COMMONWEALTH OF KENTUCKY
ENVIRONMENTAL AND PUBLIC PROTECTION CABINET
OFFICE OF FINANCIAL INSTITUTIONS
AGENCY CASE NO. 2008-AH-203

IN THE MATTER OF:
HOMETOWN MORTGAGE SERVICES, INC.

SETTLEMENT AGREEMENT AND FINAL ORDER

BACKGROUND AND FACTUAL FINDINGS

1. Hometown Mortgage Services, Inc. is licensed with the Office of Financial Institutions ("OFI") as a mortgage loan company with its principal office located at 5511 Hwy. 280 East, Suite 210, Birmingham, Alabama 35242.

2. On October 29, 2007, an examination was conducted into the condition, workings and affairs of the licensee 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 Hometown Mortgage Services, Inc. violated Chapter 286.8 of the Kentucky Revised Statutes by using an entity whose license had been revoked to broker a loan and by using an unregistered loan originator to originate the loan.

AGREEMENT AND ORDER

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

1. Hometown Mortgage Services, Inc. agrees to pay a fine in the amount of two thousand five hundred ($2,500) dollars for the violations set forth above, which shall be

made payable to "Kentucky State Treasurer" and mailed to the Office of Financial Institutions, Attn: Jessica Sharpe, 1025 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601.

2. In regard to this matter, Hometown Mortgage Services, Inc. waives its right to demand a hearing, at which Hometown Mortgage Services, 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, Hometown Mortgage Services, 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.

3. This Settlement Agreement shall constitute the Final Order in this matter.

IT IS SO ORDERED on this the 20th day of May, 2008.

Cordell G. Lawrence
Executive Director

Consented to:

This 22 day of May, 2008.

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

This 20 day of May, 2008.

Douglas Rohm, President
Hometown Mortgage Services, Inc.

This 20 day of May, 2008.

Edward R. Danielczyk, VP & CFO
Hometown Mortgage Services, Inc.