



# NEWS FROM SCDCA

SOUTH CAROLINA DEPARTMENT OF CONSUMER AFFAIRS  
*Carri Grube Lybarker, Administrator*

**FOR IMMEDIATE RELEASE**

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## **State Regulators Reach Settlement with Ocwen Mortgage and Loan Servicing Companies**

COLUMBIA, S.C. – The South Carolina Department of Consumer Affairs (SCDCA) is announcing a settlement with Ocwen Loan Servicing, LLC and Ocwen Mortgage Servicing, Inc. (collectively referred to as “Ocwen”), mortgage servicers doing business in South Carolina.

A joint effort with the South Carolina State Board of Financial Institutions Consumer Finance Division (BOFI-CFD), the settlement resolves an enforcement action resulting from the identification of numerous deficiencies with the company’s escrow practices. These issues were identified during a multi-state examination and seen in consumer complaints filed with SCDCA and BOFI-CFD. Under the terms of the Settlement Agreement, Ocwen, among other actions, is required to:

- transition their servicing portfolio off of their current servicing platform to one better able to manage escrow accounts;
- hire a third-party firm to audit a statistically significant number of escrow accounts in high-risk areas of the portfolio to determine whether problems continue to exist around the management of escrow accounts and to identify the root cause of those problems;
- provide restitution for any customers identified during the escrow review process who have been harmed by the company’s failure to properly handle mortgage payments regardless of whether that harm is caused by a systemic issue or an individual error; and
- establish a new complaint resolution process.

“Consumers don’t have a choice of who services their mortgage,” said SCDCA Administrator Carri Grube Lybarker. “We are pleased to come to a settlement that will improve Ocwen’s customer service and hope the impending changes will serve to alleviate the stress and concerns of affected South Carolinians.” As of June 30, 2017, Ocwen serviced approximately 20,000 mortgages in South Carolina with a combined principal of nearly 2 billion dollars, according to data in the firm’s reports filed with the BOFI-CFD.

### **About SCDCA**

The South Carolina Department of Consumer Affairs aims to protect consumers from inequities in the marketplace through advocacy, complaint mediation, enforcement and education. To file a complaint or get information on consumer issues, visit [www.consumer.sc.gov](http://www.consumer.sc.gov) or call toll-free, (800) 922-1594.

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