of the proceeds of the loan, are the attorney and appraisal bills a part of the file? N/A

Does the lender provide for prepayment penalties in the loan documentation? N/A
If so, what rate, percentage or amount is currently in use? N/A

What is the order of application of mortgage payments? N/A

Is mortgage type simple interest in use? N/A

Does licensee compute interest to the date of payment or to a stated due date? N/A

Is interest computed on a 360 day or 365 day basis? N/A

How are partial or special payments applied and interest collected on same? N/A

Are prepayments applied in conformity with RSA 397-A:15, I? N/A

Does licensee pay interest on mortgage escrowed funds, including construction funds escrowed at closing on single family houses? N/A
When is interest credited or paid to borrowers? N/A
What is the rate of interest? N/A

What types of "Other Charges" are collected by the lender at loan origination, closing or during servicing? N/A

PROCEDURES

Is a written disclosure of estimated charges given applicant? Yes
Are such charges considered to be reasonable by the examiner? Yes

Are interest rates considered to be reasonable when compared with rates charged by other licensees? Yes

On origination, is more than 31 days of prepaid interest collected from a borrower? No

Does this licensee use the standard form of conventional mortgage _____, open-end mortgage _____, FHA _____, VA _____, Other _____.

N/A - LICENSEE IS NOT THE LENDER.

Are closings made at an attorney's office? Yes If not, where are closings made?

If closings are not at an attorney's office, does an attorney prepare necessary legal papers? N/A

Are all closings properly handled and are all files complete at time of closing? Yes

Does the licensee retain any or all loans it originates under this chapter in its own loan portfolio? No

Does the licensee, upon request, ~~by the borrower, give him~~ provide borrower with a receipt for mortgage payments stating the following: N/A - NO LOANS OWNED OR SERVICED BY LICENSEE.

(a) Date of payment?

(b) Amount paid?

(c) Amount applied to principal?

(d) Amount applied to interest?

(e) Signature or stamp of lender or his representative?

PROCEDURES (CONTINUED)

Has the licensee foreclosed on any borrower since the last examination? No

What is the licensee's policy on open-end loans that are paid in full with regard to the discharge of the mortgage lien? NO OPEN-END LOANS

Does the mortgagee provide every borrower a mortgage discharge, upon payment in full, which conforms to RSA 479:7 I. NOT KNOWN; LICENSEE IS NOT MORTGAGEE.

Who is responsible for recording the discharge of the mortgage?
NOT LICENSEE

INSURANCE

List the types of insurance written on mortgage loans by this licensee: NONE

Are insurance rebates properly made? N/A
Detail any exceptions located:

Were any death claims located? N/A
Were they correctly settled?

MISCELLANEOUS

What notification is given to borrowers with regard to the payment of taxes and insurance premiums? N/A

List the loan repayment plans in use as of the examination date: N/A

Is the manager aware of the new requirements regarding company response to consumer complaints? Yes

MISCELLANEOUS (CONTINUED)

If special arrangements need to be made for a regular examination, list instructions below: IT IS BEST TO CALL AHEAD TO MAKE SURE OWNER WILL BE THERE TO FILL OUT QUESTIONAIRE.

Interest on Escrow Accounts will now change on August 1 and February 1st each year. Have you informed the manager as to the procedure to obtain the correct and current interest rate on escrow accounts? YES, ALTHOUGH LICENSEE DOES NOT SERVICE ANY LOANS OR COLLECT ANY ESCROW (See RSA 384:16-e)

If this company does not maintain a New Hampshire office, does it have any branch offices located outside of the State of New Hampshire that require a license under RSA 397-A:1, II(b)(1)? N/A

VIOLATIONS - NONE

	# of Violations	Dollar Amount of
Overcharges of interest		$
		$
		$
Total Violations	#	$

Detail any other violations of law, rules or standard business practice:

NONE

COMMENTS, RECOMMENDATIONS AND CONCLUSIONS

In my opinion, this licensee is operating its first mortgage and brokerage business at this location in conformity with RSA 397-A.

[redacted]

EXAMINER-IN-CHARGE

FINANCIAL RESOURCES & ASSISTANCE, INC.

MTGE CHECK LIST

NAME	APPLICATION	POINTS/ FEES	CREDIT REPORT	REAR INC. TAX	NOTE AMOUNT	WRITER OF LOAN
[redacted]	✓	1.75	✓	✓	155,000	
[redacted]	✓	~~3.75~~	✓	✓	70,000	[redacted]
[redacted]	✓	4.00	✓	✓	$ 48,000	[redacted]
[redacted]	✓	1.50	✓	✓	81,000	[redacted]
[redacted]	✓	1.50	✓	✓	45,000	[redacted]
[redacted]	✓	1.75	✓	✓	70,000	[redacted]
[redacted]	✓	1.00	✓	✓	143,000	[redacted]
[redacted]	✓	.75	✓	✓	60,000	[redacted]
[redacted]	✓	3.50	✓	✓	75,000	[redacted]
[redacted]	✓	2.50	✓	✓	125,000	[redacted]
[redacted]	✓	1.25	✓	✓	121,700	[redacted]
[redacted]	✓	1.25	✓	✓	135,000	[redacted]
[redacted]	✓	1.50	✓	✓	94,500	[redacted]
[redacted]	✓	0	✓	✓	120,000	[redacted]
[redacted]	✓	3 3/4	✓	✓	43,000	[redacted]
[redacted]	✓	2.00	✓	✓	125,000	[redacted]
[redacted]	✓	2.75	✓	✓	147,000	[redacted]
[redacted]	✓	1.25	✓	✓	107,000	[redacted]

