



PRESS RELEASE

AG Gansler Recovers Additional \$88 Million for Distressed Maryland Homeowners Victimized by Ocwen Mortgage Servicing Abuses

\$2.1 billion national settlement includes principal reductions, cash payments to foreclosed borrowers and tougher mortgage servicing standards to ensure meaningful reforms

Marylanders have already received \$1.36 billion in relief through Attorney General's National Mortgage Settlement

Baltimore, MD (December 19, 2013) - Attorney General Douglas F. Gansler, joined by 49 other state and territorial attorneys general and the Consumer Financial Protection Bureau (CFPB), today announced a \$2.1 billion joint state-federal settlement with Ocwen Financial Corp., and its subsidiary, Ocwen Loan Servicing. Maryland is projected to receive \$85.7 million for first lien principal reductions for distressed borrowers and an additional payment, projected to exceed \$1,000 each, for eligible Maryland borrowers whose homes have been foreclosed.

"Thousands more Maryland families will be able to stay in their homes or get other relief from challenging financial circumstances as a result of this latest effort to hold mortgage servicing companies accountable for the abuses that led to the foreclosure crisis," said Attorney General Gansler. "Our state was disproportionately impacted by the collapse of the housing market, which is why we worked doubly hard to make sure that the tough new servicing standards will ensure fair treatment for borrowers going forward and prevent future mortgage fraud."

The settlement, which is the result of an initiative that includes state attorneys general, state mortgage regulators and the CFPB, requires changes in servicing operations by Ocwen and two companies acquired by Ocwen, Homeward Residential Inc. and Litton Home Servicing LP. Ocwen, the nation's fourth largest mortgage servicer, specializes in servicing high-risk mortgage loans.

The final agreement will be filed in U.S. District Court in Washington, D.C. and, if approved by a judge, will have the authority of a court order. Joseph A. Smith, Jr., Monitor of the National Mortgage Settlement reached in 2012, will oversee the Ocwen agreement's implementation of new mortgage loan servicing and foreclosure standards and compliance through the Office of Mortgage Settlement Oversight.

"This settlement, which addresses servicing abuses that were similar in nature to those revealed by the prior reviews of other large servicers, is critical as Ocwen is one of the largest non-bank servicers in the industry," said Mark Kaufman, Commissioner of Maryland's Office of Financial Regulation, which is also a signatory to the settlement. "It continues the effort to bring meaningful relief to Maryland borrowers, while also reforming servicing practices in this industry. In that regard, I'm particularly pleased that implementation will be overseen by Joe Smith, the National Settlement Monitor, to provide added accountability."

Under the terms of the national settlement, Ocwen agrees to \$2 billion in first lien principal reductions and \$125 million in cash payments to borrowers on nearly 185,000 foreclosed loans. In Maryland, 2,461 loans will be eligible to receive a cash payment. The individual payment amount, which is contingent on the number of borrowers who submit valid claims, is projected to exceed \$1,000 apiece.

Maryland is receiving the sixth-largest share of the settlement allocation for principal reduction - 4.3 percent -- because it was disproportionately impacted by the foreclosure crisis.

The settlement does not grant Ocwen immunity from criminal offenses and would not affect criminal prosecutions. It also 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.

Attorney General Gansler urges borrowers to contact Ocwen to determine whether they qualify for principal reductions under the terms of this settlement. Consumers can call Ocwen at 1-800-337-6695 or email questions to ConsumerRelief@Ocwen.com. A settlement administrator will contact qualified borrowers associated with foreclosed loans regarding the cash payments.

Attorney General Gansler noted that the Ocwen settlement adds to the \$1.37 billion in consumer relief that more than 27,000 Maryland families obtained as of June 31, 2013, through the National Mortgage Settlement, a three-year agreement entered into in March 2012 with the attorneys general of 49 states and the District of Columbia, the federal government, and the five largest mortgage servicers -- Ally/GMAC, Bank of America/Countrywide, Citi, JPMorgan Chase/WaMu and Wells Fargo/Wachovia. In addition, Attorney General Gansler distributed about \$54 million to housing counselors and legal aid organizations to assist distressed homeowners with their mortgage or foreclosure issues; to communities and organizations for neighborhood stabilization grants; to jurisdictions hardest hit by the housing crisis; to boost protections against financial fraud through the Commissioner of Financial Regulation; and to expand housing-related civil and criminal enforcement efforts at the Office of the Attorney General.

To date, the National Mortgage Settlement has provided more than \$52 billion nationwide to more than 643,000 distressed homeowners - in the form of home mortgage modifications, principal reductions, deficiency waivers, refinancing, short-sale financial assistance and cash payments for foreclosed borrowers -- and created significant new industry servicing standards.

Additional information about the Ocwen settlement is available at:

<http://www.CFPB.gov> (Consumer Financial Protection Bureau)

http://files.consumerfinance.gov/f/201312_cfpb_consent-order_ocwen.pdf

http://files.consumerfinance.gov/f/201312_cfpb_complaint_ocwen.pdf

Marylanders seeking additional information about the National Mortgage Settlement or related matters may call the Consumer Protection Division hotline at 410-528-8662 or 888-743-0023, or visit the [Attorney General's Mortgage Services page](#).