

## Frequently asked questions about the Ocwen settlement

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### **Q: What is a mortgage servicer and how do I know if Ocwen services my loan?**

**A:** The company that you make your monthly payment to is your mortgage servicer. A mortgage servicer administers mortgage loans, including collecting and recording payments from borrowers. A servicer also handles loan defaults and foreclosures, and may offer programs to avoid foreclosure and to assist delinquent borrowers.

You can find out whether your mortgage is serviced by Ocwen by calling Ocwen at (800) 337-6695 or emailing your question to [ConsumerRelief@Ocwen.com](mailto:ConsumerRelief@Ocwen.com).

### **Q: How will I know whether this settlement affects me?**

**A:** This settlement involves Ocwen and two companies recently purchased by Ocwen: Litton Loan Servicing LP (“Litton”) and Homeward Residential Holdings LLC (previously known as American Home Mortgage Servicing, Inc. or AHMSI). If your loan was serviced by Ocwen, Litton, or Homeward, you lost your home to foreclosure between Jan. 1, 2009 and Dec. 31, 2012, and you meet other criteria, the settlement administrator will mail you a Notice Letter and Claim Form. If you choose to receive payments, you will not have to release any claims and will be free to seek additional relief in the courts.

For loan modification options, you may be contacted directly by Ocwen. You may also contact Ocwen to obtain more information about specific loan modification programs and find out if you will be impacted by this settlement. You can reach Ocwen at (800) 337-6695 or [ConsumerRelief@Ocwen.com](mailto:ConsumerRelief@Ocwen.com).

### **Q: How does this settlement hold Ocwen accountable?**

**A:** This is an action that addresses Ocwen’s servicing of loans, including the handling of foreclosures and loss mitigation requests, and will result in Ocwen providing substantial relief to consumers. One of the main problems was the practice known as “robo-signing” where companies submitted foreclosure documents that were not properly reviewed or notarized. This action also focused on Ocwen’s failure to honor in-process loan modifications agreed to by prior servicers when it acquired those loans or purchased mortgage servicing rights from other servicers.

This action brought by the CFPB and state agencies will require Ocwen to give foreclosed-upon consumers \$125 million in relief, and provide \$2 billion to homeowners at risk of foreclosure to reduce the principal on their loans and help them keep their homes.

This settlement will also require Ocwen to comply with the standards for servicing loans found in the 2012 National Mortgage Settlement between the state attorneys general and federal government and the five largest mortgage banks, as well as several new standards.

If the court signs off on the settlement, Ocwen will be subject to a federal court order enforceable by a federal judge. The CFPB and state attorneys general will be able to enforce compliance if there are violations. In addition, a special independent monitor will have the authority to oversee the settlement and require Ocwen's compliance, which will provide an extra layer of oversight of Ocwen's servicing practices. Finally, there will be a monitoring committee comprised of state attorneys general, the CFPB, and state financial regulators.

**Q: Did you conduct an investigation?**

**A:** Yes. The Multi-State Mortgage Committee of state financial regulators conducted thorough examinations of Ocwen and two other servicers that Ocwen has since acquired (Litton and Homeward) in the spring of 2012. The state financial regulators then partnered with state attorneys general, who had just successfully completed the 2012 National Mortgage Settlement with the five largest banks, and the CFPB, which was handling an investigation of Ocwen that was referred to it by the Federal Trade Commission, to bring this action.

**Q: What conduct did your investigation uncover?**

**A:** Based on our joint investigative efforts, the CFPB and states believe that Ocwen engaged in practices that harmed consumers, including but not limited to:

- failing to timely and accurately apply payments made by borrowers and failing to maintain accurate account statements;
- charging unauthorized fees for default-related services;
- providing false or misleading information to borrowers regarding loans that had been transferred from other servicers;
- failing to provide accurate and timely information to borrowers who sought information about loss mitigation services, including loan modifications;
- misrepresenting to borrowers that loss mitigation programs would provide relief from the initiation of foreclosure or further foreclosure efforts;
- improperly denying loan modification relief to eligible borrowers;
- providing false or misleading reasons for denial of loan modifications;
- with respect to transferred loans, failing to honor in-process trial modifications agreed to by prior servicers; and
- robo-signing affidavits in foreclosure proceedings.