NAME	APPLICATION	POINTS FEES	CREDIT REPORT	RECORDS INC. TAX	NOTE AMOUNT	WRITER OF LOAN
[redacted]	✓	0	✓	✓	100,000	[redacted]
[redacted]	✓	~~2%~~ 0	✓	✓	175,000	[redacted]

TURN DOWN LOANS

NAME	REASON
[redacted]	CONDOMINIUM PROJECT DOES NOT MEET ACCEPTABLE STANDARDS FOR SPOT LOAN APPROVAL
[redacted]	CREDIT NOT GRANTED ON TERMS AND CONDITIONS REQUESTED BY APPLICANT
[redacted]	INADEQUATE COLLATERAL. APPRAISAL WOULDN'T SUPPORT L-T-V
[redacted]	NOT ABLE TO ESTABLISH SUFFICIENT INCOME (BOTH SELF-EMPLOYED)
[redacted]	APPLICANT NEVER FILED LOAN APPLICATION FORM AND NEVER PAID ANY FEES.
[redacted]	APPLICANT NEVER FILED LOAN APPLICATION FORM AND NEVER PAID ANY FEES.
[redacted]	APPLICANT NEVER FILED LOAN APPLICATION FORM AND NEVER PAID ANY $ FEES

Law Offices of
Marsha P. Ostroff

Phone: (603) 527-0130
Fax: (603) 527-0132

QUESTION #13

Reply to:
61 Liscomb Circle
P.O. Box 39
Laconia, NH 03247

December 21, 1992

[redacted]

Dear [redacted]:

I am writing on behalf of my client, Financial Resources and Assistance of the Lakes Region, Inc. They are in receipt of your small claims complaint dated December 7, 1992.

I have reviewed your paperwork and feel that the loan was not rejected due to a "defective" appraisal, but that the appraisal showed a property value of $125,000.00 which was not sufficient for your needs.

While Financial Resources, Inc. understands your dismay at the low appraisal, the fact that a unit in your development recently sold for $126,000.00 appears to confirm the validity of the appraisal.

The $300.00 that you paid on August 5, 1992 was not an application fee, it was a fee for the appraisal and credit report as outlined in the agreement you signed on July 7, 1992 and as such not refundable. See Attached. This agreement also specifically states that "Borrower shall pay all costs... whether the loan is consummated or not."

Again, Financial Resources, Inc. is truly sorry they were unable to assist you with refinancing your present mortgage, but there is no evidence that you are due any money back.

Please contact me at the above number before January 5, 1992 so that we may discuss this matter.

Very Truly Yours,

[redacted]

Marsha P. Ostroff

MPO:sm

[redacted]

FINANCIAL RESOURCES, INC.
61 LISCOMB CIRCLE - LACONIA, NH 03246
(603) 527-0400 - FAX (603) 528-4930

October 23, 1992

[redacted]

Dear [redacted]:

[redacted] has asked me to review your file. I have spoken with the underwriter and the appraiser and would like to respond to your concerns.

1) Regarding the real estate tax bill, most towns have two billings per year. [redacted] mistakenly doubled the annual billing, however this would have no effect on the appraised value of your home.

2) According to Fannie Mae guidelines you cannot count an enclosed porch as living area. The appraiser did add $4,000 for value. Note: Enclosed porch versus comparables.

3) Regarding the "Available for Further Development" statement , this is the appraiser's opinion of the additional land. Since condos are not selling at this time, I believe it is an accurate statement.

4) Regarding your jacuzzi, all other comparables had jacuzzis so it was taken into account.

5) Regarding the hardwood floors and maple cabinets, although this adds ascetic appeal, it does not increase the overall value of the property according to Fannie Mae guidelines.

6) Regarding the two fireplaces, the appraiser did take these into account at $2,500 per fireplace per Fannie Mae guidelines.

I am sorry that your appraisal did not come in high enough. I would like to note that a home in the same complex with more square footage but slightly fewer amenities sold for $126,000 and your appraisal came in at $125,000. Property values have declined since 1990, however it is something we have no control over and I believe your accusations against the appraiser are unfounded.

If you have any further questions, or if I may be of assistance in the future, please do not hesitate to call.

Sincerely,

Scott Farah

SF:sm

Enclosure

[redacted]

The State of New Hampshire

THE STATE OF NEW HAMPSHIRE [redacted]

[redacted]

Case Number [redacted]

SMALL CLAIM COMPLAINT

Name [redacted]

Street/No. [redacted]

City/State [redacted] Zip Code [redacted]

8/5

PLAINTIFF

The Plaintiff claims that the Defendant named below owes the Plaintiff $ 300 (Amount) because (description of the claim): DEFENDANT RECEIVED $300 payment towards MORTGAGE LOAN REFINANCE WHICH I WAS led to believe through Oval CONTRACT WAS REFUNDABLE if loAN WASNT COMPLETED. DEFECTIVE Appraisal caused loAN application to be rejected. FUNDING of $300 has NOT BEEN returned.

Amount of Claim $ 300
Court Costs $ 25
Total $ 325

12/1/92 Date [redacted] Plaintiff's Signature

Name MR SCOTT FARAH DBA FINANCIAL RESOURCES Inc Case Number [redacted]

P.O. Address 61 LISCOMB CIRCLE

City/State LACONIA, N.H. 03246 Zip Code

DEFENDANT

Residence Address if Different

IF YOU ARE SUING A CORPORATION, YOU MUST LIST THE NAME AND ADDRESS OF THE CORPORATE OFFICER TO BE SERVED.

