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NEWS RELEASE

FOR IMMEDIATE RELEASE

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Department of Finance Announces Multi-State Settlement Agreement with Taylor Bean & Whitaker Mortgage Corporation

Model Agreement Will Bring Relief to Homeowners

(Boise) – Gavin Gee, director of the Idaho Department of Finance, announced today a formal settlement agreement with Florida-based Taylor, Bean & Whitaker Mortgage Corporation (TBW) regarding "nontraditional" mortgage loans it made in 2006.

The agreement between TBW and 14 state mortgage regulators includes TBW's consent to a third-party compliance review of its "nontraditional" mortgage loans, the adoption of the federal loan modification program to assist struggling homeowners, and the payment of \$9 million to assist the states in their oversight of mortgage practices.

The agreement follows a coordinated multi-state examination of TBW to determine its compliance with laws pertaining to the origination of "nontraditional" mortgage loans. These loan products include "interest-only" mortgages, "payment option" adjustable-rate mortgages, and "stated income" loans. The examination alleged that TBW lacked adequate controls in its underwriting of "nontraditional" mortgage loans. TBW stopped offering "nontraditional" mortgages in early 2007 and has since made other changes to its internal control processes.

Gee hailed today's 14 state agreement as an important victory for Idaho consumers. "As a result of this agreement, Taylor, Bean & Whitaker will implement additional controls to increase the quality of its mortgage loans and to ensure that its borrowers are offered mortgage products they can afford."

The major provisions of the agreement between TBW and the 14 state mortgage regulators include:

- The implementation of a loan modification program for mortgage loans held in TBW's investment portfolio that will conform to the "Making Home Affordable" program released by the United States Department of the Treasury. TBW will also make reasonable efforts to obtain third party consent to the modification of mortgage loans it currently services. Consumers do not need to take any action at this point to pursue a loan modification. As part

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of the agreement, TBW will notify impacted borrowers who qualify for the Making Home Affordable program.

- The hiring of an independent firm to review TBW's nontraditional mortgage loans originated in 2006 and 2007 to determine whether additional relief to consumers is warranted.
- The implementation of a comprehensive compliance program to ensure compliance with applicable laws governing the conduct of its mortgage business in each of the states.
- The payment of \$9 million by TBW, half of which will be apportioned equally to the 14 jurisdictions that completed the multi-state examination. The remaining monies will be dedicated to the ongoing development and maintenance costs of the Nationwide Mortgage Licensing System and Registry (NMLSR). The purpose of the NMLSR is to enhance protections for consumers, detect and reduce mortgage fraud, and streamline licensing requirements for the mortgage industry.

Consumers can go to the website established by the Treasury Department at www.makinghomeaffordable.gov, to check on their eligibility for a loan modification.

Based in Ocala, Florida, TBW is currently one of the ten largest wholesale mortgage lenders in the United States. According to Home Mortgage Disclosure Act data, TBW originated 215,880 traditional and nontraditional mortgage loans nationally between 2006 and 2007. During this period TBW originated 2,167 mortgage loans in Idaho.

The 14 state mortgage regulators include Idaho, Arizona, the District of Columbia, Florida, Georgia, Illinois, Louisiana, Maryland, Massachusetts, Mississippi, New Jersey, North Carolina, Pennsylvania and Vermont.

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