

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

August 18, 2009

Paul Custodio Bube  
President, HFHIC Board of Directors  
Habitat for Humanity of Independence County, Arkansas  
750 17<sup>th</sup> Street  
Batesville, AR 72501

RE: Habitat for Humanity of Independence County, Arkansas  
No Action Letter No. 09-43327-CS

Dear Mr. Bube:

The Arkansas Securities Department ("Department") is in receipt of your letter dated August 15, 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 Habitat for Humanity of Independence County, Arkansas. 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 Habitat for Humanity of Independence County, Arkansas, 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 black ink that reads "Scott S. Freydl".

Scott S. Freydl  
Staff Attorney

Attachment



**Habitat**  
for Humanity®  
of Independence County, AR

Building  
houses,  
building  
hope

August 15, 2009

RECEIVED

09 AUG 18 AM 7:46

ARKANSAS SECURITIES DEPT.

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

Dear Mr. Freydl,

My purpose in writing is to request a letter from your office specifically stating that Independence County Habitat for Humanity 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.

Independence County Habitat for Humanity was incorporated on July 1, 2007 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 Independence 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,

Paul Custodio Bube  
President, HFHIC Board of Directors

750 17th St.  
Batesville, AR 72501  
Tel: 870-793-1999

E-mail:  
info@independencehabitat.org  
Web:  
www.independencehabitat.org