

**DEPARTMENT OF BUSINESS OVERSIGHT***Ensuring a Fair and Secure Financial Services Marketplace for all Californians***JAN LYNN OWEN****Commissioner of Business Oversight****MEDIA RELEASE****For Immediate Release**

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**California Joins \$2.1 Billion Settlement with Ocwen  
Mortgage Loan Servicing**

SACRAMENTO (March 14, 2014) – The California Department of Business Oversight, along with 48 other states, has reached a settlement with Ocwen Financial Corporation and Ocwen Loan Servicing (Ocwen) regarding violations of mortgage servicing laws, awarding \$2.1 billion in relief to consumers.

The agreement calls for \$2 billion in loan modification relief in the form of principal reductions for homeowners in default or at risk of foreclosure. The settlement also provides for \$127.3 million in cash payments to borrowers whose home was sold in a foreclosure proceeding from January 1, 2009, to December 31, 2012. The total share of the settlement for California borrowers is estimated at \$268 million.

“Californians should not lose their homes because of deceptive and poorly executed mortgage servicing practices,” said Commissioner of Business Oversight Jan Lynn Owen. “The Department of Business Oversight strives to identify and hold accountable mortgage companies that violate state and federal laws. This settlement provides needed relief to affected California homeowners.”

On December 11, 2013, 49 state attorneys general and the Consumer Financial Protection Bureau filed a complaint against Ocwen in federal court, alleging unfair and deceptive acts in violation of state and federal laws. In California, violations of state law, including provisions of the Homeowner Bill of Rights (<http://oag.ca.gov/hbor>), involved improperly denying loan modifications, failing to honor loan modifications granted by prior servicers, and charging unauthorized fees.

On February 28, 2014, a settlement agreement between Ocwen and plaintiffs was finalized by a federal judge. The agreement provides that 100 percent of the settlement proceeds are earmarked to directly benefit consumers and that no payments will go to the federal government or any states. Furthermore, consumers who accept payment under this settlement do not waive their right to alternative remedies.

The settlement agreement between the Department and Ocwen Mortgage Servicing may be viewed at the Department website at [http://www.dbo.ca.gov/ENF/Ocwen/OcwenComplaintExhABCD\\_D1\\_12.3.13.pdf](http://www.dbo.ca.gov/ENF/Ocwen/OcwenComplaintExhABCD_D1_12.3.13.pdf) and [http://www.dbo.ca.gov/ENF/Ocwen/Ocwen-FinalOcwenMMCSettlementAgreement\\_12.3.13.pdf](http://www.dbo.ca.gov/ENF/Ocwen/Ocwen-FinalOcwenMMCSettlementAgreement_12.3.13.pdf).

*On July 1, 2013, the Department of Corporations and the Department of Financial Institutions merged to become the Department of Business Oversight. California consumers should contact the Department of Business Oversight to check on the licensing and standing of the companies, investments or other financial services they are considering at [www.dbo.ca.gov](http://www.dbo.ca.gov) or by calling 1-866-275-2677.*

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