

TO: Small Loan Licensees

FROM: John S. Allison, Commissioner

DATE: November 2, 2009

RE: Licensing under the Mississippi S.A.F.E. Mortgage Licensing Act

As you know, with the amendments to the Mississippi S.A.F.E. Mortgage Licensing Act (SAFE Act) during the 2009 Legislative Session, small loan lenders are no longer exempt from obtaining a mortgage license. The new amendment requires small loan lenders to be licensed under the SAFE Act if you make mortgages or take a mortgage as collateral.

This letter is to inform you that we are currently working on language to amend the SAFE Act during the 2010 Legislative Session that would allow a license exemption for those small loan lenders that currently have mortgage loans on their books, but would like to phase out of the mortgage business and no longer make mortgages or take mortgages as collateral. This amendment would only allow you to collect/service the mortgage loans on your books as of July 31, 2009. You would not be allowed to rework or refinance any loans with a mortgage attached.

Please be aware that this exemption would not be for lenders that plan to continue to make mortgage loans or take mortgages as collateral; it is only for those lenders that plan to totally phase out of the mortgage business. If you plan to refinance any mortgage loans, this amendment would not apply to you; you would have to obtain a mortgage license. Again, the exemption would only be for those that plan to totally get out of the mortgage business.

On the other hand, if you plan to continue making mortgages or taking a mortgage as collateral you must obtain a mortgage license. We strongly advise that you begin the licensing process in January 2010 in order to meet all of the licensing requirements. You may visit our website at www.dbcf.state.ms.us for information regarding licensing.

Please feel free to call me at 601.359.103 if you have any questions or comments.