

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

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**FORM 8-K**

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**CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of Earliest Event Reported): May 23, 2002

**NTS MORTGAGE INCOME FUND**  
*(Exact name of registrant as specified in its charter)*

**DELAWARE**  
*(State or other jurisdiction incorporation)*

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0-18550  
*(Commission File Number)*

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61-1146077  
*(I.R.S. Employer Identification No.)*

10172 Linn Station Road, Louisville, Kentucky 40223  
*(Address of principal executive offices)*

Registrant's telephone number, including area code:(502) 426-4800

#### **Item 4 - Changes in Registrant's Certifying Accountant**

(a) The Audit Committee of the Board of Directors of NTS Mortgage Income Fund (the "Fund") annually considers and recommends to the Board the selection of the Fund's independent public accountants. As recommended by the Fund's Audit Committee, the Fund's Board of Directors on May 23, 2002 decided to dismiss Arthur Andersen LLP ("Andersen") as the Fund's independent public accountants and engaged Ernst & Young LLP to serve as the Fund's independent public accountants for 2002. The appointment of Ernst & Young LLP is subject to ratification by the Fund's stockholders at the 2002 annual meeting.

(b) Andersen's reports on the Fund's consolidated financial statements for the past two years did not contain an adverse opinion or disclaimer of opinion, nor were they qualified or modified as to uncertainty, audit scope or accounting principles. Andersen's report on the Fund's consolidated financial statements for 2001 was issued on April 1, 2002, containing an unqualified opinion in conjunction with the publication of the Fund's Annual Report to Shareholders and the filing of the Fund's Annual Report on Form 10-K.

(c) During the Fund's two most recent fiscal years and through the date of this Form 8-K, there were no disagreements with Andersen on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure which, if not resolved to Andersen's satisfaction, would have caused them to make reference to the subject matter in connection with their report on the Fund's consolidated financial statements for such years; and there were no reportable events, as listed in Item 304(a)(1)(v) of Regulation S-K.

(d) The Fund provided Andersen with a copy of the foregoing disclosures. Attached as Exhibit 16.1 is a copy of Andersen's letter, dated May 24, 2002, stating its agreement with such statements.

(e) During the Fund's two most recent fiscal years and through the date of this Form 8-K, the Fund did not consult Ernst & Young LLP with respect to the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on the Fund's consolidated financial statements, or any other matters or reportable events listed in Items 304(a)(2)(i) and (ii) of Regulation S-K.

## **Item 7 - Exhibits**

The following exhibits are filed with this document.

<b><u>Exhibit Number</u></b>	<b><u>Description</u></b>
16.1	Letter from Arthur Andersen LLP to the Securities and Exchange Commission dated May 24, 2002.
99.1	Press Release dated May 29, 2002.

## **SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

NTS MORTGAGE INCOME FUND

/s/ Brian F. Lavin

Brian F. Lavin

President

Date: May 29, 2002

## **Exhibit Index**

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99.1	Press Release dated May 29, 2002.

**LETTER FROM ARTHUR ANDERSEN LLP TO THE SECURITIES AND EXCHANGE  
COMMISSION DATED MAY 24, 2002**

Office of the Chief Accountant  
Securities and Exchange Commission  
450 Fifth Street, N.W.  
Washington, D.C. 20549

May 24, 2002

Dear Sir/Madam:

We have read paragraphs (b) through (d) of Item 4 on Form 8-K dated May 23, 2002, of NTS Mortgage Income Fund to be filed with the Securities and Exchange Commission, and are in agreement with the statements contained therein.

Very truly yours,

/s/ Arthur Andersen LLP

Arthur Andersen LLP

**PRESS RELEASE DATED MAY 29, 2002**

**NTS MORTGAGE INCOME FUND APPOINTS INDEPENDENT ACCOUNTANTS**

LOUISVILLE, KY, MAY 29, 2002 – NTS Mortgage Income Fund (the "Fund") today announced that its Board of Directors has appointed Ernst & Young as the Fund's independent accountants for 2002. The action, based on a thorough evaluation process, is subject to ratification by the Fund's stockholders at the Fund's 2002 annual meeting to be held on June 24 in Spotsylvania, Virginia.

"We look forward to working with Ernst & Young in the firm's new role as our independent accountants," said J.D. Nichols, the Fund's chairman of the board of directors.

Prior to selection of Ernst & Young, Arthur Andersen had served as the Fund's independent accountants. "We value greatly the professional services provided by Arthur Andersen over the years and appreciate the excellent work provided by them," said Nichols.