**Q: What laws did Ocwen violate?**

**A:** Ocwen is charged with engaging in unfair and deceptive acts or practices in violation of the federal Consumer Financial Protection Act and state laws. Ocwen's unlawful conduct has resulted in injury to consumers who have had home loans serviced by Ocwen, Litton, and Homeward. The harm includes paying improper fees and charges, unreasonable delays and expenses to obtain loss mitigation relief, and improper denial of loss mitigation relief.

**Q: Will there be payments to foreclosure victims?**

**A:** Yes. The settlement administrator will mail Notice Letters and Claim Forms to borrowers who lost their home due to foreclosure between January 1, 2009 and December 31, 2012, whose loans were serviced by Ocwen, Homeward, or Litton, and who meet other criteria. Borrowers who choose to receive payments will not have to release any claims and will be free to seek additional relief in the courts.

**Q: How do I know if I am eligible for payment as a foreclosure victim?**

**A:** You are eligible if you meet the following requirements:

- your home was foreclosed on between January 1, 2009 and December 31, 2012;
- at the time of foreclosure, the loan was serviced by Ocwen, Homeward, or Litton;
- you made at least three payments on the loan;
- you lived or intended to live in the property as your principal place of residence at the time of the origination of the loan;
- the property was a one-to-four unit residential property;
- the unpaid principal balance of the first-lien did not exceed \$729,750 for a one-unit property, \$934,200 for a two-unit property, \$1,129,250 for a three-unit property, or \$1,403,400 for a four-unit property; and
- you make a valid claim.

**Q: If I am eligible for foreclosure relief, how much will I get?**

**A:** The settlement administrator will solicit and process claims from victims of foreclosure. All consumers who successfully file eligible claims will receive an equal payment based on the total number of successful claims.

**Q: Ocwen has already begun the foreclosure process on my home. Will the settlement stop the foreclosure?**

**A:** No. The settlement does not mandate that Ocwen stop all foreclosures. However, you may be eligible for a loan modification. You can contact Ocwen about potential loan modification options at (800) 337-6695 or [ConsumerRelief@Ocwen.com](mailto:ConsumerRelief@Ocwen.com).

**Q: I lost my home to foreclosure between January 1, 2009 and December 31, 2012. How do I provide my current contact information to the settlement administrator?**

**A:** You do not need to take any steps right now. Once the settlement administrator is selected, he or she will contact eligible consumers. The settlement administrator will make every effort to contact you at your most recent address. You are also welcome to provide your current contact information to your state attorney general's office.

**Q: What if I have continued making payments?**

**A:** If you are delinquent on your payments or at imminent risk of foreclosure and you owe more than your home is worth, you may be eligible for a loan modification.

For loan modification options, you may be contacted directly by Ocwen.

You may also contact Ocwen yourself to obtain more information about specific loan modification programs and inquire whether you may be impacted by this settlement. You can reach Ocwen at (800) 337-6695 or [ConsumerRelief@Ocwen.com](mailto:ConsumerRelief@Ocwen.com).

**Q: What if I am underwater and delinquent on my mortgage – is Ocwen required to approve a modification?**

**A:** If you are delinquent on your payments or at imminent risk of foreclosure and you owe more than your home is worth, you may be eligible for a loan modification. Although the settlement generally orders Ocwen to provide \$2 billion in principal write-down loan modifications to eligible underwater borrowers, it does not say which consumers get this relief. In other words, any particular consumer does not have a “right” to a loan modification under this settlement.