INSTRUCTIONS TO THE DEFENDANT

If you do not believe you owe this claim, you should write to the clerk of court by the "RETURN DATE" JAN 12 1993 and ask for a hearing. A date for a hearing will then be set. You may use this form to ask the court for a hearing. Separate this portion of the form and send it to the court at the address shown at the top of this complaint. You will hear from the clerk when you are to come to court. For further instructions, see reverse side.

If you do not let the court know that you want a hearing, the court will rule in favor of the plaintiff and you will be ordered to pay this claim.

12/7/92 Date [redacted] Clerk of Court

Note: Claims over $1,500 entitle the defendant to request a jury trial.

ACC-320-045 1/89

Law Offices of
Marsha P. Ostroff

Phone: (603) 527-0130
Fax: (603) 527-0132

Reply to:
61 Liscomb Circle
P.O. Box 39
Laconia, NH 03247

January 8, 1992

[redacted], Clerk
[redacted] District Court
[redacted]

RE: [redacted] v. Farah
Docket #: [redacted]

Dear [redacted]:

Enclosed herewith please find an appearance, return, and Answer and Motion to Dismiss for the above referenced case for filing with the court.

Thank you for your assistance.

Very Truly Yours,

Marsha P. Ostroff

MPO:sm

State of New Hampshire

[redacted] County

District Co

[redacted] No

APPEARANCE/WITHDRAWAL

[redacted]

Scott Farah

V

Returnable on ~~XXXXXXXXXXXXXX~~ 1/12/1993

☒ COURT

☐ JURY

APPEARANCE

Please enter my appearance as:

☒ counsel for: Scott Farah

☐ Pro se

WITHDRAWAL

Please withdraw my appearance as:

☐ counsel for: _____

Notice of Withdrawal sent to my clients on

at the following address:

I hereby certify that duplicates of this notice were:

☐ delivered to: [redacted]

☒ mailed [redacted]

on 1/8/1993

Signed _____

Marsha P. Ostroff

Address 61 Liscomb Circle

P.O. Box 39 Laconia, NH 03247

Telephone (603) 527-0130

AOC-600-245

APPEARANCE / WITHDRAWAL

MARSHA P. OSTROFF - ATTORNEY AT LAW
423 S. MAIN STREET - P.O. BOX 39 - LACONIA, NH 03247-0039 - TEL. 603 527-0130

STATE OF NEW HAMPSHIRE

[redacted], SS [redacted] DISTRICT COURT

[redacted]

v

Scott Farah

Docket [redacted]

Now comes the Defendant, Scott Farah by and through his attorney, Marsha P. Ostroff and says:

1) That the defendant did not receive a $300.00 payment from the plaintiff.

2) That the defendant, Scott Farah, is president of Financial Resources and Assistance of the Lakes Region, Inc., a New Hampshire corporation duly authorized.

3) That any monies paid into the corporation were the property of the corporation and not the defendant, Scott Farah.

4) That Financial Resources and Assistance of the Lakes Region, Inc. acted as a New Hampshire agent for [redacted].

5) That the plaintiff's contract was with the corporation acting in its agency capacity, not with defendant Scott Farah.

6) That the plaintiff signed a contract with the corporation explicitly stating that money for the appraisal and credit report was non-refundable. See attached.

7) That the appraisal was done by [redacted], which is a licensed NH appraiser who performed the appraisal using the USPAP guidelines. See attached.

8) The plaintiff's property appraised at $125,000 which was insufficient for the amount he wished to borrow.

Wherefore the defendant respectfully requests that this honorable court:

A) Dismiss the action on the basis that it names an improper defendant.

B) Dismiss the action as there are no factual grounds for the return of the $300.00.

C) Award the defendant attorney's fees as this suit is frivolous.

D) Schedule a hearing on the merits.

E) Any further relief the court deems fair and just.

January 7, 1992

Respectfully submitted,
Scott Farah, by his attorney
Marsha P. Ostroff.

[redacted]

Marsha P. Ostroff
[redacted]

I certify that a copy of this was sent to the plaintiff this day.

[redacted]

Marsha P. Ostroff
[redacted]

MARSHA R OSTROFF - ATTORNEY AT LAW
423 S. MAIN STREET · P. O. BOX 39 · LACONIA, NH 03247-0039 · TEL. 603-527-0130

[redacted]

APPRAISAL OF

A CONDOMINIUM

LOCATION : [redacted]

