

June 30, 2004

Ms. Agnes Bantigue Mendoza  
Asst. Vice President, Reg. Compliance  
New Century Mortgage Corp.  
18400 Von Kaman, Suite 1000  
Irvine, CA 92612

RE: Request for Interpretive Ruling  
No. 17560-CS

Dear Ms. Mendoza:

Reference is made to your letter dated May 24, 2004, in which you request guidance under the Arkansas Fair Mortgage Lending Act, codified as Ark. Code Ann. § 24-39-501, *et. seq.*, pertaining to the licensing requirement as it applies to individuals identified as Account Executives that work for your firm.

Based on the information submitted, it is not possible to state definitively whether such individuals need be licensed under the Act, although it appears likely that the licensing requirement is applicable. For purposes of the Act, it is not relevant that your Account Executives deal only with brokers. The determinative issue is whether they actually solicit, accept or offer to accept loan applications. It appears from your letter that they probably do. If so, they would need to be licensed as Loan Officers.

You have also asked for guidance regarding whether mixed-use properties with 1-4 residential units and commercial components are classified as "residential properties" under Order number 15039-CS. Our position is that the exemption set forth in the referenced order pertains only to mortgages on property that is not used for one-to-four family residential purposes. As stated in the order, if the property is to be used for one-to-four family residential purposes (regardless of whether it is to also be used for any other purpose) the exemption is unavailable, and persons making mortgages secured by such property must comply with the Act.

Should you have any questions, please contact me.

Yours truly,

*(signed)*  
John E. Moore, Jr.  
Chief Counsel