

## Subprime Shakeout

### Lenders that Have Closed Shop, Gone Bankrupt or Been Acquired

More than 80 mostly subprime mortgage lenders -- those that make home loans to the riskiest borrowers with questionable credit -- have closed shop since the end of last year as clients defaulted on payments and banks cut off the funding required to make the loans. The trend accelerated early this year, and by the spring it seemed companies both large and small were stopping new loan activity, closing shop, declaring bankruptcy or being sold off every other day or two. Though California suffered most of the casualties, with some 25 lenders going under, no region of the country was untouched. Here's a table of the damage so far, which can be sorted by date, company name, home state, size based on loan volume or the lender's fate.

— *Compiled by Worth Civils*

**Click on the category names to sort the columns.**

<a href="#">Date Announced</a>	<a href="#">Company Name</a>	<a href="#">Home State</a>	<a href="#">Loans Originated (bil. of \$, 2005)</a>	<a href="#">Outcome</a>	<a href="#">Comment</a>
11/08/06	Meritage Mortgage Corp.	Oregon	2.6	Sold	Liquidated by Atlanta-based parent NetBank, Meritage was sold to Lime Financial, which acquired its Oregon staff. The ther big office was in Jacksonville, Fla. Lime was later acquired by Credit Suisse.
11/21/06	Axis Mortgage & Investments	Arizona	1	Closed	Alt-A wholesale lending unit of Biltmore Bank of Arizona, which said it had some buybacks, but was a small percentage of overall volume.
12/01/06	First Financial Equities	New Jersey	1	Stopped loans	This company, founded by David Sadek in 1991, stopped making loans and let about 100 people go at the end of last year.
12/01/06	Sebring Capital Partners LP	Texas	1.2	Closed	Amid rising defaults, a major investor cut off funding, forcing Sebring, which was founded in 1996, to seek a buyer. It closed after potential acquisition fell through.
12/07/06	Ownit Mortgage Solutions	California	8.3	Bankrupt	When Ownit defaulted on its credit line in mid-November, J.P. Morgan gave the company a month to come up with additional capital, and

					Merrill Lynch demanded that it buy back poorly performing loans. Ownit declared bankruptcy within weeks. Former CEO William Dallas had ties to First Franklin and LoanCity.
12/20/06	Harbourton Mortgage Investment Corp.	California	0.8	Closed	This company is wholly owned by Harbourton Capital Group of McLean, Va., which says it is likely to write off its full investment in the unit.
12/27/06	Alliance Home Funding LLC	Virginia	0.2	Closed/Merged	This unit, started in 2001, ceased operations and standalone operation merged with parent, Alliance Bankshares, which will take a charge of up to \$675,000.
01/02/07	First Franklin (NationPoint)	California	29	Sold	National City completed the sale of First Franklin, its subprime mortgage business, to Merrill Lynch for \$1.3 billion. The deal, which was announced in September, includes Merrill's purchase of affiliated businesses National City Home Loan Services and NationPoint.
01/02/07	Mortgage Lenders Network USA Inc.	Connecticut	4.9	Bankrupt	Buyback and liquidity woes led this mortgage lender to bankruptcy. It is one the top five biggest to close, originating \$3.3 billion in loans in the third quarter of 2006. It was later sold to Wells Fargo.
01/03/07	MortgageIT Holdings Inc.	New York	30	Sold	Founded in 1988, MortgageIT was acquired for \$430 million by Deutsche Bank, which maintains its 50 branch offices, employing 2,100 people. A \$70 million lawsuit accuses it of failing to repurchase 587 subprime loans. The German bank also bought Chapel Funding LLC, a sub-prime wholesale mortgage originator, in May 2006.
01/03/07	Preferred Advantage	Pennsylvania	N/A	Closed	This Pittsburgh lender was closed by Cleveland-based parent National City

