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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

June 8, 2004

**Corporate Decision #2004-11  
July 2004**

Mr. Michael J. Blayney  
Jenkins & Gilchrist, P.C.  
1445 Ross Avenue, Suite 3200  
Dallas, Texas 75202

Re: The application filed by Laredo National Bank, Laredo, Texas to establish RateStar, Inc., as a second-tier operating subsidiary of Homeowners Loan Corporation, a wholly owned operating subsidiary.  
Application Control Number: 2004-SO-08-0004  
Charter Number: 5001

Dear Mr. Blayney:

This letter is to inform you that the Office of the Comptroller of the Currency (OCC) has approved the application you filed on behalf of Laredo National Bank (LNB), Laredo, Texas to establish RateStar, Inc. (RateStar) as a second-tier operating subsidiary of Homeowners Loan Corporation (HLC), a wholly owned operating subsidiary. RateStar will engage in the origination of consumer loans secured by first and second mortgage liens encumbering residential property and the sale of such loans on the secondary market.

This approval is based on a thorough review of all information available, including representation and commitments made in the application and the bank's representatives. Specifically, LNB has represented to the OCC that: 1) RateStar's business plan will not include the offering of sub prime loan products; and, 2) LNB will notify its OCC supervisory office and receive the OCC's written non-objection prior to changing RateStar's business plan to offer products aimed at sub prime borrowers.

This approval, and the activities and communications by OCC employees in connection with this filing, do not constitute a contract, express or implied, or any other obligation binding upon the OCC, the U. S., any agency or entity of the U. S., or any officer or employee of the U. S., and do not affect the ability of the OCC to exercise its supervisory, regulatory, and examination authorities under applicable law and regulations. The foregoing may not be waived or modified by any employee or agent of the OCC or the U. S.

Michael J. Blayney  
Laredo National Bank  
June 08, 2004  
Page 2

If you have any questions, please contact NBE/Senior Licensing Analyst Brenda McNeese at (214) 720-7052. A separate letter is enclosed requesting your feedback on how we handled your application. We would appreciate your response so we may improve our service.

Sincerely,

*/s/ Alfred A. Phillips*

Alfred A. Phillips  
Senior Licensing Analyst