

**Presented to NAPMW – Atlanta  
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**Multi-State AG Servicer Settlement  
\$25 billion dollars in monetary sanctions and relief from:**

- ❖ **Bank of America Corp.**
- ❖ **JPMorgan Chase & Co.**
- ❖ **Wells Fargo & Co.**
- ❖ **Citigroup Inc.**
- ❖ **Ally Financial Inc. (formerly GMAC)**

**Servicing Standards:**

- ❖ Must establish
  - A single point of contact for borrowers,
  - Maintain adequate staff and training,
  - Establish appropriate standards for executing foreclosure documents, and
  - End improper fees.
- ❖ Loss mitigation: Must send borrowers a pre-foreclosure notice offering loss mitigation options, an account summary, description of facts supporting their right to foreclose, and a notice that the borrower may request a copy of the loan note and the identity of the investor holding the loan.
- ❖ Affidavits and Robo-signing: Affidavits/sworn statements utilized in foreclosure proceedings must be accurate as to the amounts owed and the standing of the bank/servicer to file for foreclosure and must be based on the signor's personal knowledge of the facts. The affiant must actually review the bank/servicer records before signing.
  - **Watch the dates – “effective date” vs. actual date signed**
  - **Never sign a document with blanks**
  - **Review facts/file before executing**
  - **ALWAYS execute in front of a notary**
  - **Do not provide incentives for number of documents or speedy execution**
- ❖ Short Sales: Must expedite and facilitate short sales of distressed properties.

**Service Members Civil Relief Act (SCRA):** Provides enhanced safeguards for military personnel beyond SCRA protections:

- ❖ Extends the window of protections for qualified service members.
- ❖ Does not require service members to be delinquent to qualify for a short sale, loan modification, or other loss mitigation relief (if the service member suffers financial hardship and is otherwise eligible for such loss mitigation).

**Refinancing Relief:**

- ❖ Servicers are to provide up to \$3 billion in refinancing relief nationwide to borrowers not in default, but upside down on their loans.
- ❖ At least \$10 billion dedicated to reducing principal for borrowers who, as of the date of the settlement, owe more on their mortgages than their homes are worth and are either delinquent or at imminent risk of default.
  - Georgia's borrowers can see estimated \$101.8 million in refinanced loans.
- ❖ Servicers to provide up to \$17 billion in principal reduction and other forms of loan modification relief nationwide.
  - Georgia's borrowers to see approximately \$526 million from loan term modifications and other direct relief.

**Foreclosure Relief:** Immediate relief to borrowers who lost their homes to foreclosure.

- ❖ It is estimated that \$1.5 billion will be distributed nationwide to some 750,000 borrowers.
  - Georgia's foreclosed borrowers will receive an estimated \$82.7 million in benefits.
  - Georgia's borrowers who lost their home to foreclosure from January 1, 2008, through December 31, 2011, may qualify for approximately \$1800 to \$2000 in cash payments without releasing private claims against the servicers or the right to participate in the office of the Comptroller of the Currency review process.

**Signing States to Receive Funding:**

- ❖ As a signing state, Georgia will receive \$104 million.

- Pursuant to Georgia law, the funds will go to the State Treasury for appropriation by the General Assembly.
- The funds are intended to “be used for purposes intended to avoid preventable foreclosures, to ameliorate the effects of the foreclosure crisis, to enhance law enforcement efforts to prevent and prosecute financial fraud, or unfair or deceptive acts or practices and to compensate the States for costs resulting from the alleged unlawful conduct of the Defendants.”

Examples from the settlement include: “Supplementing the amounts paid to state homeowners under the Borrower Payment Fund, funding for housing counselors, state and local foreclosure assistance hotlines, state and local foreclosure mediation programs, legal assistance, housing remediation and anti-blight projects, funding for training and staffing of financial fraud or consumer protection enforcement efforts, and civil penalties.”

**Mortgage Servicer Compliance:** Banks/servicers shall conduct quarterly reviews of: a sampling of affidavits, sworn statements documents used to foreclose in non-judicial states, ownership information and loss mitigation summaries prepared by bank/servicer employees and agents to ensure the documents are in compliance with the law and this agreement. National banks are required to report compliance with the settlement to an independent monitor who will report to state attorney’s general.

- ❖ Incentives provided to Servicers for relief provided within the first 12 months – and additional cash payments required for any servicer that fails to meet its obligation within three years.

**Banks’ accountability claims not covered by this settlement:**

- ❖ No grant of immunity from criminal offenses
- ❖ Does not prevent homeowners or investors from pursuing individual, institutional or class action civil cases against the five servicers
- ❖ No claims are being settled regarding the securitization of mortgage-backed securities or MERS

**Resources for consumers:**

The Impact Group - [www.theimpactgroup.org](http://www.theimpactgroup.org)

CredAbility - [www.credability.org](http://www.credability.org)

<http://www.nationalmortgagesettlement.com/>

Citi - [www.citimortgage.com](http://www.citimortgage.com); 866-272-4749

Ally/GMAC - [www.gmacmortgage.com](http://www.gmacmortgage.com); 800-766-4622

Bank of America - <http://ihomeloanhelp.bankofamerica.com>; 877-488-7814

JPMorgan Chase – [www.chase.com/chf/mortgage/keeping-your-home](http://www.chase.com/chf/mortgage/keeping-your-home); 866-372-6901

Wells Fargo - [www.wellsfargo.com/homeassist/](http://www.wellsfargo.com/homeassist/); 800-288-3212

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