

EXHIBIT 7
DATE 1-20-05
HB 237

WESTERN HOME MORTGAGE CORPORATION
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DATE: January 12, 2005
TO: Kristi Blazer
FROM: Cyndy Rigler
RE: Hearing on HB 71

Kristi,

Per our conversation earlier today, I am providing information for the hearing scheduled on Thursday, January 13, 2005 regarding HB 71. This bill provides for an amendment to Section 32-9-117 of the existing mortgage broker licensing law.

Currently the licensing law, per the interpretation of the Banking Division, requires entities to be licensed as well as the owner of the entity. This has caused many Montana mortgage brokers to pay duplicate license fees. Due to the nature of the mortgage industry, it is common practice for businesses to be structured as corporations, partnerships or LLC's. However, many of these businesses are owned by single individuals.

HB 71, as proposed by Representative Lake, would eliminate the duplicate fees for mortgage brokers that operate as corporations, partnerships or LLC's solely owned by an individual. As a point of explanation, I am the sole owner Western Home Mortgage Corporation and I work full time as a mortgage broker in my office. Under the current licensing requirements, I have to pay an application fee for Western Home Mortgage Corporation as the entity and a second application fee for myself as a broker. However, a Montana mortgage broker who operates as a sole-proprietor only has to have one license and pay one application fee. This appears to be a discriminatory practice towards businesses that choose the protection of structuring their companies as corporations, partnerships or LLC's.

As president of the Montana Association of Mortgage Brokers at the time the existing licensing law was written, I can assure you that it was never our intention that two licenses would be required for individual mortgage brokers who operate as corporations, partnerships or LLC's. It does create a financial hardship to impose duplicate fees on any business and as stated above, the current practice appears to be discriminatory since sole-proprietors do not pay duplicate fees.

HB 71 deserves serious consideration as it is necessary to correct this inadequacy in the existing licensing law.

Thank you,



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January 11, 2005

To Whom It May Concern:

Regarding HB71 introduced by Bob Lake. The elimination of the double licensing for brokers and entities (the same person in almost all cases) is in the best interest of the consumers of this state (the state, by currently collecting this licensing fee twice, is only adding to the cost that is passed on to the consumer).

Those of us who supported the passage of the licensing law certainly did not expect the state to bill us as both brokers and entities. Though the Division of Banking and Financial Institutions has been good to work with to pass the Montana Brokers and Loan Originators Licensing Act (32-9-101), there are a few items that need to be corrected.

I believe it was an unintended consequence of the law to charge the Broker's Licensing Fee and the Entity Fee to the same individual. I would encourage you to support HB 71.

Sincerely,

Brian Gorman

President

Alpha Mortgage Investments, Inc.