

Why did State Mortgage Regulators issue regulatory orders on Ocwen Loan Servicing?

State mortgage regulators conduct regulatory examinations to ensure that companies like Ocwen are operating legally and in a safe and sound manner. Part of that assessment tests the company's ability to accurately process mortgage loan payments. If a company does not process a borrower's money appropriately things like taxes and insurance may not get paid on time.

Why did this happen now?

State Mortgage Regulators have been closely monitoring Ocwen throughout the last year. As identified in many of the state orders, the regulators became increasingly concerned with Ocwen's handling of consumer accounts, apparent unlicensed activity, and the company's ability to manage itself as a going concern. This situation left regulators with little choice, but to file enforcement orders against the company.

What is a mortgage servicer and how do I know who services my loan?

A mortgage servicer administers mortgage loans, including collecting and recording payments from borrowers. A servicer also handles loan defaults and foreclosures, and may offer loss mitigation programs to assist delinquent borrowers.

The company that you make your monthly payment to is your mortgage servicer. Many of the loans administered by servicers are owned by third-party investors not affiliated with your servicer.

Are any other mortgage servicers affected by this action?

This matter is limited to Ocwen Loan Servicing, and in some cases, affiliates and subsidiaries of Ocwen. Borrowers whose loans are serviced by other companies are not affected by the Ocwen case.

Do I need to do anything as a result of the regulatory action?

Not at this time. You should however always keep your documentation in a safe place, as your loan documents will have important information on them like your loan number, the dates that you obtained the loan, and the address to which you mail your payments. This information would be necessary for you to have should you choose to make changes to your loan.

What does it mean when Ocwen says they escrow for taxes, or escrow for insurance?

This simply means that Ocwen takes a portion of your monthly mortgage payment and sets it aside in an account, saving it for the time when your taxes or insurance payment is due to be paid. Having your servicer escrow for your taxes and insurance is a way to ensure that you always have money in your account for these important payments.

How will I know if my payments have not been handled correctly?

You receive a monthly statement from Ocwen, either electronically or in the mail. You also receive an annual escrow statement that reflects the part of your payment set aside in escrow, and the timing and amounts that Ocwen paid on your behalf for real estate taxes, insurance or other items, if you originally agreed for them to perform that function. These statements are excellent ways for you to determine that your payments are being correctly managed.

If I get a delinquent tax notice, and Ocwen is escrowing for my taxes, does that mean there is something wrong?

It may. You should immediately call Ocwen to inquire as to why you received the delinquent notice, especially if Ocwen is escrowing for taxes on your loan.

If I get a notice of expired home owner's insurance and Ocwen is escrowing for insurance does that mean there is something wrong?

It may. You should immediately call Ocwen to inquire as to why you received the notice, especially if Ocwen is escrowing for insurance on your loan.

Ocwen sent me a notice of force placed insurance, even though they escrow for my insurance payments. Does that mean there is something wrong?

It may. You should check your insurance policy to make sure it has not expired. If it has expired, the force placed insurance should cover your property. If it has not expired and you think the insurance was placed in error, you should call Ocwen and ask for an explanation.

What should I do if I notice a problem or have a question on my loan?

You should call Ocwen and ask them to explain the issue. If they cannot explain the issue in a way that you can understand you should ask to speak with a different customer service representative. Take note of the person's name that speaks to you, the time and date on which you spoke, and ask the customer service representative to make sure to note the conversation in your loan file.

How will I know if anything changes as a result of this action?

If something changes that would impact your loan you should be notified by Ocwen through a letter and possibly email correspondence. If you would like more information on this action you may call Ocwen's customer service to inquire. Don't forget to note the date and time of your call, and the person you spoke to.

What should I do if no one will speak with me or I am not getting the answers I need?

You should call the South Dakota Division of Banking and ask the representative what to do next. You may also register a complaint on the Division's website (<http://dlr.sd.gov/banking/forms.aspx>) so that there is a record of what you are experiencing.