

Morrissey joins effort to protect homeowners

Martinsburg Journal “Around the Region” column February 4, 2021

CHARLESTON — West Virginia Attorney General Patrick Morrissey recently joined a coalition of 33 attorneys general in taking a stand to protect homeowners from unlawful fees. [WV Consumer Protection Hotline at 1-800-368-8808]

The bipartisan coalition opposes a proposed class-action settlement that would permit a mortgage servicer to profit from illegal payment processing fees charged to homeowners who pay their mortgage online or by phone.

“Our office remains vigilant in protecting consumers,” Attorney General Morrissey said. “Companies that pad their bottom line with unlawful processing fees cannot be allowed to continue such conduct in West Virginia or in any state.”

The coalition’s brief opposes the proposed settlement in *Morris, et al. v. PHH Mortgage Corporation, et al.*, a case in which mortgage servicer PHH Mortgage Corporation would be able to continue to profit from unlawful processing fees the company has been charging to nearly one million homeowners nationwide, including more than 1,000 homeowners residing in West Virginia.

For years, the coalition argues, PHH charged nearly one million homeowners an illegal fee — ranging from \$7.50 to \$17.50 — each time a homeowner made a monthly mortgage payment online or by phone, despite many Americans paying their mortgages one of these two ways.

Nowhere in these homeowners’ mortgage contracts is there authorization for such fees and PHH does not charge “processing” fees for any other customers, including those who pay by check or via automatic debit payment. Charging debt collection or similar fees not expressly mentioned in the mortgage contract is unlawful and, under West Virginia mortgage servicing regulations, explicitly forbidden.

The coalition opposes the proposed settlement arguing it would not only permit PHH to continue to charge the unlawful fees but also would allow it to actually increase fees — up to \$19.50 per month — for the remaining life of the loan, which, for many homeowners, could be another 20 to 30 years.

The coalition further objects to the inadequacy of the monetary relief, as the proposed settlement is designed to ensure that a portion of the monetary relief intended for homeowners will actually end up in PHH’s hands.

Furthermore, homeowners whose loans are still serviced by PHH will not receive any direct monetary payments for prior unlawful payments received by PHH.

SOURCE: https://www.journal-news.net/journal-news/around-the-region/article_c6c5c65b-7f18-55cc-a88d-baacbac73a60.html

Additional Information:

In October 2018, Ocwen Financial Corporation purchased PHH Mortgage Services (PHH); therefore, PHH is now a wholly owned subsidiary of Ocwen Financial Corporation. ... A review of the account indicates, the account is reported as "Service Transferred to PHH by Ocwen on June 1, 2019".

New Residential Investment Corporation has reached an agreement with Ocwen Financial Corporation to transfer the subservicing of agency loans currently subserviced by PHH Mortgage Corporation, a subsidiary of Ocwen, to its NewRez LLC subsidiary. Feb 26, 2020

PHH Mortgage is a non-bank lender that has been providing mortgages since 1984. Today, PHH Mortgage is a wholly-owned subsidiary of Ocwen Financial Corp, which acquired its parent company in 2018. Jan 1, 2021

Morrissey among attorneys general in coalition that reached settlement with mortgage servicer

Jan 3, 2018 WVNews

CHARLESTON — A coalition made up of a number of state attorneys general, including West Virginia Attorney General Patrick Morrissey, and mortgage regulators has reached a settlement with a mortgage servicing company over alleged mishandling of loans.

PHH Mortgage Corporation, a New Jersey-based mortgage lender and servicer, reached the agreement with 49 state attorneys general, the District of Columbia and 45 state mortgage regulators, according to Morrissey. The settlement totaled \$45 million.

The agreement requires PHH to adhere to comprehensive mortgage servicing standards, conduct audits and provide audit results to a committee of states. The settlement does not release PHH from liability for conduct that occurred beginning in 2013, Morrissey said.

The settlement resolves allegations that PHH, the nation's ninth largest non-bank residential mortgage servicer, improperly serviced mortgage loans from January 1, 2009 through December 31, 2012.

“Companies that engage in improper business practices cannot be allowed to continue such conduct in West Virginia,” Morrissey said. “This settlement is an example of our continued efforts to protect consumers and right the wrongs done to individuals by erroneous actions.”

Borrowers who were subjected to PHH foreclosures, as well as those who faced foreclosures that PHH initiated during the eligible period, but did not lose their home, are eligible for payments. This includes over 250 West Virginia residents, Morrissey said. A settlement administrator will contact eligible payment recipients at a later date.

SOURCE: https://www.wvnews.com/news/wvnews/morrissey-among-attorneys-general-in-coalition-that-reached-settlement-with/article_2de70727-82f1-58b4-b289-ae16a81c30d1.amp.html