

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
NORWEST FINANCIAL WEST VIRGINIA, INC.
(Re: Loans secured by real estate outside West Virginia)**

DECISION ON AUTHORIZATION REQUEST

On September 8, 1998 Norwest Financial Inc., on behalf of its licensed Regulated Consumer Lending affiliate, Norwest Financial West Virginia, Inc. ("NFWVI") requested of the West Virginia Commissioner of Banking a DECISION ON AUTHORIZATION pursuant to WV Code 46A-4-110. The request involves the ability of NFWVI to make loans secured by real estate located outside West Virginia in the same office, room, or place of business in which NFWVI, acting as a regulated consumer lender, conducts the business of making regulated consumer loans.

Two scenarios are described by the Applicant. First, NFWVI would make loans, in its own name and at its West Virginia offices, which would be secured by real estate located in Pennsylvania. In the second case, NFWVI would act as an agent for an affiliated company, Norwest Financial Ohio 1, for the purpose of making loans secured by real estate located in Ohio. In the latter case, the loans would be signed at and

serviced by the NFWVI office in West Virginia but would be closed in the name of Norwest Financial Ohio 1 as lender.

Upon review of this request, the Commissioner of Banking has determined that such activity is sufficiently related to the business of transacting regulated consumer loans and that the nature and character of the activity will not, per se, facilitate evasions or contradictions of Article 4, Chapter 46A of the West Virginia Code or the rules promulgated thereunder or be detrimental to the consumers of this State, Provided, That the conditions set forth herein are followed.

The decision to grant this type of authority is tempered with concern that the consumer be provided the protections of the West Virginia Consumer Credit and Protection Act (“WVCCPA”) in transactions made in West Virginia or involving West Virginia residents. At the same time it needs to be recognized that a reciprocal approach to loans to non-West Virginia residents secured by real estate outside this state should be followed. For example, the West Virginia Secondary Mortgage Loan Act, WV Code 31-17-1, et seq., requires that its licensees follow our state law, including the WVCCPA, when making loans to West Virginians secured by property located in West Virginia. Such compliance is required even though the licensee’s office may be out-of-state. Given this position, it would seem incumbent upon this office, and in keeping with principles of comity, to recognize the authority of another state to regulate loans to its residents secured by land in its state.

The decision to grant the request is based upon the following mandatory conditions:

1. The loans are made to borrowers who are not residents of West Virginia;
2. Both NFWVI and Norwest Financial Ohio 1 are either licensed or have obtained any authorization required by Ohio or Pennsylvania to make loans which are secured by property located in those states; and
3. The records of loans made by NFWVI as an agent for Norwest Financial Ohio 1 shall be coded and maintained in a manner as to allow examiners to readily distinguish them from loan records made in its regular course of business as a regulated consumer lender under WV Code 46A-4-101, et seq.

Based upon these determinations and findings, the Commissioner of Banking is of the opinion that, subject to the conditions above, Norwest Financial West Virginia, Inc. may conduct the business of making regulated consumer loans in the same office, room or place of business in which it makes loans secured by real estate located outside this state either in its own name or as an agent for an affiliated company. **THEREFORE, THE REQUEST FOR AUTHORIZATION IS HEREBY GRANTED.** Any deviation from the guidelines stated herein will result in the revocation of this written authorization.

Sharon G. Bias
Commissioner of Banking

Date: _____