CLIENT : FINANCIAL RESOURCES
61 LISCOMBE CIR. LACONIA, NH

AS OF DATE : AUGUST 24, 1992

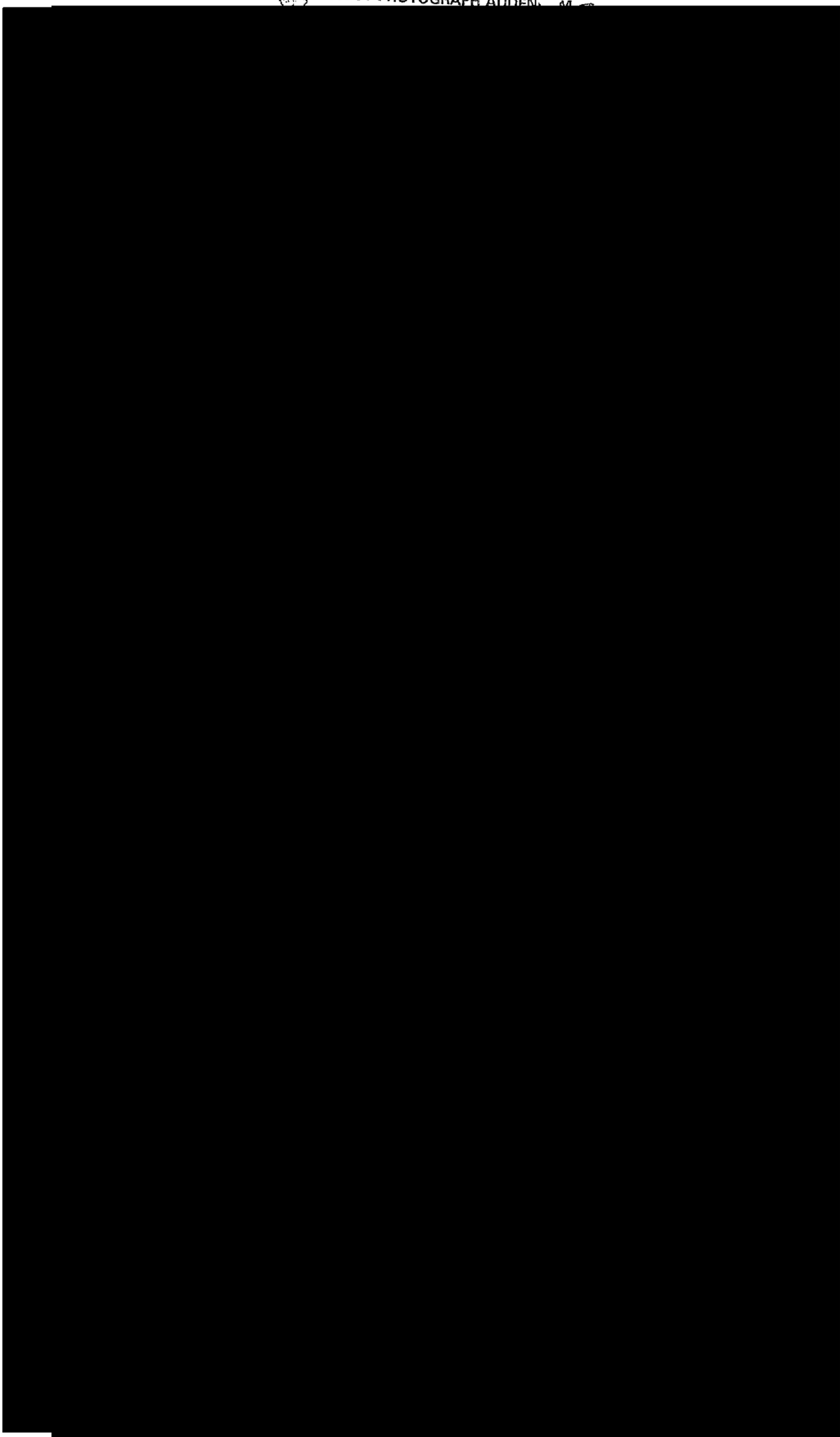
APPRAISER : [redacted]

FormFree Software by
Day One, Inc. 1990

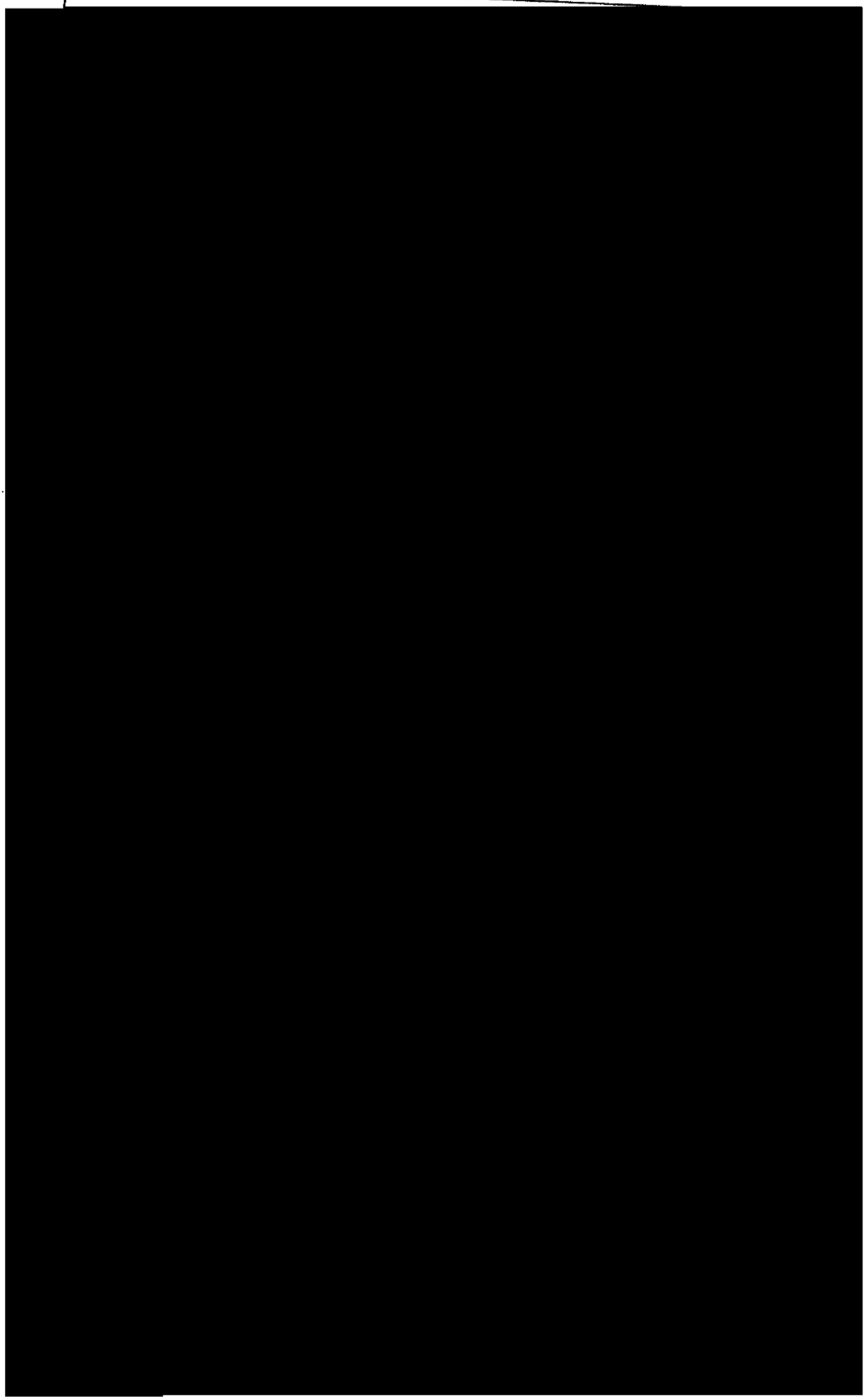
[redacted]

