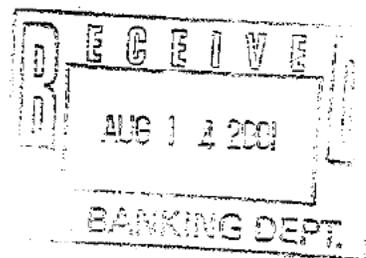


FINANCIAL RESOURCES, INC.

15 NORTHVIEW DRIVE • P.O. BOX 1158 • MEREDITH, NH 03253

(603) 279-1133 • FAX (603) 279-5912



NH Banking Department  
64B Old Suncook Rd.  
Concord, NH 03301

Raymond A. Heroux

Dear Mr. Heroux,

Thank you for your letter clarifying the two remaining issues.

The first, regarding our newspaper advertisement that asks "Tired of Renting?", I believe does not fall into the category of offering an amount of down payment. Instead, what we intend is to show types of programs that we offer. We have spent a great deal of time refining the ad to as few words as possible in order to reduce costs and still get our offer across.

The ad reads "Tired of Renting? Want to know exactly how much house you can afford? Call Rich at Financial Resources for a FREE prequalification. We offer 100% financing, no money down. Many programs for people with spotty credit. . ."

Here are several substitutes for the underlined phrase above. Please let me know which would most effectively clear up the problem.

- 1) We offer financing with little or no money down.
- 2) We offer programs with low or no down payments.
- 3) Financing is available with little or no money down.
- 4) 100% financing is often available.

On the second point, we will make changes to our GFE and show the necessary fees with our best estimate.

Please let me know if any or all of the above phrases are suitable when we are speaking about programs that we have available.

Thank you.

Sincerely,

A solid black rectangular box redacting the signature of Scott D. Farah.

Scott D. Farah



A. ROLAND ROBERGE  
BANK COMMISSIONER

# State of New Hampshire

## Banking Department

64B Old Suncook Road  
Concord, New Hampshire 03301

Telephone: (603) 271-3561  
FAX: (603) 271-1090  
(603) 271-0750

August 6, 2001

MR SCOTT FARAH PRESIDENT  
FINANCIAL RESOURCES INC  
PO BOX 1158  
MEREDITH NH 03253

Dear Mr. Farah:

In your response of July 6, 2001 to the department's examination of your mortgage banking business there appear to be two issues remaining. Those issues are advertising and disclosure of yield-spread-premiums. According to Regulation Z 226.24<sup>(1)</sup> when an advertisement mentions the amount of the down payment, that is a triggering term and requires additional disclosures. This rule {226.24<sup>(1)</sup>} applies to any advertisement of loan terms regardless of the type of collateral.

The second issue was the disclosure of Yield-spread-premiums (YSP). RESPA requires that YSP be disclosed on the Good-Faith-Estimate (GFE). Your question is that because there is no rate lock in many of your loan transactions you do not know what the rate will be and that makes it difficult to estimate the YSP. You should estimate the YSP based on the loan amount and interest rate for which the client applied, and your profit margin.

Please contact me if you have any questions.

Sincerely,

A black rectangular redaction box covering the signature of Raymond A. Heroux.

Raymond A. Heroux

Consumer Credit Administrator

FINANCIAL RESOURCES, INC.  
15 NORTHVIEW DRIVE • P.O. BOX 1158 • MEREDITH, NH 03253  
(603) 279-1133 • FAX (603) 279-5912

RECEIVED  
JUL 30 2004  
BANKING DEPT

State of New Hampshire  
Banking Department  
64B Old Suncook Rd.  
Concord, NH 03301

Attn: Raymond A. Heroux  
Consumer Credit Administrator

Dear Mr. Heroux,

I had not heard from you since sending my letter of July 6<sup>th</sup>. I was unsure as to whether you had not had a chance to review my questions, or you had not received my package.

I have included a second copy. Please let me know if these changes will put me back in compliance.

Thank you.

