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Honorable Andrew M. Cuomo
New York State Attorney General
120 Broadway
New York, NY 10271-0332

Dear Honorable Andrew M. Cuomo:

I am a partner at Menicucci Villa & Associates, PLLC, a New York law firm, primarily engaged in the practice of banking law and real estate law. As the banking industry has shifted from mortgage lending to mortgage work-outs; so has our practice. In recent months, we have been actively engaged in loan modification work-outs for homeowners caught up in the sub-prime lending surge of the last few years. It is in this context that I am compelled to bring to your attention practices occurring within the legal and banking profession which I believe are unlawful.

Many hours of negotiating with lenders' loss mitigation personnel are necessary in order to incorporate practical terms, conditions, and obligation of the homeowner into a new legal agreement: "the modified loan". Each new agreement is specifically tailored to fit the current financial condition and hardship of the homeowner.

Alarmingly, however, many homeowners have consulted with our office because they have defaulted on their loan modification agreement negotiated by loan modification consultants. These consultants are not licensed attorneys, yet counseling the homeowners on the loan documents. I am sure you are aware of the recent reports of the Office of the Comptroller of the Currency and Office of Thrift Supervisors indicating that half of homeowners have defaulted on their loan modifications within six months of the modification agreement. It comes to me as no surprise the reason why this is occurring.

Loan modification consultants have saturated the internet and newspapers selling "rescue plan" modifications, and soliciting homeowners in distress. A loan modification agreement is effectively no different than a mortgage document and the legal ramifications should only be reviewed with homeowners by a licensed attorney. Moreover, homeowners are being encouraged

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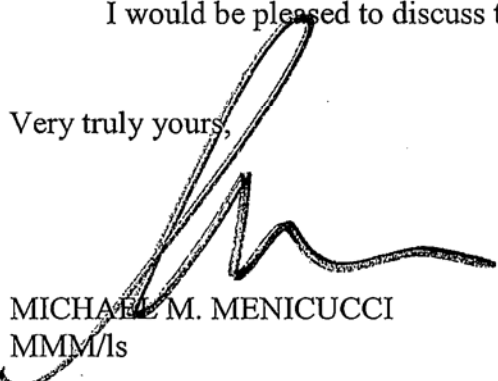
to sign these documents by consultants without the opinion or guidance of legal counsel. It is also well reported that many of the homeowners that are in default of their mortgages today, (and now seeking modification of those loans), did not have the benefit of counsel at the time of their original loan closing. These are many of the very same homeowners now asserting a misunderstanding of their original loan terms. We need to ensure that we do not allow a repeat of the missteps of the past.

It seems evident the distressed homeowner our government is now seeking to assist, through many wide-spread programs, is again becoming the target of entities seeking solely to capitalize on the homeowners hardship without any fiduciary responsibility.

I respectfully request that the Office of the Attorney General investigate this matter further, as it is the opinion of many of my colleagues, and myself, that mitigation consultants are essentially engaging in the unauthorized practice of law to the detriment of the homeowner, the taxpayer, and the banking industry.

I would be pleased to discuss this matter with you, and offer my assistance to your office.

Very truly yours,



MICHAEL M. MENICUCCI
MMM/lr

cc: NYS Banking Department
Richard H. Neiman, Superintendent of Banks

NYS Bar Association
Richard Rifkin, Esq.
Committee on Unlawful Practice