UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF FLORIDA
JACKSONVILLE DIVISION

In re: TAYLOR, BEAN & WHITAKER MORTGAGE CORP., REO SPECIALISTS, LLC and HOME AMERICA MORTGAGE, INC., Debtors.	Chapter 11 Case No. 3:09-bk-07047-JAF Case No. 3:09-bk-10022-JAF Case No. 3:09-bk-10023-JAF
In re: TAYLOR, BEAN & WHITAKER MORTGAGE CORP., Applicable Debtor.	Case No. 3:09-bk-07047-JAF

MOTION TO APPROVE CONSENT AGREEMENT IN CONNECTION WITH THE SALE OF CERTAIN OF THE DEBTOR'S MORTGAGE LOANS

TAYLOR, BEAN & WHITAKER MORTGAGE CORP., as debtor and debtor in possession ("**Taylor Bean**" or the "**Debtor**"), by and through its undersigned counsel, hereby moves this Court (the "**Motion**"), pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure, for an order approving the Consent Order between Taylor Bean and the State of North Carolina, Office of the Commissioner of Banks (**"OCOB"**). In support of its Motion, the Debtor respectfully represents as follows:

1. On December 10, 2010, the Debtor filed with the Court its *Motion for an Order (I) Approving the Sale of Certain Mortgage Loans Free and Clear of All Liens, Claims and Interests, (II) Approving Bidding Procedures and Terms of Auction, (III) Setting Hearing Date for Approval of Proposed Sale, (IV) Fixing Deadline for Objections to Proposed Sale,*

(V) Approving Form and Manner of Service for Sale Notice and Procedures Order, (VI) Approving Stalking Horse Protections, (VII) Authorizing Expense Reimbursement and (VIII) Granting Related Relief (the "**Sale Motion**") [Docket No. 2263].

2. As outlined in the Sale Motion, the Debtor and Selene Finance LP ("**Selene**") entered into a Mortgage Loan Purchase and Sale Agreement, dated December 10, 2010, and attached to the Sale Motion as Exhibit A (the "**Stalking Horse Agreement**") whereby Selene agreed to purchase the Debtor's rights and interests in approximately 678 mortgage loans (the "**Mortgage Loans**").

3. Certain Mortgage Loans contemplated under the Stalking Horse Agreement are subject to C&D Orders[1] issued by four states: Connecticut, Illinois, Kentucky, and North Carolina (the "**C&D Mortgage Loans**"). The C&D orders restrict the ability of the Debtor or other party to foreclosure or otherwise take certain action with respect to the underlying collateral securing the C&D Mortgage Loans. Pursuant to the Stalking Horse Agreement, Selene could elect, on or before January 10, 2011(the "**C&D Withdrawal Date**"), to withdraw from the Mortgage Loan Schedule those C&D Mortgage Loans where no Vacation Agreement had been issued by the respective state.

4. As of the C&D Withdrawal Date, the Debtor had not obtained Vacation Agreements with respect to the C&D Mortgage Loans from any issuing state. Therefore, the Debtor and Selene amended the Stalking Horse Agreement pursuant to the terms of a First Amendment to Mortgage Loan Purchase and Sale Agreement (the "**Amendment**"). The Amendment was filed with the Court on January 18, 2011 [Docket No. 2490].

[1] All capitalized terms not defined herein shall have the meaning ascribed thereto in the Stalking Horse Agreement.

5. The material provisions of the Amendment provide that Selene, rather than withdrawing the C&D Mortgage Loans from the Mortgage Loan Schedule, will defer closing on the C&D Mortgage Loans (the "**Deferred Purchase Mortgage Loans**"). If, on or before March 15, 2011, a state enters into a Vacation Agreement with regard to the respective C&D Mortgage Loans, the closing of such Deferred Purchase Mortgage Loans shall occur within five (5) business days after delivery of the Vacation Agreement to the Debtor. If, however, any issuing state has not entered into a Vacation Agreement with regard to the respective C&D Mortgage Loans on or before March 15, 2011, Selene shall be deemed to have withdrawn from the Mortgage Loan Schedule all of the Deferred Purchase Mortgage Loans originating from such state. Those Deferred Mortgage Loans removed from the Mortgage Loan Schedule shall be deemed Purchaser Excluded Mortgage Loans, Selene's right and obligation to purchase such Deferred Purchase Mortgage Loans shall terminate, and any deposit remaining with respect to such Deferred Purchase Mortgage Loans shall be returned to Selene.

