

Gillis, Diana L.

Subject: FW: HSR Question - Mortgage Origination

From: Whitehead, Nora
Sent: Friday, February 13, 2015 10:33 AM
To: [REDACTED]
Cc: Gillis, Diana L.; Walsh, Kathryn E.
Subject: RE: HSR Question - Mortgage Origination

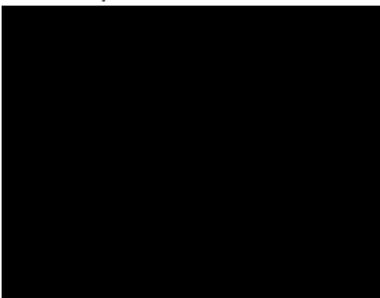
Without the associated mortgages, the acquisition of the origination platform is not exempt under 7A(c)(2).

Nora Whitehead
(202) 326-3262
Check out the [PNO Blog!](#)

From: [REDACTED]
Sent: Thursday, February 12, 2015 3:44 PM
To: Whitehead, Nora
Cc: Gillis, Diana L.; Walsh, Kathryn E.
Subject: RE: HSR Question - Mortgage Origination

There are a few mortgages being sold, but just ones that are between origination and sale in the ordinary course. The target company is not in the business of holding mortgages, it sells them off as fast as it can after originating them, but keeps the servicing rights. (In my example, I didn't ask about servicing rights, because they are clearly reportable but in this deal are valued below the size of transaction threshold.)

Thanks,



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From: Whitehead, Nora [<mailto:nwhitehead@ftc.gov>]
Sent: Thursday, February 12, 2015 3:41 PM
To: [REDACTED]
Cc: Gillis, Diana L.; Walsh, Kathryn E.
Subject: RE: HSR Question - Mortgage Origination

Thanks. In your fact pattern, are actual mortgages being sold? Or is it just the mortgage origination platform, with no associated mortgages?

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From: [REDACTED]
Sent: Thursday, February 12, 2015 3:37 PM
To: Whitehead, Nora
Cc: Gillis, Diana L.; Walsh, Kathryn E.
Subject: RE: HSR Question - Mortgage Origination

Nora,

It is <http://www.ftc.gov/enforcement/premerger-notification-program/informal-interpretations/0603003>

The questioner asks "does the client treat the origination of mortgage loans as completely exempt" but there is no express answer.

Thanks,

[REDACTED]

From: [REDACTED]
Sent: Wednesday, February 11, 2015 6:20 PM
To: Walsh, Kathryn E.
Subject: HSR Question - Mortgage Origination

Kate,

I am clear that the sale of mortgages is exempt, and that the sale of mortgage servicing rights (separate from the underlying mortgages) outside of the ordinary course is reportable.

In reviewing informal interpretations, I saw one that suggested mortgage origination was treated as exempt under the mortgage exemption, regardless of whether in the ordinary course or not. So can you confirm that the sale of a business that only originates mortgages (also called an origination platform) is exempt under the mortgage exemption? This would mean the sale of a company that has many offices with employees who originate mortgages and it only originates and sells off the mortgages and servicing rights to the mortgages that it originated.

Thanks,

[REDACTED]