

MIKE BEEBE
GOVERNOR

A. HEATH ABSHURE
COMMISSIONER



HERITAGE WEST BUILDING, SUITE 300
201 EAST MARKHAM STREET
LITTLE ROCK, ARKANSAS 72201-1692
TELEPHONE: (501) 324-9260
FACSIMILE: (501) 324-9268

ARKANSAS SECURITIES DEPARTMENT

May 27, 2009

Karma Herzfeld
Executive Director
Saline County Habitat for Humanity
404 West Walnut
Benton, AR 72015

RE: Saline County Habitat for Humanity
No Action Letter No. 09-43321-CS

Dear Ms. Herzfeld:

The Arkansas Securities Department ("Department") is in receipt of your letter dated May 1, 2009, requesting that the Department issue a no action letter concerning the claim of exemption from the licensing requirements contained in the Arkansas Fair Mortgage Lending Act ("FMLA") for the Saline County Habitat for Humanity. A copy of your request letter is attached for your reference.

Based on the specific facts contained in your request letter, at the present time the Staff of the Department will recommend that the Arkansas Securities Commissioner take no enforcement action against the Saline County Habitat for Humanity, if it does not obtain a license from the Department prior to engaging in the activities detailed in your request letter.

Please note that the position of the Staff of the Department is based solely upon the representations made in your request letter and applies only to the facts as set out therein. Different facts or circumstances might and often would require a different response from the Staff of the Department. The position of the Staff of the Department expressed in this letter only dealt with anticipated enforcement action by the Department. Further, the position of the Staff of the Department does not purport to be and should not be interpreted to be a legal opinion.

Sincerely,

A handwritten signature in cursive script that reads "Scott S. Freydl".

Scott S. Freydl
Staff Attorney

Attachment



Karma Herzfeld, Executive Director
404 West Walnut
Benton, AR 72015
501.315.5434
fax 501.778.7626

RECEIVED
09/27/09 11:29
ARKANSAS SECURITIES DEPT.

May 1, 2009
Scott Freydl
Arkansas Securities Department
Heritage West Building, Suite 300
201 East Markham Street
Little Rock, AR 72201-1692

Dear Scott,

My purpose in writing is to request a letter from your office specifically stating that Habitat for Humanity of Saline County is exempt from the licensing requirement under the Fair Mortgage Lending Act.

The recent House Bill 1881 passed by the General Assembly of the State of Arkansas amending the Fair Mortgage Lending Act, 23-39-501, provides for an exemption of a nonprofit corporation that:

- 1) Qualifies as a nonprofit entity under 501 (c) 3 of the Internal Revenue Code,
- 2) Is not primarily in the business of soliciting or brokering mortgage loans, and
- 3) Makes or services mortgage loans to promote home ownership for the disadvantaged.

Habitat for Humanity of Saline County was incorporated on April 16, 1999 as a 501(c) 3 organization, and our registration with the AR Attorney General's office is current. The mission of Habitat for Humanity is to approve and partner with low-income families (as defined by HUD income guidelines) in Saline County to help them build and own their own homes. Upon completion, the homes are financed for 20-years, with no profit added, no closing costs, and no interest charged. The affiliate does not solicit or broker mortgages.

While I am most grateful that our legislators have made provisions for exemptions in Section 1 (B) (viii) of HB 1881, I would appreciate a letter specifically identifying our Habitat affiliate.

Thank you very much for your attention.

Sincerely,

A handwritten signature in black ink that reads "Karma Herzfeld". The signature is written in a cursive, flowing style.

Karma Herzfeld
Executive Director
Habitat for Humanity of Saline County, Arkansas, Inc.
501-315-5434
H4hsalinecounty@aol.com

KH/se