



David K. Ginn
Legal Counsel

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Office of the General Counsel
3120 Breckinridge Boulevard
Duluth, GA 30099-0001

Direct: (770) 564-7747
Fax: (770) 564-6880
Email: David.Ginn@primerica.com

August 24, 2007

Office of Chief Counsel
Department of Banking
Attention: Public Comment on Proposed Rulemaking
N. Second Street, Suite 1300
Harrisburg, PA 17101-2290

RECEIVED
2007 AUG 27 AM 9:26
INDEPENDENT REGULATORY
COMMISSION

Re: Comments on Proposed Amendments; Chapter 46 of Title 10

Dear Sir or Madam,

Primerica Financial Services Home Mortgages, Inc. ("PFSHMI"), a subsidiary of Citigroup, Inc., is a licensed partially exempt first mortgage broker in Pennsylvania. Through our representatives in Pennsylvania we originate mortgage loans for a bank that is an affiliate of PFSHMI and a subsidiary of Citigroup. While PFSHMI provides certain information to prospective borrowers, advises them on various loan alternatives available and assists them with completing the application, PFSHMI does not determine which, if any, loan product may ultimately be offered to the borrower and does not participate in the underwriting of any mortgage loan. Both of these critical functions are performed exclusively by the bank.

Specifically PFSHMI does not participate in the valuation of the property securing the loan, pull credit reports or verify employment, income or other credit criteria. Further, after the loan application has been sent to the lender, all substantive conversations with the borrower are conducted by the bank and PFSHMI does not participate in these conversations.

We have reviewed the proposed amendments to Chapter 46 of Title 10 and appreciate the opportunity to offer the following comments:

1. Sections 46.2(b) and (c): We are in general agreement with the comments provided by the Pennsylvania Financial Services Association. Although PFSHMI would be pleased to provide disclosures to address those items always having a negative template answer, i.e., "PFSHMI does not broker loans with negative amortization," PFSHMI is not in possession of all of the information necessary to make the disclosures required under subsections (b) and (c). We understand that our lender makes substantially similar disclosures but as a federally supervised thrift, it must follow the disclosure content and timing requirements imposed by the Office of Thrift Supervision.

A member of citigroup

The solutions offered by the Pennsylvania Financial Services Association are excellent but do not apply to a situation where the licensee never receives and is not in possession of the information required to make the disclosure and the lender is simultaneous subject to disclosure requirements other than those of Pennsylvania. Therefore we suggest that the following subsection be added to the changes suggested by the PFSA:

“(iii) To the extent that a licensee is not made aware of any information to be disclosed under this subsection (b) it shall not be required to make such disclosure under this subsection (b) or under subsection (c) hereof. If a licensee is made aware of any information to disclosed under this subsection (b), then it will disclose such information with 3 business days of the borrower’s application being received or prepared by the licensee or within 3 business days of the licensee’s receipt of such information, whichever is later.”

2. Sections 46.2(e) and 46.2(f)(3): These sections appear to be intended to prevent the lending of money to a borrower who cannot or is not likely to repay the loan. While this is a laudable objective, failing to place the control on the lenders leads to unintended consequences for licensees who are not actually making the mortgage loan. While PFSHMI does not offer a loan – this is only done by its affiliated lender – the requirement to perform an ability to pay analysis is placed on all licensees who provide refinance mortgage loans through subsection 46.2(f)(3) with respect to refinance loans.

PFSHMI does not verify income or expense information with respect to borrowers. All such verification is done by PFSHMI’s affiliated lender. We believe that this is the case with many other lenders.

We also believe that the segregation of origination activities, which are performed by PFSHMI, from underwriting activities, which are performed by the lender, is ultimately good public policy. Such segregation of duties is a valuable tool in deterring and preventing mortgage fraud. Requiring both the lender and another licensee is duplicative to the process and adds unnecessary costs. Further, the effect of the rule is to give an individual’s personal and private information to a licensee who otherwise would not need this confidential information.

PFSHMI recommends that throughout subsection 46.2(e) the word “licensee” be deleted and the word “lender” substituted in its place.

PFSHMI also recommends that subsection 46.2(f)(3) be deleted. This subsection appears to be duplicative of subsection (3) except that it extends the duty to perform a verified income and expense analysis to everyone in the mortgage lending chain regardless of that person’s ability to actually effectuate a loan. For the reasons stated above we do not believe that this is good public policy.

3. Section 46.2(f)(12): PFSHMI agrees with the analysis and recommendations of the Pennsylvania Financial Services Association with respect to this section.

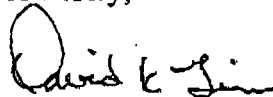
4. Section 46.2(h): As described earlier PFSHMI does not participate in the underwriting activities related to a particular loan. Therefore, PFSHMI would not have in its files some of the documents listed in this section. For example PFSHMI would not have received appraisals or surveys ordered as part of the underwriting process nor would PFSHMI have received final loan documents, deeds, etc. We believe that the duty to produce documentation under this section be limited to documents which are in the files of the licensee.

PFSHMI recommends that the clause "To the extent available in its files," be inserted at the beginning of the first sentence of section 46.2(h). We agree with the other changes suggested by the Pennsylvania Financial Services Association.

We appreciate the opportunity to comment on the proposed amendments to Chapter 46. Hopefully the observations that we have offered will help regulated entities overcome practical impediments to compliance.

Please let me know if you need further information about our concerns expressed above.

Sincerely,



David K. Ginn

cc: Suzanne Loomis
Rob Sweeney