Ocwen

After the Monitor determined that he could not rely on a portion of the IRG’s work for test period seven, the Monitor directed independent professionals at McGladrey, to retest “at-risk” metrics. Metrics were determined to be “at risk” based on information the Monitor learned during the IRG investigation and the work of the Monitor’s professionals after the conclusion of the IRG investigation. This graphic illustrates the process by which the independent professionals tested each at-risk metric.

Step One
Monitor’s independent professionals receive access to system of record

Step Two
Retest at-risk metrics

The Monitor’s team of independent professionals:
1. Identified the relevant loan testing populations
2. Selected its own statistically valid sample of loans for “at-risk” metrics subject to loan-level testing
3. Determined pass or fail for each loan in samples and for each metric

Step Three
Report Test Period 7 results to Monitor for review

Step Four
Monitor files report with the U.S. District Court for D.C.

“All At-Risk” Metrics Tested:
Metric 1: Foreclosure sale in error
Metric 2: Incorrect loan modification denial
Metric 12: Third-party vendor management
Metric 19: Loan modification document collection timeline compliance
Metric 20: Loan modification decision/notification timeline compliance
Metric 23: Short sale document collection timeline compliance
Metric 24: Charge at application fees for loss mitigation
Metric 28: Force-placed insurance (FPI) timeliness of notices
Metric 29: FPI termination

The IRG’s determination of pass or fail was correct for seven of the nine “at-risk” metrics.

The IRG’s determination of pass or fail was incorrect for Metric 19. Ocwen is creating a corrective action plan (CAP) for the Monitor’s approval.

Based on McGladrey’s retesting sample, Ocwen passed Metric 29 by a single loan, which the IRG originally reported as a fail. McGladrey’s results are materially consistent with the IRG’s. Ocwen has already developed and implemented a CAP, which the Monitor will address in future reports.