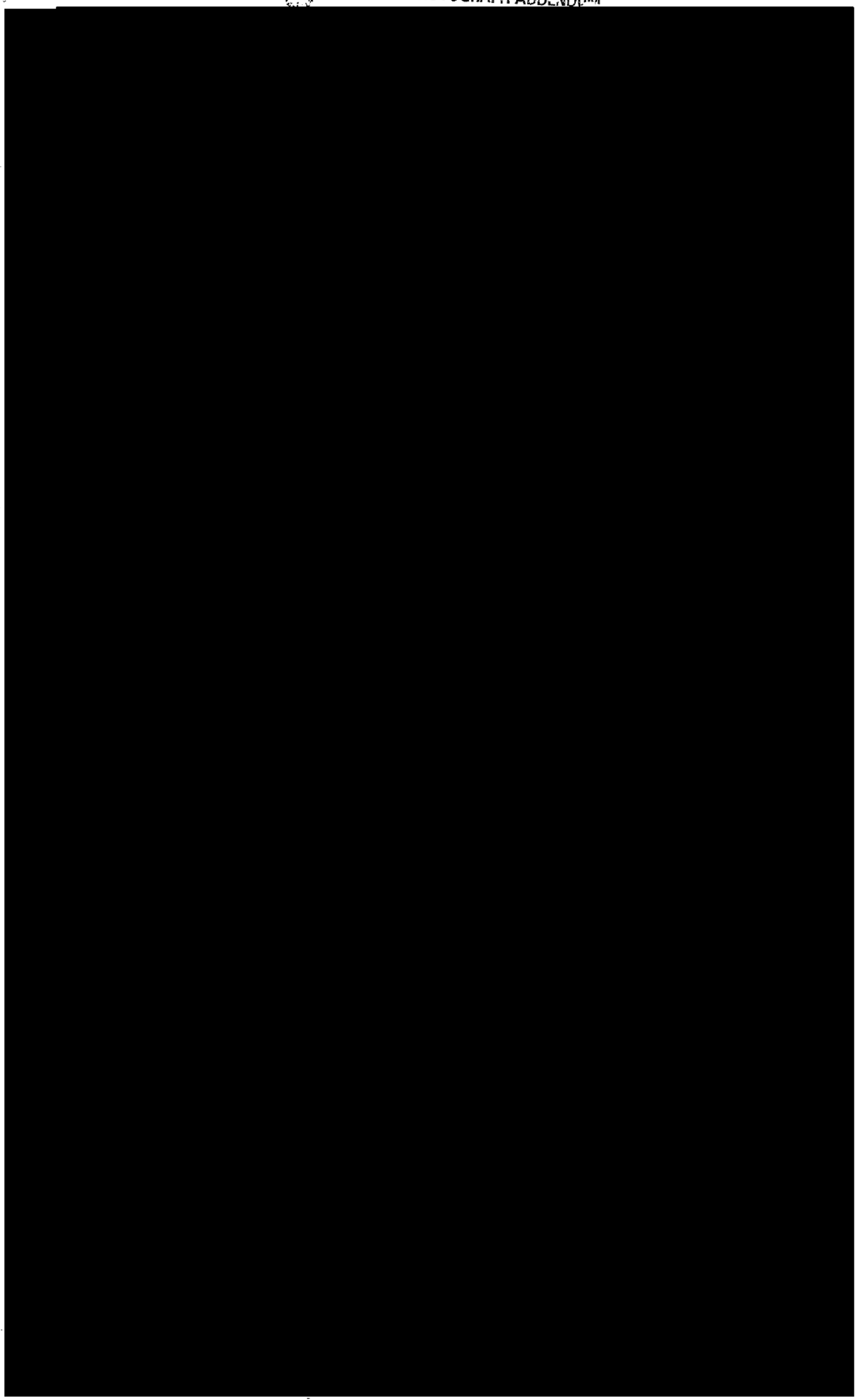
APPRAISAL RI ( ) INDIVIDUAL (X) CONDOMINIUM ( ) PUD UNIT File No. [redacted]