Sincerely,



Scott D. Farah

# FINANCIAL RESOURCES, INC.

15 NORTHVIEW DRIVE • P.O. BOX 1158 • MEREDITH, NH 03253  
(603) 279-1133 • FAX (603) 279-5912

July 6, 2001

State of New Hampshire  
Banking Department  
64B Old Suncook Road  
Concord, NH 03301

Atten: Raymond A. Heroux  
Consumer Credit Administrator

Dear Mr. Heroux:

In response to your letter of June 28, 2001 regarding the audit of Financial Resources & Assistance of the Lakes Region, Inc.;

- 1) I did not realize that copies of the right of rescission and final Truth in Lending disclosures were required to be filed in my files here as well as in the files of the closing attorney. I will rectify this matter for all files from January 1, 2001 forward.
- 2) I have modified the material in Financial Resources, Inc.'s processing package. Enclosed is a sample of the new insurance letter from Insurance Options, Inc. Please let me know if this letter meets all banking requirements.
- 3) On our website we advertise 5% down payment on mobile homes when they are mobile homes only, with no real estate involved. Are additional disclosures required if there is no real estate included? We have updated our website with the license number.
- 4) We have modified our Good Faith Estimate to show a credit report fee of \$15 rather than \$75. Attached is a copy of the modified GFE.
- 5) I am not certain as to how to handle the yield spread premium issue. Ninety-five percent of our clients do not lock their rate at initial application. Therefore I have no

RESIDENTIAL REAL ESTATE and BUSINESS FINANCING

State of New Hampshire  
Banking Department  
Page 2  
July 6, 2001

way of knowing what the yield spread premium will be. The yield spread premium ranges from no points to three points. Could you suggest how I might handle this?

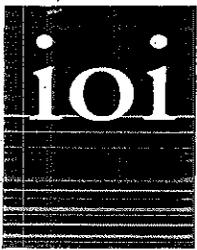
In the summary of the report it states that we are not in compliance. Please let me know if, once I have completed the items listed above, we will be in compliance.

Thank you for your attention to this matter.

Sincerely,  
FINANCIAL RESOURCES, INC.

Scott Farah  
President

Enclosures



# Insurance Options, Inc.

*Commercial and Personal Insurance Specialists*

Date

Address

City State, Zip Code

Dear :

INSURANCE OPTIONS, INC. is a sister company to FINANCIAL RESOURCES, INC. Our objective is to provide homeowners insurance or life insurance for those of you who are obtaining mortgage financing through FINANCIAL RESOURCES, INC.

A representative from INSURANCE OPTIONS, INC. will contact you regarding insurance but with the understanding that purchasing insurance from our agency is not a condition for obtaining a mortgage through FINANCIAL RESOURCES, INC.

We look forward to speaking with you.

Sincerely,  
INSURANCE OPTIONS, INC

Scott D Farah  
President

SDF/sc



phone: (603) 279-7417 • fax: (603) 279-6549 • email: [insops@fcgnetworks.net](mailto:insops@fcgnetworks.net)  
P.O. Box 667 • 15 Northview Drive, Meredith, NH 03253





FINANCIAL RESOURCES, INC.  
15 NORTHVIEW DRIVE • P.O. BOX 1158 • MEREDITH, NH 03253  
(603) 279-1133 • FAX (603) 279-5912

RECEIVED  
JUL 11 2001

July 6, 2001

State of New Hampshire  
Banking Department  
64B Old Suncook Road  
Concord, NH 03301

Atten: Raymond A. Heroux  
Consumer Credit Administrator

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RESIDENTIAL REAL ESTATE and BUSINESS FINANCING

State of New Hampshire  
Banking Department  
Page 2  
July 6, 2001

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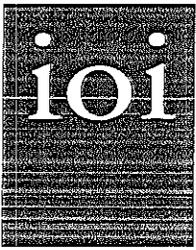
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Sincerely,  
FINANCIAL RESOURCES, INC.

A solid black rectangular redaction box covering the signature of Scott Farah.