6. On March 4, 2011, the Debtor and Selene entered into a Second Amendment to Mortgage Loan Purchase and Sale Agreement (the "**Second Amendment**"), filed with the Court On March 29, 2011 [Docket No. 2866]. The Second Amendment provides, among other things, that the date on which Selene shall be deemed to have withdrawn from the Mortgage Loan Schedule the Deferred Purchase Mortgage Loans originating in states that have not entered into a Vacation Agreement shall be extended from March 15, 2011, until April 30, 2011.

7. The Debtor received no additional bids with respect to the Mortgage Loans, and the sale of the Mortgage Loans to Selene was approved by order of the Court, entered on February 4, 2011 [Docket No. 2630] (the "**Sale Order**").

8. Following entry of the Sale Order, Taylor Bean reached an agreement with the Connecticut Banking Commissioner and the Kentucky Department of Financial Institutions whereby any language contained in the respective C&D Orders prohibiting Taylor Bean, any servicer, or purchaser of mortgage loans currently or previously owned, originated, or serviced by Taylor Bean from commencing or proceeding with foreclosure proceedings was vacated. The Connecticut agreement was filed with the Court on February 28, 2011 [Docket No. 2742] and subsequently approved by the Court. The Kentucky Agreement was filed with the Court on March 29, 2011 [Docket No. 2868] and subsequently approved by the Court.

9. The Debtor has reached a similar agreement with the OCOB regarding the C&D Orders issued by North Carolina. The terms and conditions of the agreement were memorialized in a Consent Order attached hereto as Exhibit A (the "**Consent Agreement**").

10. The material terms of the Consent Agreement provide for the following:

i. Taylor Bean agrees to a permanent revocation of its mortgage lender license;

ii. Taylor Bean agrees to not apply or reapply to the OCOB for licensure;

iii. Taylor Bean shall provide notice to the OCOB within seven days following the sale of any and all loans secured by North Carolina property, with such notice identifying the name and address of the borrower(s) on each loan and the respective investor and/or servicer to whom each loan was sold;

iv. Within fourteen days after providing the notice required under subparagraph (iii) above, Taylor Bean shall provide to the OCOB an electronic copy of the applicable origination and underwriting loan file(s);

v. The Summary Cease and Desist Order will be vacated in its entirety, including any language prohibiting Taylor Bean and any servicers or purchasers of loans currently owned by Taylor Bean, or previously owned, originated or serviced by Taylor Bean, from commencing or proceeding with foreclosure proceedings.

11. The Debtor has determined that approval of the Consent Agreement is in the best interests of the Debtor's estate and creditors, as its terms will likely lead to an increased monetary recovery for the sale of the Mortgage Loans.

WHEREFORE, the Debtor respectfully requests that the Court enter an order:

A. approving the Consent Agreement; and

B. providing such other and further relief as is just and proper.

Dated this 25th day of April 2011.

/s/ Jeffrey W. Kelley
Jeffrey W. Kelley (Ga. Bar No. 412296)
jeffrey.kelley@troutmansanders.com
TROUTMAN SANDERS LLP
Bank of America Plaza
Suite 5200
600 Peachtree Street, N.E.
Atlanta, Georgia 30308-2216
Telephone No.: (404) 885-3000
Facsimile No.: (404) 885-3900
Special Counsel for Debtor

UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF FLORIDA
JACKSONVILLE DIVISION

In re: TAYLOR, BEAN & WHITAKER MORTGAGE CORP., REO SPECIALISTS, LLC and HOME AMERICA MORTGAGE, INC., Debtors.	Chapter 11 Case No. 3:09-bk-07047-JAF Case No. 3:09-bk-10022-JAF Case No. 3:09-bk-10023-JAF
In re: TAYLOR, BEAN & WHITAKER MORTGAGE CORP., Applicable Debtor.	Case No. 3:09-bk-07047-JAF

CERTIFICATE OF SERVICE

I, Jeffrey W. Kelley, certify that I am over the age of 18 and that, on April 25, 2011, I caused a copy of the foregoing *Motion to Approve Consent Agreement in Connection with the Sale of Certain of the Debtor's Mortgage Loans* to be served upon those persons or entities receiving notice through this Court's CM/ECF system.

/s/ Jeffrey W. Kelley
Troutman Sanders LLP
(404) 885-3000