COMMONWEALTH OF KENTUCKY
ENVIRONMENTAL AND PUBLIC PROTECTION CABINET
OFFICE OF FINANCIAL INSTITUTIONS
AGENCY CASE NO. 2006-AH-020

IN THE MATTER OF:
INDIANA MORTGAGE FUNDING, INC.
dba KENTUCKY MORTGAGE FUNDING

SETTLEMENT AGREEMENT

BACKGROUND AND FACTUAL FINDINGS

1. Indiana Mortgage Funding, Inc. dba Kentucky Mortgage Funding ("Indiana Mortgage") is licensed by the Office of Financial Institutions ("OFI") to conduct business as a mortgage loan broker. Indiana Mortgage's principal office is at 7340 Shadeland Station Way, #100, Indianapolis, Indiana 46256 and its mortgage loan broker license number is MB13130.

2. On September 6, 2005, an examination was conducted into the condition, workings and affairs of Indiana Mortgage in order to determine whether there were any violations of law or any unauthorized unsafe practices or any failure to keep or have correct any required books and records.

3. In the course of that examination it was discovered that Indiana Mortgage had two individuals originating mortgage loans on Kentucky properties without being registered with OFI.

4. As of July 1, 2004, no mortgage loan broker and no loan officer may originate mortgage loans in Kentucky unless they are registered with OFI and have been issued a certificate of registration.

5. Indiana Mortgage's employment of unregistered mortgage loan officer to originate

loans on Kentucky properties was a violation of KRS 294.255(1).

AGREEMENT AND ORDER

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

1. Indiana Mortgage Funding, Inc. dba Kentucky Mortgage Funding agrees to pay a fine in the amount of two thousand ($2,000) dollars, which shall be made payable to "Kentucky State Treasurer" and mailed to the Office of Financial Institutions, 1025 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601.

2. In regard to this matter, Indiana Mortgage Funding, Inc. dba Kentucky Mortgage Funding waives its right to demand a hearing, at 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, Indiana Mortgage Funding, Inc. dba Kentucky Mortgage Funding 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 17 day of ~~March~~ April, 2006.

Cordell G. Lawrence
Executive Director

Consented to:

This 17th day of ~~March~~ April, 2006

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

This 15 day of March, 2006

Ken Madding, President
Indiana Mortgage Funding, Inc.
dba Kentucky Mortgage Funding