



STATE OF CONNECTICUT

DEPARTMENT OF CONSUMER PROTECTION

July 18, 2011

Michael Schneider, Owner and Founder
New Haven Asset Management, LLC
329 Greene Street, Suite 4
New Haven, CT 06511

Dear Mr. Schneider,

It was a pleasure to meet with you on Wednesday July 13, 2011 following receipt of your email dated May 27, 2011. We offer the following response to your questions about a debt negotiator assisting consumers and real estate licensees as they are negotiating short sale and loan terms with lenders and lien holders.

In your correspondence you stated that as a Department of Banking licensed debt negotiator you enter into an agreement describing your services and agreeing to compensation in the form of a fee. Upon completion the fee for service is owed and paid. You further stated that the agreed upon compensation is a percentage of the sale price contingent upon the sale. In addition you wrote that the payment is often shown on the HUD-1 Settlement Sheet.

As you know on May 10, 2011 the Departments of Consumer Protection and Banking issued a letter. The letter gave notice of the sharing prohibition between debt negotiators and real estate licensees and warned that the placement of shared commission on the Settlement Statement by the debt negotiator may be deemed "engaging in the real estate business."

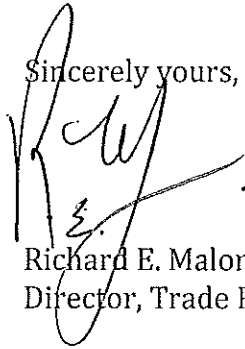
Within this context payment based upon a percentage of the selling price is not appropriate and may bear no relationship to the degree of involvement or work performed by the debt negotiator, and may be considered engaging in real estate work.

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However, agreements between real estate licensees and debt negotiators are acceptable if based upon an hourly rate or flat fee as an ancillary service to the transaction. It is appropriate for real estate licensees to retain an outside party for the purpose of debt negotiation and those services fall within the scope of the debt negotiator's work.

Please feel free to communicate any questions or concerns that you may have. My phone number is 860-713-6213.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'R. Maloney', with a large, sweeping flourish extending from the end of the signature.

Richard E. Maloney
Director, Trade Practices

CC: Department of Consumer Protection Commissioner William M. Rubenstein
Banking Commissioner Howard F. Pitkin
Department of Consumer Protection Legal Director Elisa A. Nahas
Department of Banking Director Marlene M. Mannix
Department of Banking Attorney Stacey L. Serrano