

ASA HUTCHINSON
GOVERNOR

B. EDMOND WATERS
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

VIA REGULAR U.S. MAIL

May 24, 2019

Karama Neal
Southern Bancorp Community Partners
8924 Kanis Road
Little Rock, AR 72205

Karyn H. Tierney
Arkansas Bar No. 2003120
ktierney@securities.arkansas.gov

RE: Southern Bancorp Capital Partners d/b/a Southern Bancorp Community Partners
No Action No. 19-NA-0005

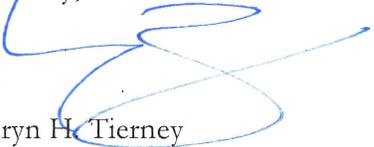
Dear Ms. Neal:

The Arkansas Securities Department ("Department") is in receipt of your letter dated May 23, 2019, requesting that the Department issue a no-action letter concerning Southern Bancorp Capital Partners d/b/a Southern Bancorp Community Partners ("Southern Bancorp") claim of exemption from the licensing requirements of the Arkansas Fair Mortgage Lending Act ("AFMLA") as codified at Ark. Code Ann. § 23-39-501 through 518 due to Southern Bancorp's status as a 501(c)3 nonprofit entity. A copy of the request letter is attached for reference.

Based upon the specific facts contained in your request the Staff of the Department ("Staff") will not recommend that the Arkansas Securities Commissioner take an enforcement against Southern Bancorp 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 is based solely upon the representations made in your request letter and information provided 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. The position of the Staff expressed in this letter only deals with anticipated enforcement action by the Department. Further, the position of the Staff does not purport to be and should not be interpreted to be a legal opinion.

Sincerely,



Karyn H. Tierney
Arkansas Securities Department

 **Community Partners**
Little Rock, Arkansas 72205

May 23, 2019

B. Edmond Waters, Commissioner
Attn: Ryan Drake
Arkansas Securities Department
201 East Markham Street
Heritage West Building, Suite 300
Little Rock, Arkansas 72201-1692

Dear Mr. Drake,

I would like to request a letter from your office specifically stating that Southern Bancorp Capital Partners d/b/a Southern Bancorp Community Partners (SBCP) is exempt from the licensing requirement under the Fair Mortgage Lending Act and a broader exemption statement for commercial and consumer lending.

The 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 disadvantaged.

SBCP was incorporated in August 1988 as a 501 (c) 3 organization, and our registration with the Arkansas Attorney General's office is current. SBCP works to stabilize and revitalize low-income communities in rural Arkansas and Mississippi by providing responsible and responsive financial services critical to a community's economic development and an individual's economic security. SBCP 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 House Bill 1881, I would appreciate a letter specifically identifying Southern Bancorp Community Partners as exempt from the licensing requirement for mortgages, commercial and consumer lending. If you have any questions or would like additional information, please do not hesitate to contact me at 501-850-8978 or karama.neal@southernpartners.org.

Thank you for your attention.

Sincerely,



Karama Neal, Ph.D.
President, Southern Bancorp Community Partners