

**ATTORNEY GENERAL
DEPARTMENT OF JUSTICE**

33 CAPITOL STREET
CONCORD, NEW HAMPSHIRE 03301-6397

MICHAEL A. DELANEY
ATTORNEY GENERAL



ORVILLE B. "BUD" FITCH II
DEPUTY ATTORNEY GENERAL

March 31, 2010

Pamela Smarling
House Committee Research
New Hampshire General Court
Legislative Office Building, Room 409
Concord NH 03301

Re: Financial Resources Mortgage

Dear Pam:

In preparation for legislative hearings regarding Financial Resources Mortgage, you have asked for complaints received by the Consumer Protection and Antitrust Bureau (the "Bureau") regarding the company. The Bureau has on record five complaints regarding the company.

RSA 21-M:9 permits disclosure of the number and type of complaints filed by consumers, but does not permit disclosures which might abridge the confidentiality of the consumer complaint. Therefore, I have summarized the complaints against Financial Resources Mortgage or similarly named entities below.

CONSUMER BUREAU FILE NUMBER: CP-COM-03-00292

DATE FILED: January 22, 2003

STATUS: Closed, referred to Banking

SUMMARY: Complaint filed by a borrower against Financial Resources, Inc. of Tulsa, Oklahoma. Complaint alleged possible misuse of funds. Complaint stated the Company informed the borrower she was 14 months behind on her payments. She said the Company extended the payments for three additional years, but the Consumer stated she did not sign an agreement to extend payments. She also alleged the Company changed the amount of her payments. She discovered the extended payments on May 11, 2000. The complainant also alleged that the Company was required to withhold \$60.00 per month for taxes, but she was required to pay taxes herself on two occasions. The complaint was referred to the Banking Department on February 4, 2003 and the file was closed.

CONSUMER BUREAU FILE NUMBER: 200428362

DATE FILED: September 7, 2004

STATUS: Closed, referred to Banking

SUMMARY: Complaint filed against Financial Resources and Assistance of the Lakes Region, Inc. of Meredith, New Hampshire. Complaint alleged the Company regularly practiced predatory lending by mining their closed files and calling previous clients to refinance, thus continuously reusing the client's home equity. The complaint also alleged that the Company threw consumer paperwork with private information into a dumpster behind the building, and paperwork would be blown over the surrounding woods. The complaint alleged the Company passed itself off as a lender rather than a broker to keep prospective customers from realizing they were paying too much for a loan they could procure from a bank or other lender. The complaint was referred to the Banking Department on October 6, 2004 and the file was closed.

CONSUMER BUREAU FILE NUMBER: 200648457

DATE FILED: March 8, 2006

STATUS: Closed, referred to Banking

SUMMARY: Complaint by a borrower against Financial Resources alleging the Company induced him into a loan that the complainant had no choice but to rescind. The complainant stated he had contractors that needed to be paid, and a house available to be delivered. The complaint included a copy of a letter from the borrower's attorney rescinding the loan, dated February 21, 2006. The complaint was referred to the Banking Department on March 27, 2006 and the file was closed.

CONSUMER BUREAU FILE NUMBER: 200761553

DATE FILED: February 27, 2007

STATUS: Closed, referred to Banking

SUMMARY: Complaint by a borrower against Financial Resources alleged that the complainant received a call from the Company asking if he would like to refinance. They discussed loans which would allow complainant to pay off a mortgage, high interest rate credit cards and loans. Complainant only wanted to take out a home equity loan, but was told he would need to take out a first mortgage before he could get a home equity loan. He took out a loan to pay for appraiser based upon assurance that he would receive the home equity loan. Complainant received many requests for information, and received contradictory information about how much money he would be able to borrow. He signed a five year adjustable rate mortgage to pay off the balance of his previous 30 year fixed interest mortgage loan on assurances he would be able to get a second mortgage/home equity loan. He signed the paperwork for the first adjustable rate mortgage at the end of November 2006, and was told the second mortgage/home equity loan would be ready in two weeks. The complainant paid closing costs on the first mortgage, and added those costs to the total mortgage. After three months, the interest rate on his first mortgage loan increased by 3.6%. The complainant spent several months trying to get answers from the Company, but was unable to get substantive responses. The complaint was referred to the Banking Department on April 3, 2007 and the file was closed.


Pamela Smarling
March 31, 2010
Page 3

CONSUMER BUREAU FILE NUMBER: 200870773
DATE FILED: June 30, 2008
STATUS: Closed, complaint also filed with Banking
SUMMARY:

Complaint by a borrower against Financial Resource & Assistance of the Lakes Region alleged that the complainant applied for a \$20,000 loan to pay off a town lien and other debts. The Company would only allow the borrower to take a minimum loan of \$35,000. The first two years of payments were interest and fee payments, with a balloon payment of \$35,379.17. The complainant fell behind on payments, and reached an agreement with the Company to pay \$200 per week to catch up. He made the weekly payments, but fell behind on his regular monthly payments. Complainant believed he was the victim of a predatory lender. The complaint was filed with the Banking Department, and the file was closed.

Should you have any questions, please do not hesitate to give me a call.

Very truly yours,


Richard W. Head
Associate Attorney General
603-271-1248