

David Schultz Analyzes in ARM Compliance Digest: CFPB, State AGs Reach \$85M Settlement With Mortgage Servicer

In The News | 1 min read

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In the December 21, 2020 edition of the *ARM Compliance Digest*, Hinshaw partner David Schultz discusses a proposed stipulated judgment filed by the CFPB that will result in nearly \$85 million in redress plus penalties paid by a nationwide mortgage servicing company that was accused of engaging in unfair and deceptive acts when it failed to honor loan modification agreements it had entered into with borrowers:

Nationstar Mortgage, LLC is the fourth largest mortgage servicer in the country. It has done business as Mr. Cooper for over two years. As a mortgage servicer, it has many layers of federal and state regulators, and functions in a space subject to a complex network of laws.

After a few years of investigations by the regulators, Nationstar appears to have resolved all potential regulatory actions against it for conduct from 2012 through 2016, which period included almost 40,000 homeowners. The price is \$91 million – \$85 million in recoveries and \$6 million in fees and penalties. The regulators involved are the CFPB, attorneys general from 50 states and Washington, D.C. and Puerto Rico, plus 53 different bank regulators.

As often happens in these scenarios, it reached agreements with the regulators without having to litigate the matters in court. Instead, the regulators filed complaints and then the parties filed stipulated judgments that reflected their agreements.

[Read the full December 21, 2020 edition of the AccountsRecovery.net Compliance Digest.](#)

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David M. Schultz

Partner

📞 312-704-3527

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