



PRESS RELEASE

Attorney General Frosh Announces \$45 Million Settlement with PHH Mortgage Corporation

*Maryland Joins State Attorneys General and State Mortgage Regulators with
Nation's Ninth Largest Non-Bank Residential Mortgage Servicer*

BALTIMORE, MD (January 3, 2018) – Maryland Attorney General Brian E. Frosh today announced a \$45 million settlement with New Jersey-based mortgage lender and servicer PHH Mortgage Corporation. The settlement resolves allegations that PHH, the nation's ninth largest non-bank residential mortgage servicer, improperly serviced mortgage loans from January 1, 2009 through December 31, 2012.

The agreement also requires PHH to adhere to comprehensive mortgage servicing standards, conduct audits, and provide audit results to a committee of states. The settlement does not release PHH from liability for conduct that occurred beginning in 2013.

“PHH will be held accountable for its improper loan servicing and the requirements of the settlement will ensure PHH doesn't repeat its illegal conduct,” said Attorney General Frosh.

The \$45 million settlement includes payments to Maryland borrowers who lost their homes to foreclosure or who faced foreclosure. PHH will make additional payments to state mortgage regulators, including the Commissioner of Financial Regulation. Borrowers who were subjected to PHH foreclosures during the eligible period will qualify for a minimum \$840 payment; and borrowers who faced foreclosures that PHH initiated during the eligible period, but did not lose their homes, will receive a minimum \$285 payment. Approximately 831 borrowers in Maryland are eligible for a payment. A settlement administrator will contact eligible payment recipients at a later date.

In addition to Maryland, 48 other state attorneys general, the District of Columbia and over 45 state mortgage regulators participated in the settlement.