

Wisconsin Department of Financial Institutions: Wisconsin enters into consent agreement with Ocwen Loan Servicing

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MADISON - The Wisconsin Department of Financial Institutions (DFI) has entered into a consent agreement with Ocwen Loan Servicing LLC, a mortgage servicer doing business in Wisconsin. The settlement resolves an enforcement action that resulted from the identification of numerous deficiencies with the company's escrow practices. These issues were identified during a multi-state examination and were also seen in consumer complaints filed with DFI.

Under the terms of an agreement reached with Wisconsin and nine other states, Florida-based Ocwen has agreed to transition its servicing portfolio off of its current servicing platform to one that is better able to manage escrow accounts, and has agreed to establish a new complaint resolution process. The company also is required to hire a third-party firm to audit a statistically significant number of escrow accounts in high-risk areas of the portfolio to determine whether problems continue to exist around the management of escrow accounts and to identify the root cause of those problems.

The agreement requires restitution for any customers identified during the escrow review process who have been harmed by the company's failure to properly handle mortgage payments regardless of whether that harm is caused by a systemic issue or an individual error.

“We’re pleased to have reached this agreement with Ocwen, which protects the interests of Wisconsin consumers,” said Cheryl Olson-Collins, Administrator of DFI’s Division of Banking. “The consent order allows both the Division and the company to move forward with a focus on what specific steps need to be taken in order to provide consumers with accurate processing of their mortgage payments and for improved customer service.”

Ocwen conducts mortgage loan servicing for approximately 1.5 million consumers nationwide, including about 13,500 in Wisconsin. The other states agreeing to the settlement with Ocwen are Georgia, Idaho, Illinois, Maine, Michigan, Mississippi, Montana, Rhode Island and South Carolina.

Consumers who have questions may contact DFI’s Division of Banking at (608) 261-7578. The full consent order is available on DFI’s website, www.wdfi.org.