

MIKE BEEBE
GOVERNOR

A. HEATH ABSHURE
COMMISSIONER



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ARKANSAS SECURITIES DEPARTMENT

December 9, 2010

Daniel W. Smith
Attorney at Law
Stites & Harbison, PLLC
Sun Trust Plaza
401 Commerce Street
Suite 800
Nashville, TN 37219

RE: FNB Financial Group, LLC
Legal Opinion Letter No. 10-NA-0031

Dear Mr. Smith:

The Staff of the Arkansas Securities Department ("Staff") is in receipt of your letter dated December 3, 2010, requesting that the Staff issue a legal opinion letter concerning the applicability of Ark. Code Ann. § 23-39-502(9)(B)(vi) to your client, FNB Financial Group, LLC ("FNB"). 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 is of the opinion that FNB can rely on this exemption from the licensure requirements of the Arkansas Fair Mortgage Lending Act.

Please note that the position of the Staff 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 or opinion from the Staff.

Sincerely,

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

Scott S. Freydl
Staff Attorney

Attachment

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ARKANSAS SECURITIES DEPT.

SunTrust Plaza
401 Commerce Street
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December 3, 2010

Via United States Postal Service

Daniel W. Small
(615) 782-2311
(615) 742-0700 FAX
daniel.small@stites.com

Hon. A. Heath Abshire, Commissioner
ARKANSAS SECURITIES DEPARTMENT
Heritage West Building, Suite 300
201 East Markham Street
Little Rock, Arkansas 72201-1692

Re: FNB Financial Group, LLC – Interpretive Opinion Request

Dear Commissioner Abshire:

Pursuant to Rule 5004-1 of the Rules of the Fair Mortgage Lending Act and Rule 206 of the Rules of the Arkansas Securities Commissioner, please find this letter as an interpretive opinion request for the definition of an “exempt person” under the Fair Mortgage Lending Act, Ark. Code Ann. § 23-39-501, *et seq.*

Our client, FNB Financial Group, LLC, a Tennessee limited liability company (“FNB Financial Group”), operates a full-service mortgage brokerage in Murfreesboro, Tennessee. FNB Financial Group is a wholly-owned subsidiary of The First National Bank of McMinnville, a national banking association (the “Bank”), headquartered in McMinnville, Tennessee. The Bank’s primary regulator is the Office of the Comptroller of the Currency. As a member bank, the Bank is also regulated by the Board of Governors of the Federal Reserve System. FNB Financial Group’s employees intend to register under the S.A.F.E. Act of 2008 as soon as the FFIEC’s registry is up and running. FNB Financial Group has a mortgage loan request from a Arkansas resident, where the property to be mortgaged is located in Arkansas.

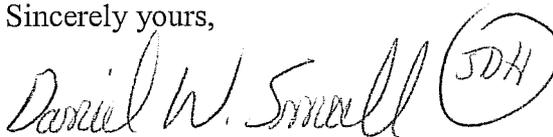
The Fair Mortgage Lending Act states that it is unlawful for any person other than an exempt person “to act or attempt to act, directly or indirectly, as a mortgage broker, mortgage banker, loan officer, or mortgage servicer without first obtaining a license from the Securities Commissioner . . .” The licensing requirements apply to any person other than an exempt person “located in Arkansas” or where the applicant is “located in Arkansas.” Ark. Code Ann. § 23-39-503 (a) and (b). The Fair Mortgage Lending Act also states that “it is unlawful for any person other than an exempt person to employ, to compensate, or to appoint as its agent any person to act as a loan officer unless the loan officer is licensed as a loan officer . . .” *Id.* § 23-39-503(c).

Commissioner Abshire
December 3, 2010
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We respectfully request that your office issue an interpretive opinion as to whether FNB Financial Group, as a wholly-owned subsidiary of the Bank, a federally-insured national banking association, and its employees meet the definition of an "exempt person" under the Fair Mortgage Lending Act and are therefore exempt from the licensing requirements thereunder. Please include with this opinion any other authority that will restrict FNB Financial Group's ability to make mortgage loans to the citizens of Arkansas or secure its loans with property located in Arkansas.

If you need additional information, please do not hesitate to contact me at (615) 782-2311 [Facsimile: (615) 742-0700]. Thank you for your service.

Sincerely yours,



Daniel W. Small

Cc: Client