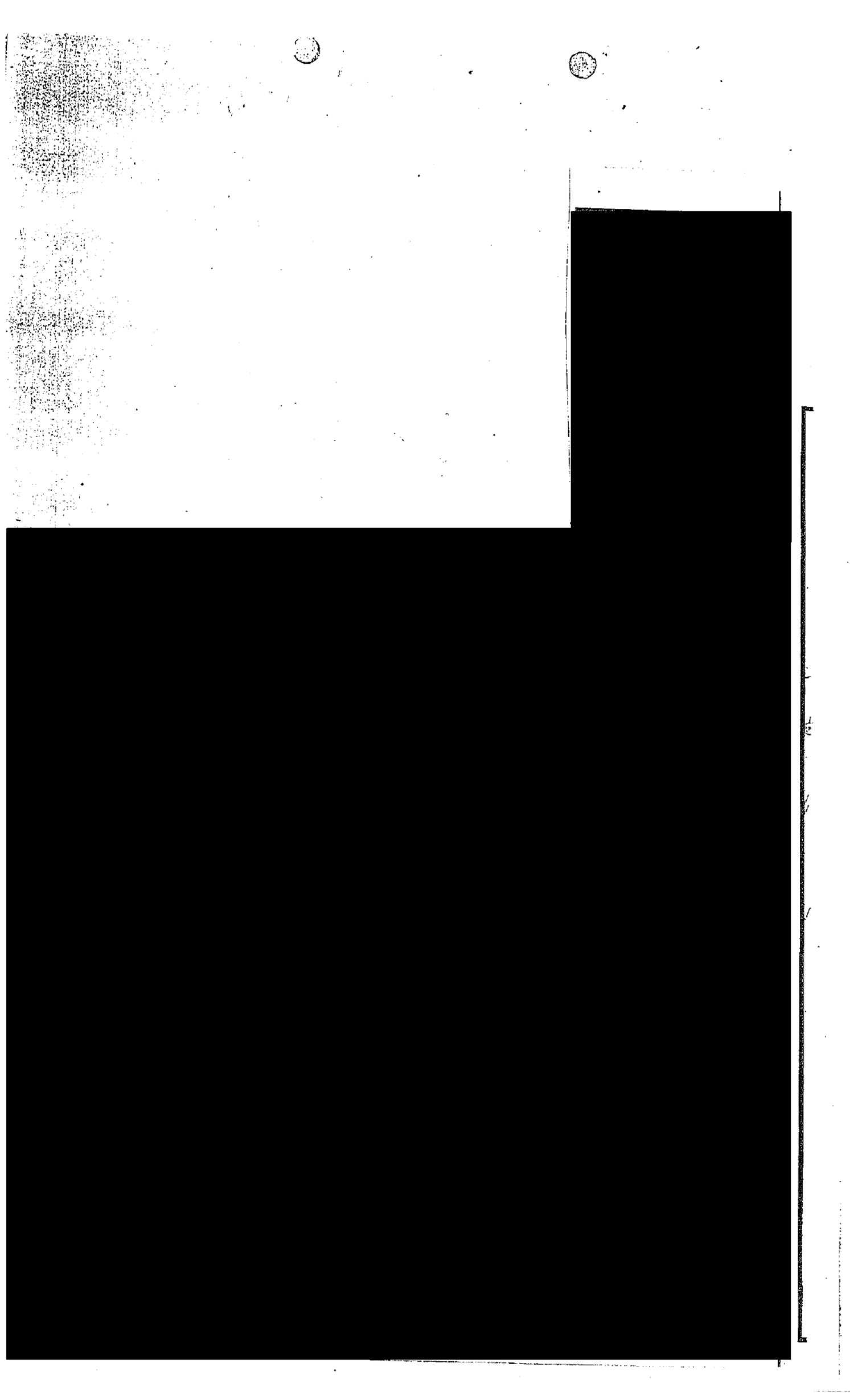
[redacted]



SUBJECT PHOTOGRAPH ADDENDUM







Borrower Name : [redacted]

File No. [redacted]

DEFINITION OF MARKET VALUE : [redacted]

[redacted]

[redacted]

CERTIFICATION AND STATEMENT OF LIMITING CONDITIONS

CERTIFICATION: The Appraiser certifies and agrees that:

1. The Appraiser has no present or contemplated future interest in the property appraised; and neither the employment to make the appraisal, nor the compensation for it, is contingent upon the appraised value of the property.
2. The Appraiser has no personal interest in or bias with respect to the subject matter of the appraisal report of the participants to the sale. The "Estimate of Market Value" in the appraisal report is not based in whole or in part upon the race, color, or national origin of the prospective owners for occupants of the property appraised, or upon the race, color or national origin of the present owners or occupants of the properties in the vicinity of the property appraised.
3. The appraiser has personally inspected the property, both inside and out, and has made an exterior inspection of all comparable sales listed in the report. To the best of the Appraiser's knowledge and belief, all statements and information in this report are true and correct, and the Appraiser has not knowingly withheld any significant information.
4. All contingent and limiting conditions are contained herein (imposed by the terms of the assignment or by the undersigned affecting the analyses, opinions, and conclusions contained in the report).
5. This appraisal report has been made in conformity with and is subject to the to the requirements of the Code of Professional Ethics and Standards of Professional Conduct of the appraisal organizations with which the Appraiser is affiliated.
6. All conclusions and opinions concerning the real estate that are set forth in the appraisal report were prepared by the Appraiser whose signature appears on the appraisal report, unless indicated as "Review Appraiser." No change of any item in the appraisal report shall be made by anyone other than the Appraiser, and the Appraiser shall have no responsibility for any such unauthorized change.

