



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

May 2, 2001

Financial Resources & Assistance of the Lakes Region
Scott D. Farah, President
PO Box 1158
Meredith, NH 03253

Dear Mr. Farah:

Pursuant to NH RSA 397-A: 12, you are hereby advised that your organization has been selected for examination of its licensed First Mortgage Banker and Broker activity in the state of New Hampshire. This examination has been scheduled for **Wednesday, May 9, 2001** and will consist of an on site visit by examiners from the Consumer Credit division of the NH State Banking Department. Please accept this document as official notification of the planned examination.

The examination will consist of a review of your organization's loan files. The Department will select the individual files it wishes to review. Each loan file should include at a minimum the following:

1. Payment history if loan is owned or serviced by your organization.
2. Copy of loan application. ✓
3. Copy of promissory note and security agreement. ✓
4. Truth-in-lending and all other applicable disclosure statements. ✓
5. Copies of checks paid to third parties. ✓

In addition to loan files, the following documents must be provided.

1. Declined or withdrawn applications, with denial letter.
2. Current interest rates sheet, if available.

- NONE
- NANCY
3. Blank set of all legal documents currently being used in the State of New Hampshire.
 4. All written consumer complaints during the past 18 months, including unresolved matters. NONE
 5. Foreclosure files, if applicable. NONE
 6. Copy of any insurance agreements available to borrowers through your enterprise. Done Flyer
 7. (?) Summary of all loan products available in New Hampshire and copy of company lending policy.
 8. For publicly traded companies or their affiliates and subsidiaries - copy of the company's most recent 10K and 10Q.
 9. For privately held companies - NONE None Audited 2000 ~~(year-end financial~~ and the most recent quarterly financial statements, including recent disbursement sheets (checking account register).
 10. Work papers to supplement and document information supplied on the annual report filed with this office on February 1, 2001. ✓ Done
 11. A list of all affiliates, subsidiaries, parents with whom your enterprise is associated. Insurance Options Inc. Scott Farrah owns 100%
 12. Copies of media advertisement distributed in New Hampshire. Rich Done
 13. A copy of your company's procedure manual. NONE

Files need not be original, but must be in sufficient detail for the examiner(s) to evaluate that the loan was closed in conformity with the law.

In order to facilitate the examination process, we request that the enclosed Officer Questionnaire be completed and returned to the Department or given to the field examiner(s) the day of the on-site visit to your company.

Please contact the undersigned at (603) 271-3561 with any questions or concerns you may have. Your cooperation is appreciated. Please assign a contact person and acknowledge of receipt of this letter by contacting the undersigned.

Respectfully,


 Kimothy C. Griffin
 Bank Examiner
 Enclosures: Officer Questionnaire