

COMMONWEALTH OF KENTUCKY PUBLIC PROTECTION CABINET DEPARTMENT OF FINANCIAL INSTITUTIONS AGENCY CASE NO. 2009-AH-014

IN THE MATTER OF: FRANKLIN AMERICAN MORTGAGE COMPANY

AGREED ORDER

BACKGROUND AND FACTUAL FINDINGS

- 1. The Department of Financial Institutions ("DFI") is responsible for regulating and licensing mortgage loan companies and mortgage loan brokers doing business in Kentucky in accordance with the provisions of KRS Chapter 286.8, the Mortgage Loan Company and Mortgage Loan Broker Act.
- 2. Franklin American Mortgage Company is currently authorized to do business as a mortgage loan broker or mortgage loan company pursuant to a KRS 286.8-020(3) claim of exemption at 501 Corporate Centre Drive, Suite 400, Franklin, Tennessee 37067.
- 3. On January 29, 2009, Franklin American Mortgage Company submitted its 2008 FHA loan report pursuant to KRS 286.8-020(4). Pursuant to a review of that report, it was discovered that Franklin American Mortgage Company utilized an unregistered loan originator to originate at least one loan in Kentucky in violation of KRS 286.8-030 and KRS 286.8-090.

AGREEMENT AND ORDER

The Department of Financial Institutions and Franklin American Mortgage Company in the interest of economically and efficiently resolving the violations set forth in the foregoing Background and Factual Findings, agree as follows:

- 1. Franklin American Mortgage Company agrees to and shall pay a fine in the amount of two thousand five hundred dollars (\$2,500) prior to the execution of this Order, which shall be in the form of a certified check or money order made payable to "Kentucky State Treasurer" and mailed to the Department of Financial Institutions, Attn: Jessica Sharpe, 1025 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601.
- 2. Franklin American Mortgage Company shall devote the time and resources necessary to ensure continual and full compliance with all statutory requirements set forth in KRS Chapter 286.8 and the regulations set forth in 808 KAR Chapter 12.
- 3. In regard to this matter, Franklin American Mortgage Company, waives its right to demand a hearing, at which Franklin American Mortgage Company, would be entitled to legal representation, to confront and cross examine witnesses for the Department of Financial Institutions, and to present evidence on its own behalf, or to otherwise appeal or set aside this Order. Further, Franklin American Mortgage Company consents to and acknowledges the jurisdiction of the Department of Financial Institutions over this matter and that this Agreement is a matter of public record and may be disseminated as such.

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

IT IS SO ORDERED on this the 2 day of March, 2009.

Charles A. Vice, Commissioner
Department of Financial Institutions

Agreed to:

This 31^{3+} day of March, 2009.

Kathy Stewart, Director

Division of Financial Institutions
Department of Financial Institutions

This day of March, 2009.

Scott J. Tansil, CFO/Secretary Franklin American Mortgage Co.

STATEMENT OF AUTHORIZATION

I, Scott J. Tansil, state on behalf of Franklin American Mortgage Company, that I have read the foregoing Agreed Order; that I know and fully understand its contents; that I am a officer authorized to enter into and execute this Agreed Order on behalf of Franklin American Mortgage Company, that Franklin American Mortgage Company, agrees freely and without threat of coercion of any kind to comply with the terms and conditions stated herein; and that Franklin American Mortgage Company, voluntarily agrees to enter into this Agreed Order, expressly waiving any right to a hearing on the matters described herein.

By:

Scott J. Tansil, CFQ/Secretary Franklin American Mortgage Co.

On this the Uthan day of March, 2009, before me undersigned officer, Scott J. Tansil, did personally appear and acknowledge himself to be an officer of Franklin American Mortgage Company, and that he, being authorized to do so, entered into and executed the foregoing instrument for the purposes therein contained.

In witness whereof I hereunto set my hand.

Notary Public Date Commission Expires: 3/11/2012

Certificate of Service

I hereby certify that a copy of the foregoing Agreed Order was sent on this the day of ________, 2009 by certified mail, return receipt requested, to the following:

Franklin American Mortgage Co. ATTN: Nikki Waits 501 Corporate Centre Drive, Suite 400 Franklin, Tennessee 37067

Maria A. Marry

Department of Financial Institutions 1025 Capital Center Drive Frankfort, Kentucky 40601

(502) 573-3390