

(717) 787-1471

September 17, 1998

Dear

This letter is in response to your letter in which you requested approval from the Pennsylvania Department of Banking (the "Department") for \*\*\*\*\* ("Licensee") to market single premium term life insurance ("SPT life insurance") to the general public at Licensee's branch locations in Pennsylvania. Licensee is licensed as a lender by the Department pursuant to the provisions of the Pennsylvania Secondary Mortgage Loan Act ("SMLA"), 7 P.S. § 6601 et seq., and the Mortgage Bankers and Brokers Act ("MBBA"), 63 P.S. § 456.01 et seq.

Pursuant to 7 P.S. § 6611(5) and 63 P.S. § 456.09(a)(2), the Department hereby issues approval for the Licensee to the sale of SPT life insurance at the Licensee's places of business licensed by the Department subject to the following conditions for all proposed sales to both MBBA and SMLA customers:

1. The insurance must be approved by the Insurance Department. In addition to the documentation provided with your letter, the Department also needs confirmation of approval from the Insurance Department.
2. The purchase of this insurance shall not be a condition required to receive a loan.
3. Where the purchaser is also a borrower under either the MBBA or SMLA, Licensee must complete all details of the loan transaction, including the disbursement of loan proceeds, before any sales effort may be initiated.

**Licensee is specifically cautioned that the practice of preparing initial loan documents for an amount greater than that requested by the borrower for the purpose of making funds available for the purchase of the SPT life insurance shall be viewed as a "sales effort" that is prohibited.**

4. Each office of Licensee shall retain a copy of this approval letter for review by Department examiners at their request.
5. Each office of Licensee shall maintain a register of sales showing purchasers' names,

September 17, 1998

Page 2

addresses, and the details of each sale. The register must be maintained and available for review by our examiners for a period of two years from the date of sale.

6. Purchasers must sign and receive a copy of a disclosure which states that they understand that purchase of this product is not required to obtain their loan. The disclosure also must notify the purchasers that they have 15 days after receipt of the insurance policy to cancel the policy without charge. The original disclosure form must be maintained in the borrower's loan file.
7. Any loan proceeds check from Licensee for the purchase of SPT life insurance must be made payable to the consumer.

Examiners from the Department will, from time to time, examine the branch records related to the sale of the SPT life insurance. If their examinations disclose any sales abuses or violations of the above conditions, Licensee will be cited and may be subject to fines or other regulatory sanctions, as appropriate. Further, this approval for the sale of the SPT life insurance may be withdrawn at the discretion of the Department.

Very truly yours,

LSK:DU:jee