					after Merrill Lynch didn't include it as part of its \$1.3 billion deal for National City's First Franklin, which has had its own problems. Less than 50 employees of Preferred Advantage were laid off.
01/08/07	Secured Funding Corp.	California	1.3	Closed	Hurt by loan buybacks, the firm closed its doors. It was doing \$150 million of home equity extractions per month and had over 1,000 employees.
01/09/07	Popular Financial Services	New Jersey	N/A	Closed	Accounting problems and mortgage losses led Puerto Rico-based Banco Popluar, also the parent of E-Loan, to close this wholesale subprime unit.
01/12/07	Bay Capital Corp.	Maryland	0.8	Closed	Parent Clear Choice Financial of Nevada closed this unit for not meeting obligations. Another main office was in California.
01/17/07	Funding America LLC	Texas	N/A	Stopped loans	The two-year old Houston-based subprime loan origination operation of Florida's Ocwen Financial stopped accepting new business earlier this year. The founder claims subprime loans will return when market corrects itself.
01/22/07	EquiBanc Mortgage Corp.	North Carolina	N/A	Closed	Wachovia shut its only unit for non-conforming loans. Equibanc was founded in 1996, acquired by SouthTrust in 2001, which was in turn bought out by Wachovia in 2004. The bank also paid \$24 billion last year for mortgage specialist Golden West Financial.
01/23/07	Rose Mortgage Corp.	New Jersey	N/A	Closed	Rose closed down abruptly in late January after Deutsche Bank withdrew the company's last lifeline, a \$50 million line of credit, leaving CEO Ralph Vitiello and two colleagues as the only ones left at the seven-year-old subprime mortgage banking firm, which

					employed 60 people earlier in the month. Its Web site at <a href="http://roseloans.com">roseloans.com</a> now contains only jibberish.
01/25/07	Summit Mortgage	West Virginia	N/A	Sold	Summit Financial couldn't sell, so it sold the lending unit. The parent company also took losses related to Fannie Mae and Freddie Mac stock.
01/25/07	Millennium Bankshares Corp.	Virginia	N/A	Closed	The community bank in Northern Virginia decided to wind down its mortgage lending subsidiary when the going got tough.
01/25/07	Mandalay Mortgage LLC	California	0.9	Stopped loans	Mandalay stopped accepting new loan applications a week after their initial announcement. Its Web site sends surfers to three other mortgage companies.
01/31/07	Deep Green Financial Inc.	Ohio	5	Closed	Second-lien funder closed by parent company. Founded in 2000, it had business in 47 states and was bought in 2004 by Lightyear Capital, a New York private-equity firm based that manages \$2 billion and invests in financial services businesses and other selected industries.
02/05/07	ECC Capital Corp.	California	14	Sold Unit	ECC sold its mortgage operation to Bear Stearns for \$26 million in cash, but said it would keep its 350 workers in California (it laid off about 600 people nationwide last year). ECC conducted its mortgage origination operations through the Encore Credit Corp. name, which Bear retained.
02/08/07	Lenders Direct Capital Corp.	Illinois	1.2	Closed Unit	Lenders Direct shut its wholesale operation amid rumored loan buybacks. It supposedly funded in excess of \$200 million per month at its peak.
02/12/07	ResMAE Mortgage Corp.	California	6.9	Bankrupt/Sold	Filed for bankruptcy, but was kept alive by Credit Suisse, who was expected to buy, but sold assets to hedge fund Citadel instead for \$22.4 million.

02/12/07	Concorde Acceptance	Texas	0.2	Closed	Dallas-based firm closed amid deteriorating business for primary and secondary loans. Concorde management bought 80% stake from America's Car-Mart for \$2.9 million in 2002.
02/14/07	Silver State Mortgage	Nevada	0.5	Bankrupt	Closed branches nationwide as state regulators looking at books of Las Vegas lender, which may try to continue in some capacity.
02/21/07	New York Mortgage Trust	New York	3.4	Sold	This real estate investment trust sold its wholesale mortgage lending platform assets to Tribeca Lending Corp., a subsidiary of Franklin Credit Management, and certain assets of the retail mortgage banking platform to IndyMac for \$13.4 million. As a result of the transaction, co-CEO Steven Schnall, resigned, although he remains as chairman.
02/27/07	Eagle First Mortgage	Arizona	N/A	Closed	The state of Arizona pulled the license of this four-year-old Mesa firm amid a probe into fraud and illegal lending practices. Most of the fraud was allegedly coming from cash-back deals that involved obtaining a mortgage for more than a home is worth and pocketing the extra money.
02/28/07	Senderra Funding LLC	North Carolina	N/A	Sold	Avelo Mortgage LLC bought this Charlotte-based firm and had fully merged it into its operations by May. Senderra was founded in 2005 by Brad Bradley, who previously was the founder, chairman and CEO of EquiFirst, another N.C. lender.
03/01/07	Champion Mortgage	New Jersey	N/A	Sold	Dallas-based Nationstar Mortgage, formerly Centex Home Equity, in which Fortress Investment Group has a stake, acquired the loan-origination unit of Champion from KeyCorp. Its \$2 billion

