

**COMMONWEALTH OF KENTUCKY
ENVIRONMENTAL AND PUBLIC PROTECTION CABINET
OFFICE OF FINANCIAL INSTITUTIONS
AGENCY CASE NO. 2007-AH-904**

IN THE MATTER OF:
HOMELAND FINANCIAL GROUP, INC.
d/b/a iMORTGAGE

SETTLEMENT AGREEMENT

BACKGROUND AND FACTUAL FINDINGS

1. Homeland Financial Group, Inc., d/b/a iMortgage (“Homeland Financial Group”) is licensed with the Office of Financial Institutions (“OFI”) as a mortgage broker. Homeland Financial Group is located at 1301 U.S. 31 W. Bypass, Bowling Green, Kentucky 42101.

2. On May 30, 2007, an examination was conducted into the condition, workings and affairs of this location in order to determine whether: (1) it was in compliance with applicable laws and regulations; (2) its practices and policies had an adverse impact on prospective borrowers; and (3) it was being operated efficiently, fairly, and in the public interest.

3. In the course of that examination it was discovered that Homeland Financial Group, Inc. violated Chapter 286.8 of the Kentucky Revised Statutes by employing four unregistered loan originators.

AGREEMENT AND ORDER

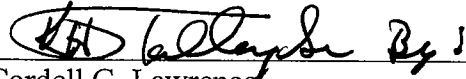
The Office of Financial Institutions and Homeland Financial Group, Inc., in the interest of economically and efficiently resolving the issues raised in the foregoing Background and Factual Findings, agree as follows:

1. In lieu of the imposition of a fine for the violations set forth herein, the parties hereby agree that Homeland Financial Group, Inc. shall make and tender (on or before the date of execution of this Settlement Agreement) a voluntary monetary contribution to State Regulatory Agency, LLC, in the amount equal to one thousand dollars (\$1,000) to support the Nationwide Mortgage Licensing System, jointly sponsored by the Conference of State Bank Supervisors and the American Association of Residential Mortgage Regulators, with said contribution being delivered to Bill Matthews, Nationwide Mortgage Licensing System, 1155 Connecticut Ave. NW, Fifth Floor, Washington, D.C. 20036-4306, with a copy of the contribution check being delivered on or before the date of execution of this Settlement Agreement to the Kentucky Office of Financial Institutions, Attn: Jessica Sharpe, 1025 Capital Center Drive, Suite 200, Frankfort, Kentucky 406012. Additional monetary contributions shall be made for three consecutive months thereafter, but in no event later than December 29, 2007, January 29, 2008, and February 29, 2008, respectively, by Homeland Financial Group, Inc. to State Regulatory Agency, LLC in the amount of one thousand dollars (\$1,000) each to support the Nationwide Mortgage Licensing System, with said contributions being mailed or hand-delivered as set forth herein with a copy of the contribution check being delivered as set forth above, for a total contribution of four thousand dollars (\$4,000).

2. In regard to this matter, Homeland Financial Group, Inc. waives its right to demand a hearing, at which Homeland Financial Group, Inc. would be entitled to legal representation, to confront and cross examine witnesses for the Office of Financial Institutions, and to present evidence on its own behalf. Further, Homeland Financial

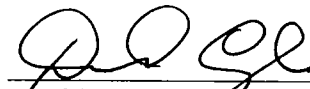
Group, Inc. consents to and acknowledges the jurisdiction of the Office of Financial Institutions over this matter and that this Agreement is a matter of public record and may be disseminated as such.

IT IS SO ORDERED on this the ~~14th~~^{26th} day of December, 2007.

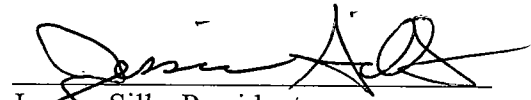

Cordell G. Lawrence
Executive Director

Consented to:

This 20th day of December, 2007


David Coyle, Director
Division of Financial Institutions
Office of Financial Institutions

This 14th day of Dec -, 2007


Jessica Sills, President
Homeland Financial Group, Inc.