

Office of
Mortgage Settlement
Oversight

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Contact:[Hannah Harrill](#)

919-508-7821

NMS Monitor reports on Ocwen: A mixed bag

Joseph Smith reports on Ocwen's consumer relief and compliance obligations under the NMS

RALEIGH, N.C. – Joseph A. Smith, Jr., Monitor of the National Mortgage Settlement (NMS), today reported that Ocwen has provided 23,000 borrowers with more than \$2 billion in consumer relief and, therefore, has fulfilled its consumer relief obligation under the NMS. Smith also determined that Ocwen did not fail any metrics during the first half of 2015.

“Ocwen has exceeded its consumer relief obligation by providing more than 23,000 borrowers with \$2.1 billion in consumer relief,” Smith said. “While Ocwen has made progress toward correcting a number of past fails, it has not resolved its issues that led to its failure of Metric 31. Therefore, I will not allow Ocwen to move forward with foreclosures on any borrowers who could have been affected by this failure until each of these borrowers has correct information and a chance to appeal. Despite its progress, Ocwen continues to have work to do. I will continue my efforts to review Ocwen's compliance with the NMS and resolve any outstanding issues. I will report to the Court and the public on these efforts in the coming months.”

Ocwen was delayed in implementing its Corrective Action Plan (CAP) for its failure of Metric 31, which tests whether the servicer sent a denial notification to a borrower that included the reason for the denial, the factual information Ocwen considered in making its decision and a timeframe by which the borrower can provide evidence that the decision was made in error. This delay occurred due to difficulties in resolving the technical issues that led to the original fail.

The Monitor required Ocwen to hold the foreclosure process for any borrowers who could have been affected by the technical issues. This hold will not be lifted until every borrower who could have been affected gets correct information and a chance to appeal.

Ocwen also has made progress toward correcting previous fails. Specifically, Ocwen completed its Global Corrective Action Plan (Global CAP), a plan to correct a variety of letter-dating issues previously uncovered. Corrective Action Plans (CAPs) for Metrics 7, 8, 19 and 23 also are complete.

- Metric 7 evaluates the timeliness, accuracy and completeness of pre-foreclosure initiation notification (PFN) letters sent to borrowers.
- Metric 8 tests whether the servicer complied with servicing standards regarding the propriety of default-related fees (e.g., property preservation fees, valuation fees and attorneys' fees) collected from borrowers.

- Metric 19 tests whether the servicer complied with servicing standards regarding timeliness for responding to borrowers about missing or incomplete information.
- Metric 23 tests the servicer's compliance with the requirement to notify borrowers of any missing documents within 30 days of a borrower's request for a short sale.

Update on Ocwen's Consumer Relief and Compliance is a summary of the reports he filed with the United States District Court for the District of Columbia. This compliance report and final consumer relief report for Ocwen, as well as past reports, can be found on Smith's website, www.mortgageoversight.com.

About the Office of Mortgage Settlement Oversight

More information about the National Mortgage Settlement and the Ocwen National Servicing 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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