					loan portfolio was sold separately to HSBC.
03/02/07	Fremont Investment & Loan	California	36.2	Closed Unit/Sold	Fremont General shut down its residential mortgage unit, making it the second biggest closure. It sold \$2.9 billion of its subprime loans to Ellington Capital Management in April, and in May, Fremont agreed to sell its commercial-real-estate lending business to iStar Financial as part of a \$1.9 billion deal that also resulted in new management for the troubled lender.
03/02/07	Domestic Bank	Rhode Island	0.1	Stopped loans	The bank, which has only nine branches in the state, ceased wholesale lending activities, at least temporarily, citing "extreme market turmoil."
03/05/07	Trojan Lending Inc.	California	N/A	Closed	This diversified lender, based in Los Angeles and taking its name from Southern Cal's mascot, ceased wholesale mortgage operations. Most of its business was in the Western U.S. and Florida.
03/06/07	Central Pacific Mortgage	California	2.3	Closed	First casualty in Northern California. CEO was John Courson, who spent two years as president of the Mortgage Bankers Association.
03/06/07	Ameritrust Mortgage Co. LLC	North Carolina	0.9	Closed Unit	Shut its subprime wholesale division as WaMu cut off funding. CEO John Owens used his personal savings to create the firm in 1995.
03/09/07	Maribella Mortgage LLC	Minnesota	0.9	Closed	Loan buybacks hit this Midwestern firm, forcing it to close shop. It previously claimed to offer "mint-on-the pillow" service. At its peak, Maribella had 125 employees, with outside operations in Chicago and Milwaukee. Co-founder Keith White also owns Marketplace Home Mortgage, a large conventional lender based in the same

					building.
03/09/07	FMF Capital LLC	Michigan	3.8	Closed	Canadian parent FMF, which was delisted from the TSX in April, decided to conduct an "orderly wind-down" of the unit after it began losing money. Late last year, FMF settled three securities class action lawsuits filed in Michigan, Ontario and Quebec for a total of \$28 million.
03/09/07	New Century Financial Corp.	California	56.1	Bankrupt/Sold	The poster child of subprime problems, the Irvine lender is the biggest casualty so far in the subprime meltdown. It declared bankruptcy in early April, New Century's shares were delisted from the NYSE and investigations into the company and its officers are underway. Sold servicing platform to Carrington Capital for \$188 million and loan portfolio to Ellington Management for \$58 million.
03/14/07	People's Choice Financial Corp.	California	4.5	Bankrupt/Sold	Combination of margin calls, repurchase requests and liquidity issues forced a bankruptcy filing, becoming the fourth firm to do so. It sold residual interests to an investor group for \$21 million and sub-servicing rights to Popular Inc. for \$25 million.
03/14/07	Master Financial Inc.	California	0.6	Closed	Hurt by margin calls, this Southern California firm closed its doors. Master funded subprime loans to borrowers with poor credit and Alt-A loans to those with slightly better credit.
03/15/07	Investaid Corp.	Michigan	0.3	Stopped loans	Midwest lender based in Southfield, Mich., and operating in 10 states said market conditions were "impossible to bear," so it stopped taking new loan applications.
03/16/07	Ameriquest Mortgage Co.	California	80	Closed Unit	Parent ACC Capital Holdings started to shut down last year, but stayed in business after Citigroup provided it with new capital in return for an option to buy ACC's

					Argent Mortgage and the servicing arm of Ameriquest. It recently gave up naming rights to Texas Rangers baseball stadium and sold its sponsorship of a Nascar team, reportedly to Aflac. Argent is one of Indy driver Danica Patrick's sponsors.
03/16/07	LoriMac Inc.	California	N/A	Bankrupt	Most of its business was with credit unions, the biggest of which was Transit Employees FCU, with \$17.2 million in loans serviced by the company.
03/17/07	CoreStar Financial Group Inc.	Maryland	N/A	Closed	CoreStar, founded in 2002 and with nearly 200 employees, liquidated assets and voluntarily surrendered its state mortgage license. Maryland state official said no reason was given.
03/20/07	LoanCity	California	6.4	Closed	One of the biggest non-subprime lenders yet to close shop. It was forced to shut as credit tightened across the industry. LoanCity, which employed 300 people and used to have dot com after its name, says its mortgage business shrank nearly 40% last year.
03/22/07	Sunset Direct Lending LLC	Oregon	1.2	Bankrupt	This subprime wholesale lender ceased accepting loan packages and filed for bankruptcy. It is also one of three firms being sued by Credit Suisse Group's DLJ Mortgage Capital for failing to honor repurchase loan requirements.
03/29/07	H&R Block Mortgage	Florida	4	Closed	The tax-filing company shut down this retail lending subsidiary, which was founded in 2000 and is distinct from its also troubled Option One subprime unit that the company sold to Cerberus Capital Management for \$1.3 billion on April 17.
03/30/07	First NLC Financial Services Inc.	Florida	6	Closed	Friedman Billings Ramsey closed most of its wholesale operations centers for

