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JUL 27 2026
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COMMISSIONERS OFFICE

COMMONWEALTH OF KENTUCKY
PUBLIC PROTECTION CABIENT
DEPARTMENT OF FINACIAL INSTITUTIONS
AGENCY CASE NO. 2026-DFI-068

DEPARTMENT OF FINANCIAL INSTITUTIONS COMPLAINANT

V.

HOMESTEAD MORTGAGE, LLC RESPONDENT

AGREEED ORDER

****

PARTIES

1. The Kentucky Department of Financial Institutions ("the Department") is responsible for administering the provisions of KRS Chapter 286, subtitle 8, of the Kentucky Financial Services Code ("the Code"), as well as any applicable rules, regulations, and orders entered pursuant to the Code.

2. Respondent is licensed as a mortgage broker in the Commonwealth of Kentucky with a principal office address of 1901 Elizabethtown Road, Leitchfield, KY 42754. The registered agent address on file in Kentucky is Darren L. Embry at 62 Public Square, Leitchfield, Kentucky 42754. Respondent's Kentucky license number is MB852497 with an NMLS number of 2573354.

STATEMENT OF FACTS

3. An examination was initiated on February 13, 2026 with an email to Carter Harrell ("Harrell") at carter.harrell.sm5c@statefarm.com with items requested for the examination due on February 27, 2026. These items were not provided.

4. The examiner assigned reached Harrell on March 13, 2026, and they agreed to an on-site exam to be held on April 8, 2026. No exam items were provided by Harrell prior to April 8, 2026.

5. On April 8, 2026, the examiner appeared on site and was informed that Harrell was not available. Harrell stated by phone that he had mixed up the dates.

6. An off-site exam was agreed to and the examiner sent a link for the uploading of certain exam items on April 14, 2026. A follow up email to confirm receipt of the link was received was sent that same day. No response was received.

7. An additional email was sent by the examiner to Harrell on April 17, 2026, to Harrell's listed email address. There was no response.

8. The examiner left messages via telephone on April 28, 2026, May 4, 2026, and May 13, 2026. There were no responses to these messages.

9. ON May 14, 2026, a letter was sent to Harrell requesting that he comply with the Department's exam request by May 25, 2026. There was no response.

10. An emergency order suspending the license of Respondent was entered on June 9, 2026.

11. A request for an emergency hearing was timely made and placed in abeyance.

12. Respondent also failed to make a timely filing of their Mortgage Call Report for the first quarter of 2026.

13. Respondent had a prior penalty for failure to timely file a Mortgage Call Report and was informed that such reports are due even if activity reported is zero.

STATUTORY AUTHORITY

14. KRS 286.8-048(1) permits the issuance of an emergency order of suspension stating:

> The commissioner may enter an emergency order suspending, limiting, or restricting the license, claim of exemption, or registration of any mortgage loan broker, mortgage loan company, or mortgage loan originator without notice or hearing if it appears upon grounds satisfactory to the commissioner that the mortgage loan broker, mortgage loan company, or mortgage loan originator has engaged or is engaging in unsafe, unsound, and illegal practices that pose an imminent threat to the public interest.

15. KRS 286.8-048(2) sets that grounds are sufficient if:

> One (1) or more of the following circumstances shall be considered sufficient grounds for an emergency order under this section if it appears on grounds satisfactory to the commissioner that:
>
> (a) The mortgage loan broker, mortgage loan company, or mortgage loan originator does not meet or has failed to comply with more than one (1) of the requirements of this subtitle and the violations appear to be willful;
> (b) The mortgage loan broker or mortgage loan company is in such financial condition that it cannot continue in business with safety to its customers;
> (c) The mortgage loan broker, mortgage loan company, or mortgage loan originator has been indicted, charged with, or found guilty of any act involving fraud, deception, theft, or breach of trust, or is the subject of an administrative cease-and-desist order or similar order, or of a permanent or temporary injunction currently in effect entered by any court or agency of competent jurisdiction;
> (d) The mortgage loan broker, mortgage loan company, or mortgage loan originator has made any misrepresentations or false statements to, or concealed any essential or material fact from, any person in the course of doing business in the mortgage lending process, or has engaged in any course of business that has worked or tended to work a fraud or deceit upon any person or would so operate;
> (e) The mortgage loan broker, mortgage loan company, or mortgage loan originator has made or caused to be made to the commissioner any false representation of material fact, has refused to permit an examination, or has refused or failed, within a reasonable time, to furnish any information or make any report that may have been requested or required by the commissioner;
> (f) The mortgage loan broker, mortgage loan company, or mortgage loan originator has had any license, registration, or claim of exemption related to the financial services industry denied, suspended, or revoked under the laws of this state or any other state of the United States, or has surrendered or terminated any license, registration, or claim of exemption issued by this state or any other jurisdiction under threat of administrative action; or
> (g) The surety bond required under KRS 286.8-060 has terminated, expired, or no longer remains in effect.

