

# Wisconsin Department of Financial Institutions: State regulators issue cease-and-desist orders to subsidiaries of Ocwen Financial Corp.

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**MADISON** – The Wisconsin Department of Financial Institutions (DFI) and more than 20 other state regulators today issued regulatory orders or charges to subsidiaries of Ocwen Financial Corp. to address violations of state and federal laws including the mishandling of consumer escrow accounts, unlicensed activity, and a deficient financial condition. 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 orders prohibit the acquisition of new 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 and not further harm 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.

Ocwen conducts mortgage loan servicing for approximately 1.5 million consumers nationwide, including about 13,500 in Wisconsin.

“Ocwen has exhibited a pattern of refusing to engage honestly with regulators and has continued to cause borrowers harm in spite of repeated warnings to correct deficiencies,” said Cheryll Olson-Collins, Administrator of DFI’s Division of Banking. “These practices cannot and will not be tolerated. DFI is joining other regulators in taking this action to protect the financial interests and rights of Wisconsin consumers.”

Consumers whose mortgages are serviced by Ocwen should continue to make their payments as required by the terms of the contract, Olson-Collins said, but she encouraged them to monitor their accounts and keep records of all payments.

Consumers who have questions may contact DFI’s Division of Banking at [\(608\) 261-7578](tel:6082617578). More information can be found on the DFI website, [www.wdfi.org](http://www.wdfi.org).