					this subprime lending unit, which FBR bought for \$88 million in 2005 from Florida private-equity firm Sun Capital Partners, in response to reduced loan volume.
03/30/07	EquiFirst Holdings	North Carolina	10	Sold	Birmingham, Ala.-based Regions Financial, which acquired EquiFirst in 1998, sold the non-conforming wholesale mortgage originator to Barclays for \$76 million, two-thirds less than originally planned. EquiFirst was the 12th largest non-prime wholesale mortgage originator in the U.S., originating its loans through over 9,000 brokers in 47 states.
04/01/07	Zone Funding	California	N/A	Closed	This Simi Valley shop, which said it was "a boutique lender offering a variety of Sub-Prime and Alt-A product with a focus on what the wholesale industry has largely ignored," closed its doors in early April.
04/01/07	People's Mortgage Corp.	Connecticut	N/A	Closed/Sold	Closed by parent, Webster Financial, which took a \$2.3 million charge in the first quarter. It sold some of its branch offices to 1st Mariner Mortgage, a division of 1st Mariner Bank of Baltimore, for an undisclosed amount. PMC's 40 employees provided over \$1.5 billion in mortgages to their customers in Maryland and Connecticut since 1995.
04/02/07	SouthStar Funding LLC	Georgia	5.6	Bankrupt	Self-described "aggressive" subprime lender abruptly closed its operations a result of the "unprecedented downturn and policy changes in the mortgage industry." Filed for bankruptcy protection on April 11.
04/02/07	Madison Equity Corp.	New Jersey	N/A	Closed	This subprime wholesaler, for which William "The Refrigerator" Perry was once a spokesman, stopped accepting applications as a result

					of market conditions. Madison eventually transferred its loan pipeline to Imperial Lending LLC of Colorado
04/03/07	Millennium Funding Group	Washington State	1	Closed	The national wholesale lender, which cut 40% of its staff in March in a bid to stay alive, abandoned recovery plan and calls it quits.
04/04/07	MortgageTree Lending Corp.	California	0.8	Sold	W.J. Bradley, a Denver acquisition firm that is consolidating small and medium sized mortgage brokers and banks, reached a deal to acquire Modesto-based MortgageTree, which was founded in 1986 and has about 400 employees, for an undisclosed price. Bradley has agreed to buy 10 other mortgage companies since the start of 2005 and is reportedly shopping for more.
04/05/07	WarehouseUSA Capital Corp.	Georgia	N/A	Stopped loans	The Atlanta warehouse lender, a division of troubled subprime lender NovaStar Financial, stopped taking new business. WarehouseUSA was founded in 2003 as NovaStar Capital, but changed its name last year when a new Web site was launched. It also warehoused mortgages for lenders who write loans for sale to NovaStar Mortgage, the primary mortgage lending unit of NovaStar.
04/05/07	LowerMyPayment.com	Connecticut	N/A	Closed	Mortgage lead generation company, which operated an online portal for consumers, said it would shut down, with operations ceasing later in April. LowerMyPayment.com was founded by Greg Kazmierczak, a 12 year veteran of the mortgage industry who now serves as a marketing consultant.
04/11/07	Solutions Funding Inc.	Florida	N/A	Closed	Jacksonville firm ends operations same time as Alterna after efforts to find a buyer failed.

