

**STATE OF VERMONT  
DEPARTMENT OF FINANCIAL REGULATION**

**In The Matter Of:** )  
 )  
**OCWEN LOAN SERVICING, LLC** ) **Docket No. 15-033-B**

**CONSENT AGREEMENT**

1. The Commissioner of the Department of Financial Regulation is charged with administering and enforcing Vermont law as it pertains to loan servicers in the State of Vermont. 8 V.S.A. Chapters 1 and 85.
2. Ocwen Loan Servicing, LLC (“Ocwen”) is a Delaware limited liability company.
3. Ocwen is licensed to engage in the business of loan servicing in the State of Vermont.
4. The Department has alleged that Ocwen violated Vermont privacy laws and regulations, including Regulation B-2001-01, by:
  - a. Providing consumers with privacy notices that did not fully comply with Vermont laws and regulations;
  - b. Providing Vermont consumers with an “opt-out” notification rather than an “opt-in” notification;
  - c. Disclosing nonpublic personal financial information to one or more nonaffiliated third parties without first obtaining the consumer’s consent to such disclosure; and
  - d. Disclosing mortgage loan account numbers in connection with marketing programs.
5. Ocwen has not admitted any violation of Vermont law, and contends that it has valid defenses to the Department’s allegations.
6. The parties wish to resolve this matter without administrative or judicial proceedings.
7. Ocwen and the Department expressly agree to enter into this Consent Agreement in full and complete resolution of the alleged violations described in paragraph 4.

**Stipulation and Agreement**

Ocwen and the Department hereby stipulate and agree as follows:

8. Although Ocwen does not admit the Department's allegations, Ocwen does not dispute the facts establishing the Department's jurisdiction over Ocwen in this matter.

9. Ocwen agrees to pay: (a) an administrative penalty to the "Department of Financial Regulation" in the amount of \$150,000.00; and (b) a \$5,000.00 payment to the "VT DFR — Financial Services Education & Training Special Fund," which payments shall be made on or before November 13, 2015.

10. Ocwen shall establish policies and procedures to fully comply with Vermont's privacy laws and regulations, including:

- a. Providing Vermont consumers with privacy notices that fully comply with Vermont laws and regulations;
- b. Providing Vermont consumers with an "opt-in" notification rather than an "opt-out" notification as required by Vermont privacy laws and regulations;
- c. Refraining from disclosing a Vermont consumer's nonpublic personal financial information without the consumer's express consent, or as otherwise permitted by Vermont law;
- d. Obtaining a Vermont consumer's consent prior to disclosing nonpublic personal financial information to a nonaffiliated third party, except as otherwise specifically permitted by Vermont law; and
- e. Refraining from disclosing Vermont account numbers, including loan account numbers, except as specifically permitted by Vermont laws and regulations.

Ocwen shall provide the Department with a copy of such policies and procedures by December 30, 2015.

11. Commencing on the date of this Consent Agreement, for each Vermont borrower where Ocwen collects and remits a program or service fee pursuant to an existing joint marketing agreement ("Marketing Agreement") with a provider of a program or services ("Provider"):

- a. Ocwen shall cause each Provider to contact each subject Vermont borrower and provide at least two written notices to such borrower, which written notices clearly and conspicuously notify such borrower of all program and service fees collected in addition to the borrower's monthly loan payment, including the amount of the fee and a description of the program or service. The written notices shall be provided to the borrowers within 120 days from the date of this Consent Agreement. Ocwen and/or the Providers, at their election, may send more than two written notices to such Vermont borrowers within such 120 day period. Ocwen and/or the Providers may send the notices electronically if the

borrower has consented to receiving electronic communication.

b. In addition, Ocwen shall cause the Provider to include in such notices a clear and conspicuous notification that the programs or services will automatically terminate unless the borrower notifies the Provider (in writing or some other tangible record) that the borrower elects to remain in the program or service. The time period for the borrower to reply will be within the 120 day period from the date of this Consent Agreement.

c. Ocwen shall cause each Provider to provide the borrower with a reasonable and practicable method of informing the Provider of whether the borrower wants to remain in the program or service.

d. The form of notice covering the above must be approved by the Department prior to use.

e. At the end of such 120 day period from the date of this Consent Agreement, Ocwen: (i) will no longer include the Provider's program or service fee on the borrower's mortgage loan statement; (ii) will no longer collect the Provider's program or service fee from the borrower; and (iii) will no longer remit the program or service fee to the Provider; **unless** the Provider has provided Ocwen with a copy of the borrower's written or other tangible record indicating that the borrower has elected to remain in the program or service.

f. Ocwen shall use its commercially reasonable best efforts to timely obtain borrower-specific information from each Provider and provide the Department with reports identifying the borrowers notified and the borrowers that elected to retain the programs and services and the borrowers that allowed the programs and services to lapse.

g. Ocwen shall provide the Department with such additional information in Ocwen's possession regarding the foregoing as requested by the Department.

