

COMMISSIONER OF BANKING

STATE OF WEST VIRGINIA

In the Matter of:

**REQUEST FOR AUTHORIZATION TO
ENGAGE IN OTHER BUSINESS ACTIVITY BY
A REGULATED CONSUMER LENDER
filed on behalf of
COMMERCIAL CREDIT CORPORATION (WV)
(Re: Closure of Mortgage Loans for an Affiliate)**

DECISION ON AUTHORIZATION REQUEST

On March 18, 1997 Commercial Credit Company on behalf of its licensed Regulated Consumer Lender affiliate, Commercial Credit Corporation (WV), by letter, requested of the West Virginia Commissioner of Banking a DECISION ON AUTHORIZATION pursuant to W. Va. Code § 46A-4-110 in regards to the closing of mortgage loans for an affiliated lender in the same office, room, or place of business in which the Applicant, acting as a regulated consumer lender licensee, conducts the business of making regulated consumer loans.

As proposed, Commercial Credit Corporation (WV) would provide the use of its offices for the closure of mortgage loans made by its affiliate, Travelers Home Mortgage Services, Inc. of Linthicum, Maryland, to West Virginia consumers, which loans are secured by property in West Virginia. While authorization has been granted for a regulated consumer lender licensee ("RCL") to act as agent for an affiliate on out-of-state real estate secured loans to non-residents, this office has consistently taken the position that loans made at a West Virginia RCL office to West Virginia residents may only be made under the RCL license and subject to West Virginia law. To provide otherwise would result in a West

Virginia consumer going into a West Virginia RCL office and being given a loan subject to another state's law, or laws other than those governing a regulated consumer loan.

Upon review of this request, the Commissioner of Banking has determined that the nature and character of closing real estate loans on behalf of an affiliate might facilitate evasions or contradictions of Article 4, Chapter 46A of the West Virginia Code or the rules issued thereunder. This decision comports with the earlier decisions of April 3, 1997 and April 16, 1997, concerning the requests by Security Pacific Financial Services of West Virginia Inc. and Associates Financial Services Company of West Virginia, Inc. respectively for agency activities on behalf of their out-of-state mortgage affiliates to be conducted at their licensed regulated consumer lender offices in West Virginia.

Based upon these determinations and findings, the Commissioner of Banking IS OF THE OPINION that a regulated consumer lender licensee may not conduct the business of making regulated consumer loans in the same office, room, or place of business at which mortgage loans to West Virginia residents are closed on behalf of an out-of-state affiliate lender. THEREFORE THE REQUEST FOR AUTHORIZATION IS HEREBY DENIED.

SGB

Sharon G. Bias
Commissioner of Banking

Date: 4/21/97