

NEWS RELEASE

RAY GRACE
COMMISSIONER OF BANKS

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N.C. Commissioner of Banks Issues Cease-and-Desist Order to Ocwen Loan Servicing

Raleigh, N.C. – N.C. Commissioner of Banks Ray Grace along with state mortgage regulators representing more than 20 states issued regulatory enforcement orders to subsidiaries of Ocwen Financial Corporation (Ocwen) today to address mishandling of consumer escrow accounts and a deficient financial condition.

The Commissioner's order (<https://www.nccob.org/Online/NMLS/CommissionOrderListing.aspx>) specifically prohibits the acquisition of new mortgage servicing rights and the origination of mortgage loans by Ocwen Loan Servicing (NMLS number 1852), a subsidiary of Ocwen, until the company is able to prove it can appropriately manage its consumer mortgage escrow accounts.

"As regulators, we encourage and advise companies to remain compliant with state and federal laws. However, Ocwen has consistently failed to correct deficient business practices that cause harm to borrowers," said Grace. "We cannot allow this to continue."

Mortgage escrow accounts are utilized to pay taxes and insurance and hold borrower funds that the company is entrusted to appropriately disburse. The majority of states' orders prohibit the acquisition of mortgage servicing rights and the origination of mortgage loans until the company is able to prove it can appropriately manage its existing mortgage escrow accounts to prevent further harm to consumers.

The orders are the culmination of several years of examinations and monitoring that revealed the company is mismanaging consumer mortgage escrow accounts. The company has also operated unlicensed mortgage servicing facilities in certain states in apparent violation of state licensing statutes over a period of several years. Therefore, some orders also require Ocwen to cease any unlicensed activity.

A website has been established at <https://www.nccob.gov/public/ocwen.aspx> to provide information to consumers.

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NCCOB is responsible for the chartering and regulation of North Carolina's state banks, thrift institutions, and non-depository trust companies. NCCOB also regulates other financial services firms and individuals operating in North Carolina, such as mortgage brokers, lenders, servicers; origination support registrants and loan originators; check cashers; consumer finance

companies; money transmitters; and refund anticipation loan facilitators. NCCOB is funded by industry fees and assessments, not taxpayer dollars.

The Conference of State Bank Supervisors (CSBS) is the national organization of bank regulators from all 50 states, the District of Columbia, and U.S. territories. State regulators supervise roughly three-quarters of all U.S. banks and a variety of non-depository financial services. CSBS, on behalf of state regulators, also operates the Nationwide Multistate Licensing System to license and register those engaged in mortgage, money transmission, consumer finance, and debt collection industries.

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