For loan modification options, you may be contacted directly by Ocwen.

You may also contact Ocwen yourself to obtain more information about specific loan modification programs and inquire whether you may be impacted by this settlement. You can reach Ocwen at (800) 337-6695 or [ConsumerRelief@Ocwen.com](mailto:ConsumerRelief@Ocwen.com).

**Q: Will taxpayers ultimately pay for this settlement?**

**A:** No, the settlement is not funded by taxpayers.

**Q: Is Ocwen being required to make any settlement payments to state or federal government agencies?**

**A:** No. Unlike the 2012 National Mortgage Settlement, as long as Ocwen meets its obligations under the settlement, the CFPB and the state attorneys general are not requiring Ocwen to make payments directly to state or federal government agencies because we want to maximize the amount of relief that goes directly to consumers.

**Q: Are payments taxable?**

**A:** You may be subject to taxation depending on your individual circumstances. Please check with your tax advisor for any tax questions.

**Q: How will this settlement protect consumers in the future?**

**A:** Ocwen has agreed to major reforms in how it services mortgage loans. These new servicing standards require Ocwen to adhere to a long list of obligations with respect to borrowers facing foreclosure. For example, Ocwen must be able to provide borrowers all of their loan documents so they can make sure any potential foreclosure is legal; Ocwen must give borrowers every available opportunity to first modify their loan before facing foreclosure; Ocwen will be required to have an appropriate number of well-trained staff members to promptly respond to the needs of distressed borrowers; and finally, Ocwen will provide each borrower a reliable, single point of contact so they have access to a person from whom to obtain information throughout the process.

The examinations and investigations uncovered evidence that Ocwen failed to properly account for payments, honor loan modification agreements, and provide basic information to consumers.

This settlement will also require Ocwen to comply with the standards for servicing loans found in the 2012 National Mortgage Settlement between the state attorneys general and federal government and the five largest mortgage banks. We have also added several new provisions to this agreement.

First, with regard to transferred loans, Ocwen will be required to extend these consumer protections to loans that were transferred and must determine the status of in-process loss mitigation requests within 60-days of transfer to Ocwen. Ocwen will be required to refrain from initiating or continuing any foreclosure proceeding until that is done.

Second, the single point of contact requirement has been enhanced to ensure Ocwen personnel are made available to consumers in a timely fashion and to ensure consumers can pursue loss mitigation through other means, such as homeownership events, public workshops and non-profit housing counselors.

**Q: Will Ocwen be subject to the CFPB's new mortgage servicing rules?**

**A:** Yes. Ocwen must comply with the mortgage servicing rules, which are set to go into effect in January 2014. Ocwen will also be required to comply with the servicing standards in this settlement.

**Q: Why are you releasing Ocwen from some claims?**

**A:** The release of claims relinquishes particular state and federal claims on issues addressed by the settlement. The release is narrow and is limited to mortgage servicing claims. The CFPB and the states are not immunizing any individuals or institutions from criminal prosecution or other non-servicing claims, such as securities-related cases.

The agreement does not affect any individual's rights. You may still bring an individual action, or be a part of a class action. Any recovery you may get in a future individual or class action, however, is likely to be offset by any payments you receive through this settlement.

**Q: How will this settlement be enforced?**

**A:** This settlement has been filed in federal court, and if entered by the court, it will be backed by a federal court order. State attorneys general may also seek to enforce this order in state court. State attorneys general and the CFPB could seek penalties if Ocwen does not follow the settlement terms. The orders entered by the state financial regulators can be enforced by them in their respective states.

The settlement also includes an independent monitor. The monitor, who will work from a strict set of objective measuring standards, will oversee the carrying out of this agreement and will report to the states and the CFPB on Ocwen's compliance. This will provide another layer of oversight over Ocwen. Finally, there will be a monitoring committee comprised of state attorneys general, the CFPB, and state financial regulators, which will work closely with the independent monitor.