



**BILL SCHUETTE**  
ATTORNEY GENERAL

**FOR IMMEDIATE RELEASE**  
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## **Schuette Announces Victory for Michigan Borrowers: \$2.1 Billion Settlement with Ocwen Financial**

*AG Schuette Negotiates Loan Modifications, Cash Payments for Foreclosed Michigan Borrowers, Ocwen Must Reform Business Practices Moving Forward*

**LANSING** - Attorney General Bill Schuette today announced a \$2.1 billion settlement with Ocwen Financial Corporation of Atlanta, Georgia, and its subsidiary, Ocwen Loan Servicing to settle allegations of loan servicing misconduct. The \$2.1 billion joint state-federal settlement, which also includes 48 additional states, the District of Columbia, and the federal Consumer Financial Protection Bureau (CFPB), will bring millions of dollars' worth of additional foreclosure-relief benefits to thousands of Michigan homeowners.

"The national mortgage crisis devastated thousands of Michigan families and their dreams of homeownership," said Schuette. "This settlement we negotiated will help victims of foreclosures begin to rebuild and enforces stronger business standards moving forward so this will never happen again."

Similar to the historic National Mortgage Settlement of 2012, the joint state-federal settlement resolves loan servicing and foreclosure practices conducted by Ocwen and two other companies that were acquired by Ocwen, Homeward Residential Inc. and Litton Home Servicing LP. As alleged in the complaint filed today in the U.S. District Court for the District of Columbia, Ocwen's practices contributed to premature and unauthorized foreclosures, violations of homeowners' rights and protections, and the use of false and deceptive documents and affidavits, including "robo-signing."

Under the settlement, Ocwen must provide \$2 billion in first-lien principal reductions to assist in modifying existing mortgages, and \$125 million for cash payments to borrowers who have already gone through foreclosure. In Michigan, the settlement is estimated to provide \$21 million in first lien principal reductions, and more than 8,000 homeowners that went through foreclosure will be eligible to receive a cash payment. The payment amount is contingent on the number of consumers who submit valid claims.

In addition to monetary relief for foreclosed homeowners, Ocwen must also enact significant reforms to improve its business standards moving forward. The new standards negotiated under the settlement are designed to enhance all aspects of mortgage servicing including account accuracy, document production

processes, foreclosure practices, and information provided to borrowers. Joseph A. Smith, Jr., Monitor of the National Mortgage Settlement, will oversee Ocwen's implementation and compliance with these new requirements through the Office of Mortgage Settlement Oversight.

Schuette also noted that the settlement does not preclude Michigan, or any other state, from filing criminal charges in the future, should they be warranted; and the settlement does not preclude individuals or other governmental units from pursuing their own claims.

Homeowners entitled to payments will be contacted by the settlement administrator and provided with claim forms. Homeowners that have a mortgage currently serviced by Ocwen and who are seeking a loan modification should contact the servicer directly at 1-800-337-6695 or email [ConsumerRelief@Ocwen.com](mailto:ConsumerRelief@Ocwen.com). Schuette notes consumers may review additional information on the Attorney General website at [www.michigan.gov/ag](http://www.michigan.gov/ag) as it becomes available. Consumers can also call the Attorney General's Office toll-free at 1-877-765-8388.

#### **Schuette Convicts Robo-Signing DocX President**

In May 2013, Schuette announced Lorraine Brown, 51, of Alpharetta, Georgia, former president of mortgage document processor DocX, was sentenced to 40 months to twenty years in prison on one count of Conducting Criminal Enterprises (Racketeering) after pleading guilty for her role in authorizing the fraudulent signing of mortgage documents filed in Michigan. Brown's conviction followed an Attorney General investigation into questionable mortgage documentation filed with Michigan's Register of Deeds offices during the foreclosure crisis.

In April 2011, Schuette launched an investigation after county officials across the state reported that they suspected Assignment of Mortgage documents filed in their offices may have been forged. A "60 Minutes" news broadcast had shown that the name "Linda Green" was signed to thousands of mortgage-related documents nationwide, but with many different variations in handwriting. County officials in Michigan reviewed their files and found similar documents, thus raising questions about the authenticity of the documents filed. For more information about the case: <http://1.usa.gov/18U4j26>