



FOR IMMEDIATE RELEASE
December 20, 2013

Contact: Anastasia Burton
406-444-9869 | aburton@mt.gov

Attorney General Fox Announces \$2.1 Billion Joint State-Federal Settlement with Ocwen Mortgage

Principal reductions, cash payments to foreclosed borrowers, and tough mortgage servicing standards hold Ocwen accountable for past practices, ensure fundamental servicing reforms

HELENA – Ocwen Financial Corporation of Atlanta, Georgia, and its subsidiary, Ocwen Loan Servicing, have agreed to a \$2.1 billion dollar joint state-federal settlement with Montana Attorney General Tim Fox, 48 additional states and the District of Columbia, and the Consumer Financial Protection Bureau (CFPB).

The settlement terms address servicing misconduct by Ocwen, and two companies later acquired by Ocwen, Homeward Residential Inc. and Litton Home Servicing LP. Ocwen specializes in servicing high-risk mortgage loans.

According to a complaint filed in the U.S. District Court for the District of Columbia, the misconduct resulted in premature and unauthorized foreclosures, violations of homeowners' rights and protections, and the use of false and deceptive documents and affidavits, including "robo-signing."

The settlement with one of the nation's largest mortgage servicers is the result of a massive civil law enforcement investigation and initiative that includes state attorneys general, state mortgage regulators and the CFPB. Through a court order, the settlement holds Ocwen accountable for past mortgage servicing and foreclosure abuses, provides relief to homeowners, and stops future fraud and abuse.

"Montana was not immune to the nationwide foreclosure crisis. While there is some evidence that real estate markets are improving in Montana, our office is still seeing people struggling with foreclosure and facing unnecessary hurdles in their efforts to save their homes," Attorney General Fox said. "When a foreclosure happens to a household, that family or that homeowner is often experiencing their own personal crisis. Struggling homeowners need to know that the Attorney General's Keep My Montana Home program is here to help. This Ocwen settlement is just part of our ongoing efforts to hold servicers accountable and to ensure that homeowners are treated fairly."

Under the settlement, Ocwen agreed to \$2 billion in first-lien principal reduction, and around \$125 million for cash payments to borrowers on nearly 185,000 foreclosed loans.

In Montana, Ocwen will provide troubled borrowers with an estimated \$1.4 million in first lien principal reductions for existing homeowners who are struggling to keep up with their payments. Additionally, over 150 loans will be eligible to receive a cash payment. The payment amount is contingent on the number of consumers who submit valid claims, and could exceed \$1,000.

“The Attorney General’s Keep My Montana Home program has helped keep many Montanans who struggled with the threat of foreclosure in their homes,” Assistant Attorney General Chuck Munson said. “If homeowners are having a hard time keeping up with their monthly payments and Ocwen services their home loans, they should take the time to learn more about this settlement. And, homeowners who are experiencing difficulties with their servicer, whether it’s Ocwen or not, should contact the Attorney General’s Keep My Montana Home program.”

Joseph A. Smith, Jr., Monitor of the National Mortgage Settlement, will oversee the Ocwen agreement’s implementation and compliance through the [Office of Mortgage Settlement Oversight](#).

The [National Mortgage Settlement](#), a three-year agreement reached in 2012 with the attorneys general of 49 states and the District of Columbia, the federal government, and five mortgage servicers (Ally/GMAC, Bank of America, Citi, JPMorgan Chase and Wells Fargo), has so far provided more than \$51 billion in relief to distressed homeowners and created significant new servicing standards. The U.S. District Court in Washington, D.C. entered the consent judgments on April 5, 2012.

The Ocwen settlement does not grant immunity from criminal offenses and would not affect criminal prosecutions. The agreement does not prevent homeowners or investors from pursuing individual, institutional or class action civil cases. The agreement also preserves the authority of state attorneys general and federal agencies to investigate and pursue other aspects of the mortgage crisis, including securities cases.

Ocwen Agreement Highlights

- Ocwen commits to \$2 billion in first-lien principal reduction.
- Ocwen pays \$125 million cash to borrowers associated with 183,984 foreclosed loans.
- Homeowners receive comprehensive new protections from new mortgage loan servicing and foreclosure standards.
- An independent monitor will oversee implementation of the settlement to ensure compliance.
- The government can pursue civil claims outside of the agreement, and any criminal case; borrowers and investors can pursue individual, institutional or class action cases regardless of the agreement.
- Ocwen pays \$2.3 million for settlement administration costs.

The final agreement, through a consent judgment, will be filed in U.S. District Court in Washington, D.C. If approved by a judge, it will have the authority of a court order.

Because of the complexity of the mortgage market and this agreement, which will span a three year period, in some cases Ocwen will contact borrowers directly regarding principal reductions. However,

borrowers should contact Ocwen to obtain more information about principal reductions and whether they qualify under terms of this settlement.

A settlement administrator will contact qualified borrowers associated with foreclosed loans regarding cash payments.

More information will be made available as the settlement programs are implemented.

For more information on the Attorney General's Keep My Montana Home program, call 1-800-481-6896 or visit www.keepmymontanahome.com.

To access related FAQs, visit <https://doj.mt.gov/wp-content/uploads/Ocwen-Settlement-FAQs.pdf>

-END-