Oct 15, 2020

Contact Kylie Mason

Phone 850-245-0150

OFFICE OF THE ATTORNEY GENERAL STATE OF FLORIDA

Florida Attorney General's Office News Release

More Than $11 Million Secured for Consumers to Address Ocwen Mortgage Issues

TALLAHASSEE, Fla.—Attorney General Ashley Moody is securing more than $11 million in relief for Floridians harmed as a result of Ocwen's alleged improper mortgage servicing practices. The proposed final consent judgment, pending adoption by the U.S. District Court for the Southern District of Florida, resolves the lawsuit brought by the state of Florida through the Attorney General's Office and the Office of Financial Regulation against Ocwen Financial Corporation, Ocwen Mortgage Servicing, Inc., Ocwen Loan Servicing, LLC and PHH Mortgage Corporation.

The agreement between Florida and Ocwen will provide at least $8.6 million in consumer relief, including $2.1 million to Floridians who were harmed as a result of Ocwen's alleged servicing failures, including untimely payments of borrowers' insurance premiums, improper imposition of lender-placed insurance and overcharging for property preservation inspections. Other benefits obtained for Florida borrowers include at least $1 million in mortgage loan modifications and approximately $5.5 million in late fee waivers for eligible borrowers. Ocwen will also pay more than $3 million in civil penalties and reimbursement for the Attorney General Office's fees and costs.

Attorney General Ashley Moody said, "This resolution is a continuation of our efforts to correct harmful deficiencies in mortgage servicing practices and ensure that distressed homeowners who have been impacted by servicing errors receive much-needed relief—relief that is especially important in these challenging times."

OFR Commissioner Russell C. Weigel, III, said, "We applaud the efforts of Attorney General Moody to fight for Florida homeowners impacted by Ocwen's alleged improper mortgage servicing conduct. Our agency is proud to work with her team to reach this resolution, which provides helpful relief to homeowners and families across the state."

The proposed consent judgment resolves litigation initially filed in federal court by Florida in 2017. Florida's complaint alleged that Ocwen committed various errors in the course of servicing residential mortgage loans, including failing to accurately onboard loans onto its system of record, mishandling borrowers' escrow accounts, overcharging borrowers' accounts and sending misleading communications about borrowers' accounts.

Payments to Borrowers:
Eligible borrowers do not need to do anything to apply for relief. The Attorney General's Office will contact borrowers eligible for monetary payment. In addition, for the approximately 6,000 borrowers eligible for a late fee waiver, Ocwen will automatically apply the waiver.

Loan Modifications:
The agreement requires Ocwen to provide Florida borrowers more than $1 million in debt forgiveness through the execution of loan modifications. The modifications will include principal reductions or other forms of debt forgiveness. Ocwen will determine which loans to modify based on eligibility parameters set forth in the agreement. Ocwen must meet a minimum threshold of $1 million in Florida-borrower debt forgiveness to avoid paying an additional $1 million penalty. The agreement will likely provide debt relief that exceeds the $1 million minimum. Florida borrowers eligible for this loan modification program will be contacted directly by Ocwen through its subsidiary PHH Mortgage.

Additional Terms:
The agreement requires an enhanced complaint review process, including a dedicated phone line for Florida borrowers and a specific timeframe for resolution of complaints. Ocwen is also required to provide educational outreach to at-risk borrowers in conjunction with local Florida nonprofits.

To view the proposed consent judgment, click here.

The agreement is filed as a proposed consent judgment in the U.S. District Court for the Southern District of Florida. The lead attorneys to the litigation and negotiation of the agreement are Assistant Attorneys General Sasha Funk Granai and Jennifer Pinder in the Consumer Protection Division of the Attorney General’s Office.