16. KRS 286.8-090(1)(j) states:

> (1) The commissioner may suspend; revoke; place on probation; condition; refuse to issue or renew a license, registration, or exemption; or accept surrender of a license, registration, or exemption in lieu of revocation or suspension; or issue a cease and desist order if the commissioner finds that the person, applicant, licensee, or registrant:
>
> (j) Has refused to permit an examination or investigation by the commissioner of his books and affairs or has refused or failed, within a reasonable time, to furnish any information or make any report that may be required by the commissioner under the provisions of this subtitle;

17. KRS 286.8-220(2)(h-i) state:

> (2) No person shall, in connection with a transaction involving the mortgage lending process, or in connection with the operation of a mortgage loan business or the management or servicing of mortgage loans, directly or indirectly:
>
> (h) Fail to make disclosures as required by this subtitle or any other applicable state or federal law, including regulations thereunder; or
>
> (i) Fail to comply with state or federal laws, including the rules and regulations thereunder, that are applicable to transacting business in Kentucky.

18. 12 U.S.C. § 1008.111(f) states in relevant part,

> The supervisory authority must require a loan originator to ensure that all residential mortgage loans that close as a result of the loan originator engaging in activities described in §1008.103(b)(1) are included in reports of condition submitted to the NMLSR. Such reports of condition shall be in such form, shall contain such information, and shall be submitted with such frequency and by such dates as the NMLSR may reasonably require.

VIOLATIONS

19. In contravention of KRS 286.8-090(1)(j) Respondent Homestead Mortgage, LLC refused to permit an examination or investigation by the commissioner of his books and affairs or has refused or failed, within a reasonable time, to furnish any information or make any report that may be required by the commissioner.

20. In contravention of KRS 286.8-220(2)(h-i) Respondent failed to make the required Mortgage Call Report disclosures mandated by 12 U.S.C. § 1008.111(f).

AGREEMENT AND ORDER

21. To resolve these matters without litigation or other adversarial proceedings, the Department and Homestead Mortgage, LLC, agree to compromise and settle all claims arising from the above-referenced factual background in accordance with the terms set forth herein.

22. In the interest of economically and efficiently resolving the violations described herein it is hereby **AGREED** and **ORDERED:**

i. Homestead Mortgage, LLC will pay a civil fine in the amount of one thousand dollars ($1,000.00) for the violations described herein, which shall be due and payable within thirty (30) days of the entry of this Order;

ii. All payments under this Order shall be in the form of a payment made via the NMLS system;

iii. Homestead Mortgage, LLC will execute the compliance plan attached to this order as Appendix 1;

iv. Homestead Mortgage, LLC will be recontacted by an examiner and shall complete all requested examination items and mark N/A or zero or (0) as appropriate and provide any other applicable or requested items;

v. Homestead Mortgage, LLC will file any Mortgage Call Reports or other reports which are outstanding at the time of this Order and shall timely file such reports in the future even if they have no closed mortgage business to report;

vi. Homestead Mortgage, LLC waives the right to demand a hearing at which it would be entitled to legal representation, to confront and cross-examine witnesses, and to present evidence on its behalf, or to otherwise appeal or set aside this Agreed Order;

vii. Homestead Mortgage, LLC consents to and acknowledges the jurisdiction of the Department over this matter and that this Agreed Order is a matter of public record and may be disseminated as such;

viii. In consideration of execution of this Agreed Order, Homestead Mortgage, LLC for itself, and for its successors and assigns, hereby releases and forever discharges the Commonwealth of Kentucky, the Department, the Office of Legal Services, and each of their members, agents, and employees in their individual capacities, from any and all manner of actions, causes of action, suits, debts, judgments, executions, claims and demands whatsoever, known and unknown, in law or equity, that Homestead Mortgage, LLC ever had, now has, may have or clam to have against any or all of the persons or entities named in this paragraph arising out of or by reason of this investigation, this disciplinary action, this settlement or its administration;

ix. By signing below, the parties acknowledge they have read the foregoing Agreed Order, fully understand its contents, and that they are authorized to enter into and execute this Agreed Order and legally bind their respective parties; and

x. This Agreed Order shall constitute the Final Order in this matter.

