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AG SLATERY REACHES SETTLEMENT WITH MORTGAGE SERVICER

Nationstar will pay \$86 million to settle allegations affecting thousands of 'Mr. Cooper' customers

Nashville- Attorney General Herbert H. Slatery III has joined 50 attorneys general and other federal and state agencies in an \$86.3 million settlement with Nationstar Mortgage.

Nationstar, which does business as "Mr. Cooper," began purchasing mortgage servicing portfolios from competitors back in 2012 and grew quickly into the country's fourth-largest mortgage servicer.

The lawsuit alleges that during the transfer of loan data to Nationstar, borrowers who had sought assistance with loan modifications sometimes fell through the cracks. Nationstar also failed to oversee third-party vendors hired to inspect and maintain properties owned by delinquent borrowers and improperly changed locks on their homes.

The consent judgment, filed in the U.S. District Court for the District of Columbia, provides approximately \$79.2 million in relief affecting 55,814 loans nationally. It covers conduct by Nationstar occurring from Jan. 1, 2011, until Dec. 31, 2017.

In Tennessee, the settlement affects 1,435 loans for a total of \$1,751,369.04.

"We are glad to see this money help relieve the financial burden for many Tennesseans affected by this company's conduct," said General Slatery.

A settlement administrator will send a claim form to eligible borrowers in 2021. Nationstar has already provided some of the relief outlined in the settlement.

The agreement also requires Nationstar to conduct audits and provide audit results to a committee of states to ensure compliance with the settlement.

The state AGs negotiated the settlement with the state mortgage regulators and the federal Consumer Financial Protection Bureau, which filed separate settlement documents. The partners also collaborated with the U.S. Trustee Program, a component within the Department of Justice that seeks to promote the efficiency and protect the integrity of the bankruptcy system.



Herbert H. Slatery III Attorney General & Reporter

To read the consent judgment, click here:

<https://www.tn.gov/content/dam/tn/attorneygeneral/documents/pr/2020/pr20-56-complaint-judgment.pdf>