CONTINGENT AND LIMITING CONDITIONS: The certification of the Appraiser appearing in the appraisal report is subject to the following conditions and to such other specific and limiting conditions as are set forth by the Appraiser in the report.

1. The Appraiser assumes no responsibility for matters of a legal nature affecting the property appraised or the title thereto, nor does the Appraiser render any opinion as to the title, which is assumed to be good and marketable. The property is appraised as though under responsible ownership.
2. Any sketch in the report may show approximate dimensions and is included to assist the reader in visualizing the property. The Appraiser has made no survey of the property.
3. The Appraiser is not required to give testimony or appear in court because of having made the appraisal with reference to the property in question, unless arrangements have been previously made therefor.
4. Any distribution of the valuation in the report between land and improvements applies only under the existing program or utilization. The separate valuations for land and building must not be used in conjunction with any other appraisal and are invalid if so used.
5. The Appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable. The Appraiser assumes no responsibility for such conditions, or for engineering which might be required to discover such factors.
6. Information, estimates, and opinions furnished to the Appraiser, and contained in the report, were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished the Appraiser can be assumed by the Appraiser.
7. Disclosure of the contents of the appraisal report is governed by the Bylaws and Regulations of the professional appraisal organizations with which the Appraiser is affiliated.
8. Neither all, nor any part of the content of the report, or copy thereof (including conclusions as to the property value, the identity of the Appraiser, professional designations, reference to any professional appraisal organizations, or the firm with which the Appraiser is connected), shall be used for any purposes by anyone but the client specified in the report , the borrower if appraisal fee paid by same, the mortgagee or its successors and assigns, mortgage insurers, consultants, professional appraisal organizations, any state or federally approved financial institution, any department, agency, or instrumentality of the United States or any state or the District of Columbia, without the previous written consent of the Appraiser; nor shall it be conveyed by anyone to the public through advertising, public relations, news, sales, or other media, without the written consent and approval of the Appraiser.
9. On all appraisals, subject to satisfactory completion, repairs, or alterations, the appraisal report and value conclusion are contingent upon completion of the improvements in a workmanship like manner.

Date AUGUST 24, 1992 Signature [redacted]

A. ROLAND ROBERGE
BANK COMMISSIONER
LEON S. MERRILL, JR.
DEPUTY BANK COMMISSIONER
ALLAN N. JEANNOTTE
CHIEF BANK EXAMINER

The State of New Hampshire
Banking Department

169 Manchester Street
Concord, New Hampshire 03301

Telephone: (603) 271-3561
FAX: (603) 271-1090

2 days late $25.00 fine

Postmark RECEIVED FEB 05 1993 NEW HAMPSHIRE BANK COMMISSION

Total $100.00

Issued 2/3/93 postmarked

Form 397-A-2
FIRST MORTGAGE BANKER/BROKER
ANNUAL REPORT

READ INSTRUCTIONS

CAREFULLY

INSTRUCTIONS

- ONLY INFORMATION REGARDING NEW HAMPSHIRE FIRST MORTGAGE LOANS SHOULD BE REPORTED ON THIS FORM

- Fully completed reports must be postmarked on or before February 1. Failure to file a fully completed report by February 1 shall result in a $25/day fine.

- Complete all items. DO NOT leave items blank. Reports with blank items will be returned for completion. Fines will be assessed based on the postmark date of completed reports. The department is under no obligation to review and return incomplete reports before the February 1 deadline.

- If you did not make or broker any New Hampshire loans during the reporting year, you must either provide the department with a WRITTEN statement to such effect which is postmarked on or before February 1,

OR

Utilize this form and make an affirmative statement that no such loans were made/brokered, (ie: "none", "0", "zero", etc.). DO NOT use "N/A", state "not applicable" or leave blank.

- Items requiring a numerical response which are marked "N/A" or "not applicable", or forms submitted with items left blank, will be considered incomplete, will be returned, and will be subject to fines if not completed and returned to this office on or before February 1.

- Fines will NOT be waived for failure to submit a fully completed report postmarked on or before February 1. Failure to submit a fully completed report shall be considered to be within the control of the licensee.

- If you held a license for any portion of the reporting year you must file a report, even if no loans were made or brokered. Failure to file will result in a $25/day fine.

Reporting Period Ended December 31, 1992

Name of licensee Financial Resources & Assistance License # 1349 1350 (for reporting period)

Trade name d/b/a (if applicable) _____

2nd Office at 201 Loudon Road, Concord, NH

Place of business 61 Liscomb Circle, Laconia, NH 03246
(street) (city) (state) (zip)

Number of offices included 2 (If more than one office, attach sheet listing addresses of all offices included in this report.)

Type of business conducted: Mortgage Banker X Mortgage Broker X
(Check both if applicable.)

