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## Nationwide Home Mortgage to merge with Apex and form a mortgage bank

Washington Business Journal - by [Bryant Ruiz Switzky](#)

Two local mortgage brokerages are merging and converting to a mortgage banking model.

Bethesda-based **Apex Home Loans Inc.** and Rockville-based **Nationwide Home Mortgage Inc.** are merging June 7. The new entity will be called Apex Home Loans.

Apex founders Craig Strent and Eric Gates and Nationwide founders Stewart Zemil and Michael Parsons will stay with the merged company, which made a combined 1,289 loans in 2009 valued at \$455.6 million.

Strent will be CEO, and Parsons will be chairman of the new Apex Home Loans, based in a new office in Rockville.

“The regulatory and lending environments have changed, and we felt we would do better as a larger entity,” Strent said, adding that scale is a helpful component in mortgage banking.

Mortgage bankers make mortgage loans but can’t take deposits the way commercial banks can. Mortgage brokers don’t make loans. They merely act as intermediaries between the borrower and the lender.

By switching to a mortgage banking model, Apex will gain some regulatory advantages. The change also brings underwriting, loan closings and documentation in-house and means Apex will close on mortgages in its own name.

The mortgage bank then will sell the loans and the servicing rights in the secondary market to a larger entity such as **Fannie Mae**, **Freddie Mac** or **Wells Fargo & Co.**, Strent said. “It’ll provide a smoother process for the loan originators and a smoother process for the borrowers.”

Apex has already been approved for a mortgage banker license by the state of Maryland, he said.

The merged company will have 30 employees and expects to add seven or eight more over the next year. It will lend to borrowers in Maryland, D.C., Virginia, West Virginia and Delaware.

Nationwide Home Mortgage, the 13th largest local mortgage lender based on 2008 local loan volume, was founded in 1996 and closed 757 loans in 2009 for \$267.2 million.

Apex, the 18th largest local mortgage lender, was founded in 1998 and closed 532 loans last year for \$188.4 million.

The companies have used different strategies up until now.

Nationwide Home Mortgage has grown by recruiting loan originators who bring their books of business to the company, while Apex has relied on its owners to generate business.

Post-merger, Apex’s owners will keep their books of business and work to bring on new originators.

The housing bust has slashed the number of mortgage brokers across the region. Some have joined with banks or other large national lenders, but many have simply gone out of business.

“While everyone else is downsizing, we see this as a great opportunity to pick up market share,” Strent said.



Photo by Joanne S. Lawton  
Apex Home Loans CEO Craig Strent says being a mortgage banker offers advantages that brokers don't have.

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