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For Immediate Release: December 20, 2013

News Release 2013-32

STATE OFFICIALS SECURE MILLIONS FOR HAWAII BORROWERS
Ocwen Financial Corp. Agrees to Pay \$2 Billion to Borrowers

HONOLULU – Ocwen Financial Corporation of Atlanta, Georgia, and its subsidiary, Ocwen Loan Servicing, have agreed to a \$2.1 billion joint state-federal settlement with Attorney General David M. Louie, 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.

“What we found in the Ocwen case is similar to a lot of the problems we saw in our other mortgage servicer enforcement cases” Attorney General Louie said. “This is part of our ongoing civil law enforcement effort to hold servicers, including Ocwen, accountable and ensure that they treat borrowers fairly.”

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

In Hawaii, Ocwen will provide troubled borrowers with an estimated \$24 million in first lien principal reductions, and 403 borrowers will be eligible to receive a cash payment. The payment amount, which is contingent on the number of consumers who submit valid claims, is projected to exceed \$1,000 per claimant.

The settlement affects borrowers whose homes were foreclosed on between January 2009 and December 2012. The settlement administrator will contact the borrowers by mail.

The proposed order, to be enforced by the Department of Commerce and Consumer Affairs' (DCCA) Division of Financial Institutions (DFI), imposes servicing standards and homeowner protections on Ocwen. DFI has been supervising and regulating mortgage servicers since 2009.

"This agreement allows us to avoid potential foreclosure abuses and gives us leverage against mortgage servicers who choose to prey upon consumers," Hawaii Financial Institutions Commissioner Iris Ikeda-Catalani said. "This agreement also makes it clear that mortgage servicers must change their ways or face severe repercussions."

According to a complaint filed in the U.S. District Court for the District of Columbia, Ocwen's 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 the nation's fourth largest mortgage servicer 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 by Ocwen.

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. (For more information visit [mhttps://www.mortgageoversight.com/](https://www.mortgageoversight.com/)).

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 National Mortgage Settlement (for more information visit <http://www.nationalmortgagesettlement.com/>) 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 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 agreement, visit: <http://ag.hawaii.gov/www.CFPB.gov>

<http://www.consumerfinance.gov/newsroom/cfpb-state-authorities-order-ocwen-to-provide-2-billion-in-relief-to-homeowners-for-servicing-wrongs/>

Consumers may call Ocwen toll-free at 1-800-337-6695, or email their questions to ConsumerRelief@Ocwen.com.

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