Company contact person Scott Farah Tel # (603) 527-0400

SCHEDULE A
NH FIRST MORTGAGE LOANS BROKERED

	No. of NH Loans	$ Amount (Omit Cents)
NH first mortgage loans BROKERED during reporting year	214	20,435,550

SCHEDULE B
ANALYSIS OF NH FIRST MORTGAGE LOANS MADE

	No. of NH Loans	$ Amount (Omit Cents)
NH first mortgage loans MADE during reporting year	* 8	# 857,500
Total balances outstanding on Dec 31 for all NH first mortgage loans retained or serviced	0	0

SCHEDULE C
ANALYSIS OF NH FIRST MORTGAGE LOANS MADE BY NUMBER AND DOLLAR AMOUNT

NH first mortgage loans MADE during reporting year:

	No. of NH Loans	$ Amount (Omit Cents)
$ 1 thru $ 50,000	0	$ [illegible]
$ 50,001 thru $ 75,000	2	123,000
$ 75,001 thru $100,000	1	82,500
$100,001 thru $125,000	3	331,000
$125,001 thru $150,000	1	130,000
Over $150,000	1	191,000
Total NH first mortgage loans MADE	* 8	# $ 857,500

* Must agree
\# Must agree

AFFIDAVIT

I, Scott Frank, the undersigned, being the President of the Financial Resources swear, that to the best of my knowledge and belief the information supplied on this form, including accompanying schedules and statements (if any) are true and correct.

[redacted]

State of New Hampshire)
County of Belknap)ss

Subscribed and sworn to before me this 3 day of February, 1993

[redacted]

Notary Public/~~Justice of the Peace~~

My commission expires 9/16/97

RSA 397-A:5, III (b) requires the Bank Commissioner to make an investigation of interest rates. F... interest rates which you did or expect to charge on December 1, or the rate you are currently charging, ba... of funds and operating expenses. The annual percentage rate should be as described in Regulation Z of the Fed... Board. Assume a $70,000 first mortgage with a loan to value ratio of 80%.

1st Mortgage 30 Year Term $70,000	Interest Rate	Points Charged	Annual Percentage Rate	Other Charges
Variable Rate	1 YR ARM 6.75	2	5.938	None except standard closing costs,
Fixed Rate	30 YR FIXED 8.375	2	8.595	appraisal, title search, etc.

List Standard used on variable rate determinations.

Attach a copy of a printed rate sheet, if available.

SIGNATURE

[redacted] (Applicant)

State of New Hampshire

County of Belknap ss.

By Scott D. Farah

Title President

Personally appeared the above named applicant Financial Resource & Assistance of the Lakes Region Inc by Scott D. Farah,

its President hereunto duly authorized and acknowledged under penalty of perjury the foregoing statements by him (Him/Her) subscribed to be true.

Dated at Laconia NH 11/24/92 Before me, [redacted]

(Justice of the Peace/Notary Public) Marsha Pottratt MCE 9/16/97

This 24th day of NOV. 24, 19 92.

Bank Commissioner may take up to 45 days to approve or deny any application.

Make non-refundable license fee payable to: "State of New Hampshire", and mail to Banking Department, 169 Manchester Street, Concord, NH 03301

— OFFICE USE ONLY —

Date Received _____ Check No. _____ Amount $_____

Comparison with other lenders _____ Date _____

Approval _____ Denial _____

Date of Issue 1/18/93 License No. 1668

Reason for Denial _____

Banking Department
169 Manchester Street
Concord, New Hampshire 03301

Form 397-A-2

VERIFIED APPLICATION FOR FIRST MORTGAGE BANKER AND BROKER LICENSE

License Year 1993

paid 12-31-92
#10422 54-183/117
$250.00

New Application ____
Renewal Application X
Mortgage Broker X
Mortgage Banker X

New Application Fee:
Principal $250; Branch $250
Renewal Application Fees:
Principal $250; Branch $250

To the Bank Commissioner of the State of New Hampshire:

The undersigned hereby makes application for a license under RSA:397-A allowing the applicant to make or broker first mortgage home loans in any amount at the rate agreed upon in the note between the borrower and the lender, subject to the provisions of said statute and all rules promulgated thereunder (BAN 2500).

(Name of applicant) Scott D. Farah Financial Resources & Assistance, Inc. (See 1/13/93 letter)

(Applicant's primary place of business*) 61 Lisconb Circle
Laconia NH 03246 (Telephone No.) (603) 527-0400

Trade name under which licensee will be operating: Financial Resources & Assistance, Inc of the Lakes Region

List principal office and all branch offices to be licensed:

	Street Address	City/Town	Zip Code	Tel. No.
Principal Office (NH):	61 Lisconb Circle	Laconia, NH	03246	(603) 527-0400
Branch Office:				

List or attach a schedule of principal owners, officers and directors of the applicant.

* If the applicant's primary place of business is out-of-state, list the name and address of the New Hampshire Agent:

Name Scott D. Farah

Address (N.H.) P.O. Box 1404, Meredith, NH ~~03246~~ 03253

Contact person for actions of the licensee Scott Farah

Applicant shall complete the balance sheet below and submit supporting schedules where indicated on the form.

RECEIVED
DEC 30 1992
NEW HAMPSHIRE
BANK COMMISSION

BALANCE SHEET

Statement Date ____

ASSETS		LIABILITIES	
1) Cash on hand and in banks	10,000	9) Accounts Payable	14,000
2) Notes, loans, and other accounts receivable	174,500	10) Notes payable to banks	____
3) Merchandise and inventory at lower of cost or market value	0	11) Notes payable to others	46,000
4) Real Estate	0	12) Real estate mortgages	____
5) Machinery and equipment at cost less depreciation	50,000	13) Interest and taxes due and unpaid	3,000
6) Marketable securities	0	14) Other debts and liabilities	____
7) Life insurance (face amount $250,000 cash surrender value	3,000	TOTAL LIABILITIES	63,000
8) Other assets	____	15) NET WORTH	174,500
TOTAL ASSETS	237,500	TOTAL LIABILITIES AND NET WORTH	237,500

Assets and liabilities are true to the best of my knowledge and belief.

Signature of applicant [redacted] Date 11/24/92