

**COMMONWEALTH OF KENTUCKY
ENVIRONMENTAL AND PUBLIC PROTECTION CABINET
OFFICE OF FINANCIAL INSTITUTIONS
AGENCY CASE NO. 2008-AH-001**

IN THE MATTER OF:
NATIONSTAR MORTGAGE, LLC
F/K/A CENTEX HOME EQUITY COMPANY, LLC

SETTLEMENT AGREEMENT

BACKGROUND AND FACTUAL FINDINGS

1. The Office of Financial Institutions (“OFI”) is responsible for regulating and licensing mortgage loan companies and mortgage loan brokers in accordance with the provisions of KRS Chapter 286.8, the Mortgage Loan Company and Mortgage Loan Broker Act.

2. Nationstar Mortgage LLC (“Nationstar”), through its predecessor in interest, Centex Home Equity Company, LLC, was issued mortgage broker license number 617 in order to engage in the mortgage broker business in the Commonwealth of Kentucky through its principal office located at 350 Highland Drive, Lewisville, Texas 75067.

3. Nationstar, through its predecessor in interest, was issued mortgage broker license number 794 in order to engage in the mortgage broker business in the Commonwealth of Kentucky at an office located at 9900 Corporate Campus Drive, Suite 2400, Louisville, Kentucky 40223.

4. Pursuant to KRS 286.8-170, OFI conducted examinations of Nationstar on July 10, 2006 in Lewisville, Texas and on July 17, 2006 in Louisville, Kentucky to determine whether the activities of Nationstar were in compliance with applicable statutes and regulations.

5. During the examination, the examiners noted a number of activities which the OFI alleged to be violations of KRS Chapter 286.8, among them being the following:

- Nationstar accepted information concerning loan applications by individuals in its employ, who at the time of contact, were not registered loan officers within the Commonwealth of Kentucky and which, if proven, would be in violation of KRS 286.8-255 and KRS 286.8-030(1);
- Nationstar failed to obtain approval from the Office of Financial Institutions prior to changing the name of its company in violation of KRS 286.8-036(4);
- Nationstar failed to maintain required accounts, correspondence, memoranda, papers, books, data and other records prescribed by the OFI or required by federal law both at its principal office in Lewisville, Texas and its branch office in Louisville, Kentucky which, if proven, would be in violation of KRS 286.8-160. Specifically, pending loan files and foreclosure files were not produced at the principal office; turned-down, cancelled and withdrawn loan files were not kept at the principal office; the original invoices for appraisals were missing from many loan files at both the principal and branch office; only three months of closed loan files were maintained at the branch office;
- Nationstar failed to disclose on good faith estimates the settlement service providers which it routinely uses or requires to be used, which, if proven would be in violation of 12 U.S.C. Section 3500.7(e) of RESPA;

- Nationstar failed to mail required adverse action forms to borrowers whose applications were withdrawn, which allegations, if proven, would be in violation of 15 U.S.C. Section 202.9(a) of the Equal Credit Opportunity Act, Regulation B, (“ECOA”);
- Nationstar failed to include complete and accurate credit score information in at least three closed loan files which, if proven, would be a violation of 15 U.S.C. Section 212(c).

6. Following the completion of the above examinations, the Office of Financial Institutions, tendered to Nationstar Examination Reports dated March 23, 2007 (Re: License Number 617) and March 28, 2007 (Re: License Number 794) informing Nationstar of the alleged violations noted. Nationstar has denied that it is in violation of any applicable state or federal law with regard to the conduct of its business. Without admitting liability, but to resolve this matter without further litigation, Nationstar has agreed to compromise and settle all claims arising from the Examination Reports in accordance with the terms set forth herein.

AGREEMENT AND ORDER

The Office of Financial Institutions and Nationstar Mortgage LLC f/k/a Centex Home Equity Company, LLC, in the interest of economically and efficiently resolving the issues raised in the foregoing Background and Factual Findings, agree as follows:

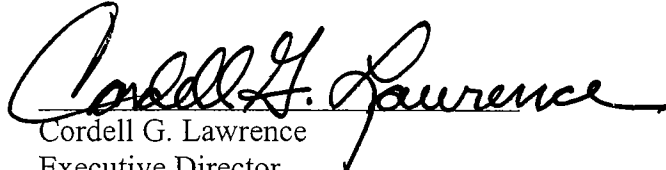
1. That in lieu of the imposition of any fine or penalty for the alleged violations set forth herein, the parties hereby agree that Nationstar shall make and tender a voluntary monetary contribution to State Regulatory Agency, LLC, in a total amount

equal to one hundred and five thousand dollars (\$105,000), 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, within thirty (30) days of the date of execution of this agreement. A copy of this contribution check shall be simultaneously delivered to the Kentucky Office of Financial Institutions, Attention: William Owsley, 1025 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601. Additionally, Nationstar confirms that it has made refunds to customers, reinstated and reduced interest rates and refunded fees in accordance with the agreement of the parties and pursuant to the Examination Report dated March 28, 2007.

2. Nationstar Mortgage LLC f/k/a Centex Home Equity Company, LLC hereby waives its right to demand a hearing concerning the issues herein in which it 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, Nationstar Mortgage LLC f/k/a Centex Home Equity Company, LLC 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.

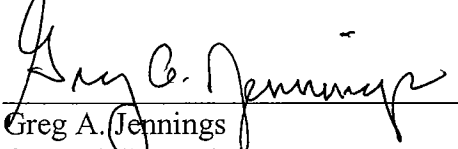
3. Compliance by Nationstar with this Agreement and Settlement Order resolves any and all issues or allegations of violation of law which are within the jurisdiction of OFI and which occurred or arose prior to July 17, 2006, the final examination date here.

IT IS SO ORDERED on this the 8th day of ~~December~~, 2007. ^{January, 2008}

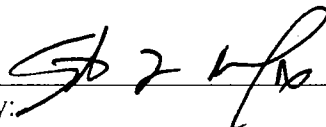

Cordell G. Lawrence
Executive Director

Consented to:

This 7th day of ~~December~~, 2007. ^{January, 2008}


Greg A. Jennings
General Counsel
Kentucky Office of Financial Institutions

This 31st day of December, 2007


By: _____

Its:
Nationstar Mortgage LLC
f/k/a Centex Home Equity
Company, LLC