



The Commonwealth of Massachusetts

Office of the Commissioner of Banks

One South Station

Boston, Massachusetts 02110

JANE SWIFT
GOVERNOR

THOMAS J. CURRY
COMMISSIONER

July 8, 2002

Michael J. McLane
19 Fairmount Avenue
Wakefield, MA 01880

Dear Mr. McLane:

This letter is in response to your correspondence dated January 10, 2002 to the Division of Banks (the "Division") in which you request an opinion relative to whether an internet website which would refer potential borrowers to lenders for a fee would require you to be licensed as a mortgage broker in the Commonwealth. The matter has also been discussed with you on the telephone.

As stated in your letter, you currently have drafted a website which, if placed in the public domain, would give a basic primer on home financing and make referrals to lenders. It would operate under the name of loansman.com, a domain name which you own but do not presently use. Your intent is to take a small referral fee on all loans closed. You intend to refer customers to banks and licensed mortgage companies.

Massachusetts General Laws chapter 255E requires that any person who for compensation or gain or in the expectation of compensation or gain, directly or indirectly, places, assists in placement or finds or offers to place, assist in placement or find loans on residential property for others obtain a mortgage broker's license from the Division. Chapter 255E makes no distinction between conducting the business of a mortgage broker at a physical office location or on the internet. It is the position of the Division that the operation of the website loansman.com in which you would receive a referral fee on all loans closed which originated on the website would meet the definition of a mortgage broker and, therefore, require a mortgage broker's license in the Commonwealth.



Michael J. McLane
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The conclusions reached in this letter are based solely on the facts presented. Fact patterns which vary from that presented may result in a different position statement by the Division.

Sincerely,



Joseph A. Leonard, Jr.
Deputy Commissioner of Banks
and General Counsel

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