

Edward D. Pare, Jr., Esq.
Direct dial: 401-276-2639
Email: epare@brownrudnick.com

121
South Main
Street
Providence
Rhode Island
02903
tel 401.276.2600
fax 401.276.2601

March 23, 2007

Consumer Protection and Antitrust Bureau
New Hampshire Department of Justice
33 Capitol Street
Concord, NH 03301

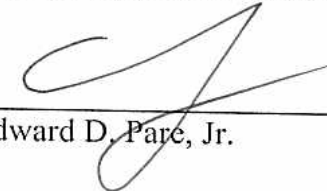
RE: Homeland Funding Solutions, Inc.

We represent Homeland Funding Solutions, Inc., a mortgage broker licensed by the New Hampshire Banking Department, Consumer Credit Division. In order to keep your office informed of events of this type, enclosed please find a copy of a notice delivered to Mary L. Jurta, Director of Consumer Credit advising of a theft of computers from Homeland's main office located at 75 Sockanosset Crossroad, Cranston, RI 02920.

Please feel free to contact me if you have any questions.

Very truly yours,

BROWN RUDNICK BERLACK ISRAELS LLP

By: 

Edward D. Pare, Jr.

EDP/dmj
Enc.

Cc: Mary L. Jurta

Edward D. Pare, Jr., Esq.
Direct dial: 401-276-2639
Email: epare@brownrudnick.com

121
South Main
Street
Providence
Rhode Island
02903
tel 401.276.2600
fax 401.276.2601

March 23, 2007

Ms. Mary L. Jurta
Director of Consumer Credit
New Hampshire Banking Department, Consumer Credit Division
64B Old Suncook Road
Concord NH 03301-7317

RE: Homeland Funding Solutions, Inc.

Dear Ms. Jurta:

This letter is to notify the New Hampshire Banking Department, Consumer Credit Division (the "Division") that sometime over the weekend of March 17, 2007, the main office of Homeland Funding Solutions, Inc. ("Homeland"), a mortgage broker licensed by the Division to do business in the State of New Hampshire, located at 75 Sockanossett Crossroad, Cranston, RI 02920 was broken into and two (2) laptop and thirteen (13) desktop computers were stolen by unknown parties. Upon discovery of the break-in, the theft was immediately reported to the Cranston Police Department. Fortunately, Homeland's server was not stolen, so the personal information contained on the hard drives of the stolen computers was limited.

However, some customer loan files which are sent to Homeland's lenders via e-mail may reside on the hard drives of the stolen computers. These files may contain personal information. Additionally, personal information of employees may have been stored by Homeland employees during their use of these computers. Homeland's information technology security measures with respect to this customer information include a requirement that two passwords must be used to gain access to these files containing the personal information. First, a password to access the computer must be correctly entered and then a password to access the e-mail account of the Homeland employee must also be correctly entered. In light of Homeland's retention of its server, Homeland believes the personal information is reasonably protected.

Homeland is in the process of providing notice to all of its employees, lenders, and affected customers notifying them of the theft and the potential risk of identity theft due to the security breach. Enclosed please find a copy of the form of notice sent to those potentially affected by the theft. Additionally, Homeland has installed a new physical security system at its main office and has further increased security over its server. Likewise, Homeland has instituted a policy whereby



March 23, 2007

Page 2

all personal information of customers will only be stored on the server to avoid a similar occurrence in the future.

Homeland believes that it has promptly taken all necessary and reasonable actions in light of the theft of the computers. Homeland would be happy to provide any additional information or respond to any questions you may have.

Very truly yours,

BROWN RUDNICK BERLACK ISRAELS LLP

By: _____

Edward D. Pare, Jr.

EDP/dmj

Enc.

cc: New Hampshire Department of Justice(w/ enclosures) ✓

1486760 v2 - BROOKSJL - 024911/0001

HOMELAND FUNDING SOLUTIONS, INC. LETTERHEAD – MA & NH

EMPLOYEES, LENDERS AND CUSTOMERS

RE: NOTIFICATION OF POTENTIAL BREACH

Dear _____:

As a valued customer/employee/lender, we are writing to inform you that sometime over the weekend of March 17, 2007, the main office of Homeland Funding Solutions, Inc. located at 75 Sockanosset Crossroad, Cranston, RI 02920 was broken into and a number of computers were stolen by unknown parties. Upon discovery of the break-in, the theft of these computers was reported to the Cranston Police Department. Fortunately, Homeland's server was not affected so we believe the personal information contained on the hard drives of the stolen computers was limited.

However, some customer loan files which are typically sent to Homeland's lenders via e-mail may reside on the hard drives of the stolen computers. These loan files may contain personal information. Additionally, personal information of employees may have been stored by Homeland employees. Homeland's information technology security measures with respect to this customer information include a requirement that two passwords must be used to gain access to these files containing the personal information. First, a password to access the computer must be correctly entered and then a password to access the e-mail account of the Homeland employee must also be correctly entered. In light of Homeland's retention of its server, Homeland believes the personal information is reasonably protected but in the interest of protecting your personal information to avoid identity theft, Homeland is notifying you of this security breach.

If you have any questions please do not hesitate to contact us at 401 228-6600.

Sincerely,

Norman Zolkos
President