					Firms based in Illinois and Texas have similar names.
04/11/07	Alterna Mortgage	New Jersey	N/A	Closed	This niche wholesaler, which identified itself "an aggressive wholesale Alt-A lender specializing in alternative documentation programs," ceased operations in April.
04/13/07	First Source Funding Group	California	N/A	Closed	This non-prime wholesaler closed shop in April. The Cattaneo Team at Crestline Funding in Irvine, Calif., appears to have taken over their loans.
04/13/07	Homefield Financial Inc.	California	2.5	Closed Unit	The Alt-A lender, which was established in Irvine in 1998 and was making hundreds of hires as recently as a year ago, closed its wholesale unit.
04/17/07	Home Capital Inc.	Georgia	N/A	Closed	This online retail lender, founded by CEO Mike Berte in Atlanta in 1999 and with another office in Arizona, closed its doors.
04/17/07	Lime Financial Services	Oregon	2.1	Sold	Lime, which picked up some of Meritage's shuttered operations, was acquired for an undisclosed by Credit Suisse, which provided a \$10 million capital facility to Lime last year. Since 2003, Lime grew from funding loans in 5 states with 18 account executives to funding loans nationwide with a sales force of more than 300, posting a 418% volume increase in 2004 and a 108% increase in 2005.
04/17/07	Option One Mortgage Corp.	California	31	Sold	H&R Block, the Kansas City tax-filing company, sold its troubled Option One subprime unit to Cerberus Capital Management for \$1.3 billion, less than H&R was hoping to get. The deal excluded Option One subsidiary H&R Block Mortgage, which the company shut down.

04/18/07	AcuLink Mortgage Solutions LLC	Florida	N/A	Closed	This Tampa-based subsidiary of Option One, which was owned by H&R Block, closed AcuLink Mortgage Solutions, a joint vendor management company if formed with ValuAmerica in 2005.
04/20/07	Mortgage Investment Lending Associates	Washington State	4.5	Closed	Online based lending firm, founded in 1984 by 18-year old Layne Sapp and commonly known by is acronym MILA, decides to close. It was owned by Washington Consumer Loan Co. and employed 500 people.
04/20/07	Innovative Mortgage Capital	California	N/A	Closed	Another Irvine-based firm ceases operations. One of its Las Vegas based brokers set up a MySpace page under the name "Mortgage Loans" that allowed visitors to fill out an application. The page is still up and running and he has 104 friends.
04/26/07	First Horizon Home Loan	Texas	1.6	Closed Unit	This subsidiary of Memphis-based First Horizon National closed its wholesale subprime unit only.
04/26/07	Reverse Mortgage of America	Washington State	N/A	Sold	Bank of America acquired this firm, which is a division of Seattle Mortgage Co., to step up its reverse mortgage position. The acquisition will make BofA the third-largest player, trailing Financial Freedom, a subsidiary of IndyMac, and Wells Fargo. A reverse mortgage is a loan aimed at senior citizens that is taken out against a homes equity; borrowers receive the dollar-value of their property via an untaxed lump sum or monthly amount.
04/26/07	All Fund Mortgage	Washington State	1.4	Sold	Tacoma-based All Fund, which also operates as All Fund Inc. and Amerifund Financial, was acquired by CMXL, a Sacramento commercial real estate financing firm, and will be held as a sister

					company. All Fund has 230 retail offices and over 2,500 loan officers in throughout 46 states.
04/30/07	Dana Capital Group	California	5	Closed	Founded in 1995 by real estate industry veteran Dana Smith, this is yet another Irvine firm that closed its wholesale lending business due to large fines aimed at loan originations. State officials have begun license-revocation proceedings against Dana in Massachusetts, where it has ceased operations; it also faces allegations in New Jersey of charging improper fees.
05/02/07	Nation One Mortgage	Massachusetts	N/A	Stopped loans	This mid-sized East-coast wholesale lender, based in Norwell, Mass. since 1989, stopped funding mortgages in May, although its Web site is still operational.
05/03/07	First Consolidated Mortgage	Texas	N/A	Closed	Dallas-based subprime wholesaler, founded in 1994 and with business in 25 states, shut down operations, but is still operating a direct business.
05/07/07	Homeland Capital Group	North Carolina	N/A	Closed	This second lien wholesaler that was shuttered in May is a wholly owned subsidiary of First Greensboro Home Equity. It acquired Mortgage Consultants of Columbia, Md., and changed its name to Homeland Capital Group in 2002, becoming the vehicle used to launch the company's wholesale mortgage platform.
05/07/07	Opteum Financial Services	New Jersey	6.5	Closed/Sold	Florida-based parent REIT Opteum Inc. shuttered wholesale and correspondent businesses, based in New Jersey, citing undependable secondary market, and sold its retail operations to Prospect Mortgage Company for \$5 million, plus certain lease assumptions and liabilities. Opteum

