



SECRETARY OF STATE
STATE OF INDIANA
SECURITIES DIVISION

Todd Rokita
Secretary of State

O. Wayne Davis
Securities Commissioner

February 8, 2006

Southwest Funding, LP
8848 Greenville Ave
Dallas, TX 75243

Re: Request for a ruling on jurisdiction under Indiana Code 23-2-5

Dear Sir or Madam:

On February 02, 2006, Southwest Funding, LP requested a ruling regarding the jurisdiction of the Indiana Securities Commissioner, pursuant to the Indiana Loan Broker Act, Indiana Code 23-2-5 and based on the classifications set forth in section 19(a) of that Act. Indiana Code 23-2-5-19 (d) states that "(t)he burden of proof of any exemption or classification provided in this chapter is on the party claiming the exemption or classification."

Indiana Code 23-2-5 does not specifically authorize the Securities Commissioner to issue opinions interpreting the Loan Broker Act. This response, therefore, only expresses the Commissioner's current position on enforcement action, and does not express any legal conclusion on the question presented.

On the basis of the information Southwest Funding, LP presented in its February 02, 2006 letter requesting a ruling, the Commissioner will not institute an enforcement action against Southwest Funding, LP if Southwest Funding, LP transacts business as a loan broker within Indiana without first being licensed under Indiana Code 23-2-5. According to the information the Division received, Southwest Funding, LP is authorized to act as a correspondent of loans insured by the United States Department of Housing and Urban Development.

Based on this information, enforcement action against Southwest Funding, LP is not appropriate at this time. Because this position is based on the representations and information Southwest Funding, LP provided to the Commissioner, you should note that the Commissioner's position may change if he discovers any different facts or conditions relevant to the above determination.

Sincerely,

Andrea Sweet
Compliance Officer