SO ORDERED on this the 22nd day of July 2026.

Marni Rock Gibson

MARNI ROCK GIBSON
COMMISSIONER

Consented to:

On behalf of the Department of Financial Institutions,

This 22nd day of July, 2026.

Jessica Sullivan for

Director, Division of Non-Depository Institutions
Department of Financial Institutions

and

On behalf of Homestead Mortgage, LLC

This 17 day of July, 2026.

Carter D Howell, Jr. member

Homestead Mortgage, LLC

ACKNOWLEDGEMENT

STATE OF Kentucky)
)
COUNTY OF Grayson)

On this the 17th day of July, 2026, Carter D Howell, in my presence, acknowledged **him/her self** to be the authorized representative of Homestead Mortgage, LLC, and, being authorized to do so, did enter into and execute the foregoing instrument, on behalf of Homestead Mortgage, LLC., for the purposes therein contained, acknowledging the same.

My Commission Expires: 9/11/27

Notary Public

CERTIFICATE OF SERVICE

I certify that a true and correct copy of the foregoing Agreed Order was sent on this the 27th day of July, 2026, by the method indicated below to the following:

Via electronic delivery:

Darren L. Embry
Embry Merritt Womack Nance, PLLC
62 Public Square
Leitchfield, KY 42754
Darren.embry@emwnlaw.com
(counsel for Respondent)

Eric Richardson, Staff Attorney III
DEPARTMENT OF FINANCIAL INSTITUTIONS
500 Mero Street
Frankfort, KY 40601
eric.richardson@ky.gov
Counsel for Department of Financial Institutions

Kentucky Department of Financial Institutions
Name: [signature]
Title: Executive Staff Advisor

APPENDIX 1

COMPLIANCE PLAN

The respondent Homestead Mortgage, LLC shall comply with each of the requirements set forth below:

1. Homestead Mortgage, LLC, shall file all Mortgage Call Reports on or before their due dates. These reports will be filed even if they show no mortgage business activity. These reports are due quarterly within 45 days of the end of the calendar quarter. As an example, the remaining MCR due dates for 2026 are set forth below:

Q2: covering 4/1/26-6/30/26 due 8/14/26

Q3: covering 7/1/26-9/30/26 due 11/14/26

Q4: covering 10/1/26-12/31/26 due 2/14/27

2. Homestead Mortgage, LLC, shall file an annual financial statement within 90 days of the end of the fiscal year. This report must be filed even if all number values are zero.

3. Homestead Mortgage, LLC, shall pay its annual assessment no later than November 30, 2026, and shall pay such assessment timely for each subsequent year.

4. Homestead Mortgage, LLC, shall, for so long as it wishes to be eligible to conduct business in the Commonwealth of Kentucky or is actually conducting business in the Commonwealth of Kentucky, file its annual renewal between November 1 and December 31 of each year.

5. Homestead Mortgage, LLC, shall ensure that all information as shown in the NMLS is accurate and up to date and shall make known to the Department of Financial Institutions any changes to this information in a reasonable time or as set by statute or regulation.

6. Homestead Mortgage, LLC, shall stay in compliance with any other requirement of state or federal law including but not necessarily limited to ensuring that persons acting by, through, under, in affiliation with, or otherwise similarly situated with Homestead Mortgage, LLC shall have met in continuing education requirements, have accurate and up to date criminal background checks and credit reports, and no outstanding overdue invoices.

7. Homestead Mortgage, LLC, shall comply in a timely manner with all future exam requests.

This compliance plan has been read, understood, and agreed to:

On behalf of Homestead Mortgage, LLC

This 17th day of July, 2026.

Member

Homestead Mortgage, LLC