



UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580

Bureau of Consumer Protection

February 15, 2001

BY FACSIMILE AND MAIL

Thomas J. Noto, Esq.
Kirkpatrick & Lockhart LLP
1800 Massachusetts Avenue, N.W.
Washington, D.C. 20036-1800

Re: Ameriquist Mortgage Company

Dear Mr. Noto:

As you know, Federal Trade Commission staff conducted an investigation of your client, Ameriquist Mortgage Company ("Ameriquist"). The purpose of the investigation was to determine whether, in connection with its lending practices, Ameriquist engaged in violations of law, including Section 5 of the Federal Trade Commission Act, 15 U.S.C. § 45 et seq., and the Truth-in-Lending Act ("TILA"), 15 U.S.C. § 1601 et seq.

Staff has determined to close the investigation at this time. This action is not to be construed as a determination that a violation may not have occurred, just as the pendency of an investigation should not be construed as a determination that a violation has occurred. The Commission reserves the right to take such further action as the public interest may require.

Staff notes that Ameriquist has committed to make a number of enhancements to its lending policies and practices. In July 2000, Ameriquist publicly announced the adoption of its "Best Practices," which became effective November 1, 2000. As part of these "Best Practices," Ameriquist committed to, among other things:

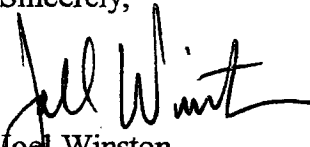
1. provide disclosures that educate borrowers about the loan process, the terms of their loans, and the availability of credit counseling;
2. not refinance an Ameriquist mortgage loan within 24 months of its origination;
3. not offer loans with balloon payments, negative amortization, or mandatory arbitration clauses;
4. not finance single-premium credit life insurance; and

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5. extend to borrowers refinancing their owner-occupied mortgage secured loan rescission rights from 3 business days after the loan is consummated (as provided for in TILA) to 7 days.

We encourage Ameriquest's continued efforts to enhance its lending practices for the benefit of consumers.

Sincerely,



Handwritten signature of Joel Winston in black ink, appearing as 'Joel Winston' with a stylized flourish.

Joel Winston
Acting Associate Director
Division of Financial Practices