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ARKANSAS SECURITIES DEPARTMENT

***** FOR IMMEDIATE RELEASE *****

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States Impose Penalties, New Business Practices on PHH Mortgage

Little Rock – The Arkansas Securities Department, financial regulators from 46 other states and the District of Columbia, and 49 state attorney generals announced a legal settlement with PHH Mortgage Corporation (NMLS #2726). The multi-state settlement will assist borrowers harmed by PHH Mortgage during 2009-2012, due to severe operational deficiencies in mortgage servicing.

The settlement:

- Provides \$31 million in cash payments for up to 52,000 borrowers who lost their homes to foreclosure from January 1, 2009 to December 31, 2012, or were in the foreclosure process during that period.
- Mandated that PHH submit an administrative penalty of \$8.8 million to state regulators, including a payment of \$159,967 to the Arkansas Securities Department.
- Establishes a new set of servicing standards the company must follow going forward.
- May directly assist a number of the approximately 5,600 Arkansas with loans that were held or serviced by PHH.

Securities Commissioner, B. Edmond Waters said: "This settlement sends a clear message that States will not tolerate mortgage servicers that harm consumers by failing to properly service mortgage loans. This agreement requires that the company utilize new servicing standards to insure that the bad practices and conduct are not repeated and it also provides financial relief to homeowners harmed by the past bad conduct."

The Securities Department Settlement Agreement and Consent Order, C-16-0106-18-OR01, is available on the Arkansas Securities Department website at www.securities.arkansas.gov.

Arkansas consumers that are experiencing problems with payments, other account issues, or with questions regarding this action should contact the Staff at 501-324-9260 or 800-981-4429.