Scott Farah  
President

Enclosures



# Insurance Options, Inc.

*Commercial and Personal Insurance Specialists*

Date

Address

City State, Zip Code

Dear :

INSURANCE OPTIONS, INC. is a sister company to FINANCIAL RESOURCES, INC. Our objective is to provide homeowners insurance or life insurance for those of you who are obtaining mortgage financing through FINANCIAL RESOURCES, INC.

A representative from INSURANCE OPTIONS, INC. will contact you regarding insurance but with the understanding that purchasing insurance from our agency is not a condition for obtaining a mortgage through FINANCIAL RESOURCES, INC.

We look forward to speaking with you.

Sincerely,  
INSURANCE OPTIONS, INC

Scott D Farah  
President

SDF/sc



phone: (603) 279-7417 • fax: (603) 279-6549 • email: [insops@fcgnetworks.net](mailto:insops@fcgnetworks.net)  
P.O. Box 667 • 15 Northview Drive, Meredith, NH 03253



**GOOD FAITH ESTIMATE OF SETTLEMENT CHARGES**

Listed below is the Good Faith Estimate of Settlement Charges made pursuant to the requirements of the Real Estate Settlement Procedures Act (RESPA). **These figures are only estimates and the actual charges due at settlement may be different.**

DATE: \_\_\_\_\_

APPLICANTS: \_\_\_\_\_

PROPERTY: \_\_\_\_\_

Appraisal .....	\$ <u>300</u>
Credit report .....	<u>15</u>
Secondary Market Fee .....	<u>400</u>
Processing Fee .....	<u>410/535</u>
Attorney Fees .....	<u>700</u>
Title Insurance (\$2/\$1000) .....	_____
Recording Fees .....	<u>100</u>
Transfer Taxes (\$7.50/\$1000) .....	_____
Survey Waiver Fee .....	<u>75</u>
Portfolio Lender Fees .....	<u>995</u>
Tax Service Fee .....	<u>75</u>
Misc Cost .....	<u>50</u>
<b>ESTIMATED CLOSING COSTS</b> .....	_____
Points .....	_____
<b>TOTAL ESTIMATED CLOSING COSTS</b> .....	_____

**ESTIMATED ESCROWS AND PRE-PAID EXPENSES**

Homeowners Insurance	p/m @ \$	_____
Mortgage Insurance	p/m @ \$	_____
Real Estate Taxes	p/m @ \$	_____
Interest per diem	% x 30 days @ \$	_____

**TOTAL ESTIMATED ESCROW AND PRE-PAID EXPENSES \$** \_\_\_\_\_

Loan amount \$ \_\_\_\_\_ Interest rate \_\_\_\_\_ Term \_\_\_\_\_

Monthly payment \$ \_\_\_\_\_ Real estate taxes \$ \_\_\_\_\_ PMI \$ \_\_\_\_\_

H.O. insurance \$ \_\_\_\_\_ Total monthly PITI \$ \_\_\_\_\_

Delivery of above Good Faith Estimate is acknowledged.

\_\_\_\_\_  
Borrower Date

\_\_\_\_\_  
Co-Borrower Date



A. ROLAND ROBERGE  
BANK COMMISSIONER

# State of New Hampshire

## Banking Department

64B Old Suncook Road  
Concord, New Hampshire 03301

Telephone: (603) 271-3561  
FAX: (603) 271-1090  
(603) 271-0750

June 28, 2001

Mr. Scott D. Farah President  
Financial Resources & Assistance  
Of The Lakes Region, Inc.  
PO Box 1158  
Manchester, NH 03253

Dear Mr. Farah:

Enclosed please find the comments, conclusions and recommendations developed by this department relative to the examination of Financial Resources & Assistance of The Lakes Region, Inc. (FRI) that commenced on May 9, 2001.

Please review the enclosed examination and respond in writing to each individual comment no later than thirty days from receipt of the report. Your written response should include a comprehensive plan (including time line) of corrective action for each violation or deficiency enumerated in the examination results. Please contact the department if you have any questions.

Sincerely,

A solid black rectangular box redacting the signature of Raymond A. Heroux.

Raymond A. Heroux  
Consumer Credit Administrator