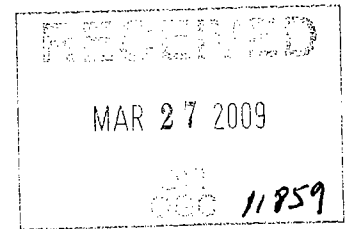


COMMONWEALTH OF KENTUCKY
PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS
AGENCY CASE NO. 2009-AH-014



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:

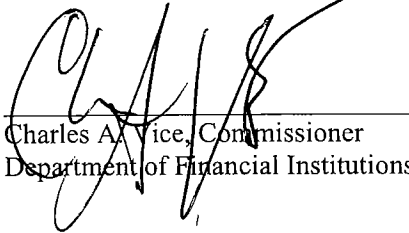
1. Franklin American Mortgage Company agrees to and shall pay a fine in the amount of two thousand five hundred dollars (\$2,500) prior to the execution of this Order, which shall be in the form of a certified check or money order made payable to "Kentucky State Treasurer" and mailed to the Department 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.

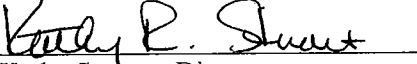
IT IS SO ORDERED on this the 26th day of March, 2009.



Charles A. Vice, Commissioner
Department of Financial Institutions

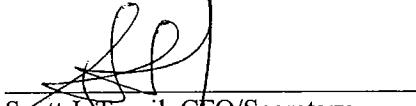
Agreed to:

This 31st day of March, 2009.



Kathy Stewart, Director
Division of Financial Institutions
Department of Financial Institutions

This 26th day of March, 2009.

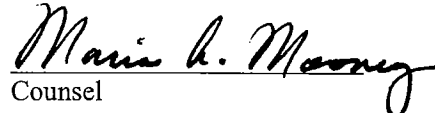


Scott J. Vansil, CFO/Secretary
Franklin American Mortgage Co.

Certificate of Service

I hereby certify that a copy of the foregoing **Agreed Order** was sent on this the 8th day of April, 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


Counsel
Department of Financial Institutions
1025 Capital Center Drive
Frankfort, Kentucky 40601
(502) 573-3390