

Office of
Mortgage Settlement
Oversight

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NMS Monitor releases update on Ocwen's Compliance and Consumer Relief Distribution and SunTrust's Consumer Relief

Raleigh, N.C. – Joseph A. Smith, Jr., Monitor of the National Mortgage Settlement (NMS or Settlement), today filed his final [report](#) with the United States District Court for the District of Columbia on his investigation into the independence of Ocwen's internal review group (IRG) and Ocwen's compliance with the Settlement for the first and second quarters of 2014. The report includes the results of the independent retesting of at-risk metrics and the corrective action steps Ocwen took and continues to implement to address these issues. Smith also filed reports on consumer relief crediting for [Ocwen](#) and [SunTrust](#).

"I now have a measure of assurance that issues with Ocwen's IRG's independence, competency and capacity have been sufficiently addressed. Before reaching that conclusion, I ordered independent retesting of at-risk metrics, reviewed changes made to the personnel and governance of the IRG, and reviewed and approved corrective action plans to address failed metrics and a global corrective action plan that intends to fix letter-dating issues," Smith said.

"I will continue to closely monitor Ocwen's compliance with the Settlement agreement and plan to report on Ocwen's compliance for the third and fourth quarter of 2014 in the coming weeks."

Retesting Results

Under the Monitor's direction, McGladrey LLP reviewed the metrics deemed to be at-risk for the first and second quarters of 2014. McGladrey's results were substantially consistent with those of Ocwen's IRG. After thorough retesting, McGladrey ultimately determined that Ocwen failed one metric for the first quarter of 2014. Ocwen's IRG independently found another failure. Ocwen has since submitted a CAP for each failed metric, which the Monitor has approved.

Letter-Dating Issue

Smith previously reported on letter-dating issues at Ocwen associated with sending incorrect dates on certain correspondence to borrowers. Under the Monitor's direction and approval, Ocwen has created a Global CAP to remedy these issues. An overview of the Global CAP is included in his report. Smith anticipates that the Global CAP will be implemented and that testing will resume in the third quarter of 2015.

Consumer Relief

The Monitor also released his first report [hyperlink] on Ocwen's \$2 billion consumer relief obligations under the Settlement. As of Dec. 31, 2014, Smith has confirmed \$881,219,183 in credited relief to 8,861 borrowers through first lien mortgage modifications.

"After my thorough reviews, I can confirm Ocwen's progress of over \$800 million toward its consumer relief obligation," said Smith. "I will continue to report to the public on Ocwen's consumer relief activities and my reviews as information is available."

In addition, the Monitor also filed a report on SunTrust's consumer relief progress. Smith credited SunTrust, which is required to provide \$500 million in consumer relief by Sept. 30, 2017, with distributing \$7.8 million in consumer relief. This initial filing is based on SunTrust's initial submission of 100 loans through Dec. 31, 2014.

"SunTrust submitted to me an initial sample of 100 loans to ensure that its testing protocols had been properly designed and implemented," said Smith. "Based on this early review of relief distributed through year-end last year, I am encouraged by SunTrust's progress. I will continue to closely review and oversee its consumer relief distribution until the \$500 million requirement has been met, and I will make information public as soon as it is available."

About the Office of Mortgage Oversight

More information about the National Mortgage Settlement is available at www.nationalmortgagesettlement.com. Further information about Joseph Smith and the Office of Mortgage Settlement Oversight is available at www.mortgageoversight.com

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