

COMMONWEALTH OF KENTUCKY  
PUBLIC PROTECTION CABINET  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
AGENCY CASE NO. 2024-AH-0019



DEPARTMENT OF FINANCIAL INSTITUTIONS

COMPLAINANT

v.

MORTGAGETREE LENDING OF INDIANA LLC

RESPONDENT

**EMERGENCY ORDER OF SUSPENSION**

\* \* \* \* \*

Comes now the Commonwealth of Kentucky, by and through the Commissioner of the Department of Financial Institutions (“DFI”), and hereby enters this Emergency Order, pursuant to KRS Chapter 286.8, immediately suspending the mortgage loan broker license of the Respondent, MortgageTree Lending of Indiana LLC (“Respondent”):

**PARTIES**

1. DFI is responsible for regulating and licensing mortgage loan companies in accordance with the provisions of KRS Chapter 286.8.

2. Respondent is licensed as a mortgage loan broker in the Commonwealth of Kentucky with an office at 470 N. Indiana Avenue, Sellersburg, Indiana 47172. Respondent’s Company ID is Kentucky License No. MB307804 and NMLS No. 122234.

**STATEMENT OF FACTS**

3. On May 9, 2024, DFI sent an examination announcement letter to Ryan Chanley, president of Respondent, via email. This announcement letter listed all items required for the examination and the deadline for submission to DFI. The examination items were due to be submitted on May 23, 2024.

4. Respondent replied to DFI's examination announcement via email on May 30, 2024, indicating he was working on gathering documents in response to the requests. DFI responded to this email on the same day, reiterating that the requested items were due on June 7, 2024.

5. Respondent did not provide the items requested by the June 7, 2024, deadline and DFI sent another email to Respondent on June 12, 2024, requesting these items.

6. Respondent contacted DFI by phone on May 9, 2024, and on June 12, 2024. Respondent indicated in both phone calls that he was in the process of collecting the necessary items for the examination.

7. Respondent did not submit the requested items to DFI.

8. On July 8, 2024, DFI sent another letter to Respondent requesting the submission of examination items and provided a final deadline of July 22, 2024.

9. Respondent did not respond further to DFI and has not provided any of the requested items for examination.

#### **STATUTORY AUTHORITY**

10. KRS Chapter 286.8 requires that every licensee make their records available for examination by the Commissioner. Specifically, KRS 286.8-170(4) states: "The affairs of every mortgage loan company, mortgage loan broker, and mortgage loan originator, and the records required to be maintained by KRS 286.8-160, shall be subject at any time or from time to time to such periodic, special, or other examinations by the commissioner or an examiner of the commissioner within or without this state and with or without notice to the person being examined, as the commissioner deems necessary or appropriate in the public interest. All records of the person being examined shall be subject to the commissioner's inspection."

11. KRS 286.8-090(1) states, in part, “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.”

12. The Commissioner may enter an emergency order suspending the license of any mortgage loan company without notice or hearing if it appears on grounds satisfactory to the commissioner that the company has engaged in or is engaging in unsafe, unsound, and illegal practices that pose an imminent threat to the public interest. KRS 286.8-048(1).

13. Sufficient grounds for the Commissioner to issue an emergency order under KRS 286.8-048(1) include circumstances in which the licensee “...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.” KRS 286.8-048(2)(e).

#### CONCLUSIONS OF LAW

14. Respondent has failed to make their records available for examination by the Commissioner as required by KRS 286.8-170(4). This is grounds for suspension and issuance of a cease-and-desist order pursuant to KRS 286.8-090(1).

15. Respondent has refused or failed to furnish in a reasonable time items requested for examination by the Commissioner. This constitutes unsafe, unsound, and illegal practices that pose an imminent threat to the public interest and is grounds for emergency action pursuant to KRS 286.8-048(1) and KRS 286.8-048(2)(e).

**ORDER**

Based on the foregoing Findings of Fact, Statutory Authority, and Conclusions of Law, the Commissioner hereby **ORDERS** as follows:

1. The mortgage broker license of Respondent, MortgageTree Lending of Indiana LLC, is **SUSPENDED** and shall remain suspended until this Order is rescinded by subsequent Order.
2. Respondent, MortgageTree Lending of Indiana LLC, shall **CEASE AND DESIST** from engaging in the mortgage loan process in Kentucky and shall **CEASE AND DESIST** from acting as a mortgage loan broker in Kentucky.

**HEARING RIGHTS**

You are hereby notified that you have the right to request an emergency hearing on this matter, in writing, within twenty (20) days of the entry of this Order. If requested, an administrative hearing shall be held pursuant to the provisions of KRS 13B. Please submit any request for hearing to Elizabeth Borders, Staff Attorney, Kentucky Department of Financial Institutions, 500 Mero Street 2SW19, Frankfort, Kentucky 40601.

IT IS SO ORDERED on this the 20th day of August, 2024.

*/s/ Marni Rock Gibson*  
\_\_\_\_\_  
Marni R. Gibson  
Commissioner  
Department of Financial Institutions  
500 Mero Street 2SW19  
Frankfort, KY 40601

**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing **Order of Emergency Suspension** was served by certified mail, return receipt requested, on this the 20<sup>th</sup> day of August, 2024 to:

Ryan Chanley, President  
MortgageTree Lending of Indiana LLC  
470 N. Indiana Avenue  
Sellersburg, Indiana 47172

Hand delivered to:

Elizabeth Borders  
Staff Attorney  
Department of Financial Institutions  
500 Mero Street 2SW19  
Frankfort, Kentucky 40601



\_\_\_\_\_  
Allison Reed  
Department of Financial Institutions