					itself was acquired in 2005 for about \$80 million by Bimini Mortgage Management, which took its name. Late last year, it sold a 7.5% stake to Citi.
05/09/07	Republic Mortgage LLC	Nevada	1.1	Sold	First Horizon Home Loans, which closed its wholesale subprime unit, bought this Las Vegas retail and prime-focused lender, which was founded in 1988. Financial terms were not disclosed.
05/17/07	Columbia Home Loans LLC	New York	0.7	Closed	The unit's operations were discontinued by its New Jersey parent, OceanFirst Financial, which acquired it in 2000, citing significant operating losses in the last two quarters from subprime mortgage loan originations. Columbia's president, Robert Pardes, who had been with the company since the 1980s, resigned after defaults were hidden from top management at OceanFirst. Talks in late April to sell the company failed.
05/21/07	NetBank Funding Services*	South Carolina	13.2	Stopped loans	This third-party origination portion of NetBank stopped accepting new business and is expected to be closed within 60 days. The shutdown comes along with NetBank's sale of its loan portfolio and depository assets, totalling around \$2.5 billion, to EverBank. Earlier this year, NetBank, which is struggling to stay afloat as shares tumble, acquired reverse mortgage lender BNY Mortgage Co. and apartment lender Apartment Lending Group.
05/25/07	The Lending Group Inc.	Florida	0.4	Closed	One of Florida's fastest growing companies, with 300% growth, the Jacksonville wholesaler ran out of funding and suspended operations.
06/01/07	Lancaster Mortgage Bankers LLC	New Jersey	N/A	Closed	This New Jersey lender that offered expanded criteria

					programs and specialized in Alt-A and no-documentation loan programs, recently abandoned its mortgage broker business. Lancaster had operations in 16 states.
06/01/07	No Red Tape Mortgage	California	3	Closed	No Red Tape, which had announced plans to double its staff last year, is winding down operations, which had been a jumbo specialist but expanded into the Alt-A and Alt-B business. A high rate of delinquencies in those markets triggered the decision to abandon the business.
06/03/07	Accredited Home Lenders Holding Co.	California	16.6	Sold	It began considering strategic options in April after getting a \$200 million loan in March from Farallon Capital Management, which reported a 6.9% stake and held talks about acquiring the company. Eventually, it agreed to be acquired by Lone Star Fund for \$400 million. Accredited was viewed as one of the stronger independent lenders because of its relatively prudent underwriting policies, but like others, its shares plummeted in March.
06/08/07	Oak Street Mortgage LLC	Indiana	N/A	Bankrupt/Sold	Oak Street, which was founded in 1999 by former Bank One executive Steve Alonso and became a high-flier with \$2 billion in loan volume and poised to go public with 700 employees at its peak, filed for Chapter 11 bankruptcy protection. In December, it sold most of its assets to Novastar Financial.
06/15/07	First Street Financial Inc.	California	N/A	Closed	This mortgage wholesaler, based in Irvine, was a top-40-ranked subprime lender based on fourth-quarter data, when it originated nearly \$175 million in loans. First Street closed its doors and transferred all its

					servicing to a third-party company believed to be Option One.
06/18/07	The Mortgage Warehouse	Florida	0.3	Closed	This Clearwater-based company started operations in 1997 but has now ceased lending operations. It employed about 50 people and originated roughly \$250 million in loans per year. Firms with similar names are still operating in the states of New York and Washington.
06/20/07	Aegis Lending Corp.	Louisiana	N/A	Stopped loans	This Baton Rouge subsidiary of Houston-based Aegis Mortgage, one of the top 30 lenders in the country, stopped accepting new loan applications for new customers. The Aegis wholesale business is still operating.
06/29/07	Heartwell Mortgage Corp.	Michigan	N/A	Closed	This longtime Grand Rapids lender, founded by the town's mayor in 1970, closed its retail and wholesale operations. The company will continue to manage its mortgage portfolio.
08/04/07	NovaStar Financial Inc.	Missouri	N/A	Stopped loans	The Kansas City-based lender suspended approval and funding of loans offered through brokers due to "severe dislocation" in the market, according to a note emailed to partners. On Aug. 6, it said it would <a href="#">resume making subprime loans</a> through brokers.
08/06/07	American Home Mortgage Investment	New York	N/A	Bankrupt	The Melville, N.Y.-based lender saw its shares lose most of their value last week, and laid off 6,500 employees, leaving 1,000. It will no longer take loan applications; the company seeks to maintain its thrift and servicing businesses.

Note: \*All of NetBank

Sources: SNL Financial, National Mortgage News, MortgageDaily.com, Mortgage Lender Implode-O-Meter, WSJ.com research

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