The term "Vermont borrower" means a Vermont resident who is a customer of Ocwen and a Provider by virtue of a Marketing Agreement. A customer with a mailing address at property located in Vermont, as shown on Ocwen's or a Provider's records, shall be deemed to be a resident of Vermont, provided that Ocwen and the Providers may provide the relief set forth in Section 11 above to other individuals who have verifiable contacts with Vermont.

12. In the event Ocwen fails to comply with any provision of this Consent Agreement within the time periods set forth herein, the Commissioner may, upon request from the Banking Division of the Department, issue an Order imposing remedies and penalties as authorized by law. The Department's failure to exercise this option shall not constitute a waiver of the right to exercise such option at any other time.

13. Notwithstanding any terms or conditions of this Consent Agreement, it is

acknowledged and agreed that: (i) the subject Vermont borrowers are customers of the Providers with respect to products and services offered by the Providers and the Providers are responsible for carrying out, upon notice from Ocwen (which shall include a copy of this Consent Agreement), the consumer-facing requirements of Section 11 above, (ii) Ocwen's efforts to cause the Providers to comply with the requirements in Section 11 above will consist of Ocwen's commercially reasonable best efforts and Ocwen does not guaranty that the Providers' conduct will comply with the requirements of Section 11 above, (iii) Ocwen will notify the Commissioner of any Provider's failure or refusal to follow the requirements of Section 11 above and provide to the Commissioner, to the extent available to Ocwen, a list of Vermont borrowers who are affected, (iv) neither Ocwen nor any Providers will have any duty, obligation or liability to the Commissioner or the Banking Division of the Department with respect to termination or rescission of any coverage, benefits or payments to Vermont borrowers who after being provided with the notices required by this Consent Order fail to notify a Provider of his or her election to remain with the program or service provided by the Provider, and (v) the sharing of customer information between Ocwen and the Providers and the reporting of any customer information with the Commissioner, as necessary to carry out this Consent Order, are permitted under Vermont law.

14. The Department shall retain continuing jurisdiction in this matter until Ocwen has complied with the terms and conditions of this Consent Agreement. Ocwen will be deemed to have complied with Section 11 by providing the Department with reports of the Providers or similar reliable documentation demonstrating that Vermont borrowers have been contacted in accordance with Section 11 and had the opportunity to make the choice of either retaining coverage or service or permitting it to lapse, and by complying with the requirements of subsection 11e regarding the billing, collecting, and remitting of program or service fees.

15. This Consent Agreement shall not prevent any person from pursuing any claim he or she may have against Ocwen, nor shall it be understood as determining whether any such claim may or may not exist in law or equity.

16. Nothing contained in this Consent Agreement shall restrain or limit the Department in responding to and addressing any actual complaint filed with the Department involving Ocwen and the Department reserves the right to pursue restitution in connection with any complaint filed with the Department.

17. Ocwen knowingly and voluntarily waives any right it may have to judicial review by any court of these matters by way of suit, appeal, or extraordinary relief resulting from entry of this Consent Agreement.

#### **ORDER**

#### **NOW THEREFORE, IT IS HEREBY ORDERED THAT:**

18. Ocwen shall comply with all agreements, stipulations, and undertakings as recited above.

19. Ocwen shall make the payments to the Department as described above, which

payments shall be made on or before November 13, 2015.

20. Ocwen shall comply with all of the provisions set forth in this Consent Agreement, including notification (or causing notification) to the borrowers and providing the Department with a copy of its policies and procedures as set forth above.

21. In the event Ocwen fails to make the payments to the Department or otherwise fails to comply with any provision of this Consent Agreement, subject to the limitations set forth in Section 13 above, the Commissioner may, upon request from the Banking Division of the Department, issue an Order imposing remedies and penalties as authorized by law. The Department's failure to exercise this option shall not constitute a waiver of the right to exercise such option at any other time.

22. This Order shall not prevent any person from pursuing any claim he or she may have against Ocwen.

23. Nothing contained in this Order shall restrain the Department from responding to and addressing any complaint involving Ocwen filed with the Department or shall preclude the Department from pursuing any other violation of law.

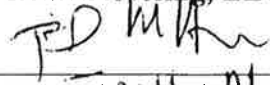
24. This order shall not be construed as an adjudication of any violation or any Vermont or federal law, except as specifically set forth herein.

**Vermont Department of Financial Regulation**

  
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Susan L. Donegan, Commissioner

Dated this 6<sup>th</sup> day of November, 2015

**Consented and Agreed to:  
Ocwen Loan Servicing, LLC**

By:   
\_\_\_\_\_  
(Print name Timothy M. Hayes)  
Title: Executive Vice President  
+ secretary

Dated this 30<sup>th</sup> day of October, 2015