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NMS Monitor Reports Ocwen Failed Two Tests in Q4 2015  
Joseph Smith reports on Ocwen’s compliance obligations under the NMS through the end of 2015

RALEIGH, N.C. – Joseph A. Smith, Jr., Monitor of the National Mortgage Settlement (NMS), today reported that Ocwen failed two tests during the fourth quarter of 2015 related to force-placed insurance. Force-placed insurance is applied to borrowers who cannot or do not provide evidence that they have homeowner’s insurance. Specifically, the tests determine whether Ocwen is timely in its communications to borrowers regarding a lapse in homeowner’s insurance coverage. These tests also determine whether Ocwen terminated unnecessary force-placed insurance and refunded premiums to affected borrowers in a timely manner.

“While there is still work to be done for Ocwen to fully comply with the National Mortgage Settlement, the servicer is making progress,” said Smith. “I will continue to monitor its progress on addressing the issues I uncovered during this period related to force-placed insurance. In addition to these failures, it is important to note that Ocwen has made progress toward correcting previous fails, most notably on letter-dating issues.”

Ocwen has submitted and the Monitor has approved its Corrective Action Plans (CAPs) for the two failed metrics. The servicer is in the process of implementing the CAPs, and testing is expected to resume during the fourth quarter 2016.

The Monitor previously reported that Ocwen was required to hold foreclosure sale activity on 17,300 loans because of significant errors in loan modification denial notices sent to borrowers. Ocwen was permitted to lift the foreclosure sale hold in July 2016 after it mailed corrected loan modification denial notices to affected borrowers and provided a sufficient timeframe for the borrower to appeal the denial.

Monitor’s Update on Ocwen’s Compliance is a summary of the reports Smith filed with the United States District Court for the District of Columbia. This compliance report and previous reports can be found on Smith’s website, www.mortgageoversight.com.

About the Office of Mortgage Settlement Oversight  

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