Mortgage Settlement Monitor Reports Consumer Relief Data

Joseph Smith nears completion of his consumer relief crediting and compliance reviews of servicing reforms

RALEIGH, N.C. – Joseph A. Smith, Jr., Monitor of the National Mortgage Settlement, has received an update on the consumer relief activities of the five banks that are parties to the Settlement reported through March 31, 2013. The banks sent these reports to each state that is party to the Settlement with copies to the Monitor and the Monitoring Committee. According to this data, 621,712 borrowers benefited from some type of consumer relief totaling $50.63 billion, which, on average, represents about $81,437 per borrower. This figure includes both completed Consumer Relief and active first lien trial modifications. The state-level data can be downloaded here. A fact sheet summarizing national consumer relief can be downloaded here.

This information is self-reported by the banks and will not be credited under the Settlement until each bank requests a review from the Monitor; to date, only the ResCap parties (formerly GMAC) have received credit.

“Since the Settlement was announced, I have released three prior progress reports that detailed the banks’ self-reported consumer relief data on a quarterly basis,” said Smith. “I believe it is important to continue to share this data with the public, and, accordingly have done so on my website. However, I have not prepared a full report on this data because I am focusing my time testing the banks’ year end consumer relief claims and giving them appropriate credit as outlined in the Settlement. This allows me to provide the public with credited reports as soon as possible.

“The four banks that have not yet been credited have requested that I determine their consumer relief progress through the end of 2012,” said Smith. “I will release my review of their work in the coming weeks to the Court and the public. At that time, I look forward to engaging in a public conversation about their progress.”

In June the Monitor also plans to submit his first required reports to the Court concerning his review of the banks’ compliance with the Settlement’s servicing standards.

“My professional firms and I are currently reviewing the banks’ compliance with the servicing standards,” said Smith. “Based on my conversations with consumer professionals, elected officials and distressed borrowers, I know there are areas in which the banks still have work to do, and I am using that insight to determine if there are gaps that require future testing. It is important to the integrity of this process that these compliance reports are thorough and accurate, and I will release them when I am confident they are complete.”

The Monitor is also developing one or more of his discretionary metrics, or tests, to better measure the banks’ performance on certain servicing standards. These new metrics are expected to be announced and implemented later this summer.

About the Office of Mortgage Settlement Oversight


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