



**John R. Kasich**  
Governor

**Jacqueline T. Williams**  
Director

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**Contact:** Kerry Francis, 614-728-1949  
[Kerry.francis@com.ohio.gov](mailto:Kerry.francis@com.ohio.gov)

## **States Impose Penalties, New Business Practices on PHH Mortgage**

Financial regulators from 47 states, including Ohio, announced a legal settlement with PHH Mortgage Corp. The settlement, which affects approximately 2,000 Ohioans, will assist borrowers harmed by PHH Mortgage during 2009-2012, due to operational deficiencies in mortgage servicing. These deficiencies were identified during an examination of the company conducted by Arizona, Georgia, Louisiana, Massachusetts and New York.

The settlement:

- Provides \$31 million in cash payments for up to 52,000 borrowers who lost their homes to foreclosure from Jan. 1, 2009, to Dec. 31, 2012, or were in the foreclosure process during that period
- Mandates that PHH submit an administrative penalty of \$8.8 million to state regulators
- Establishes a set of servicing standards the company must follow going forward

“This settlement demonstrates a core responsibility of state regulators: to protect consumers from bad actors and bad business practices,” said Kevin Allard, Superintendent of the Division of Financial Institutions. “With this settlement, we are saying that Ohio will not tolerate mortgage servicers that harm consumers by failing to process mortgage payments according to the law. As part of this settlement, Ohio and other states are requiring corrective actions so that PHH’s future mortgage servicing activity ensures timely and accurate processing of loan payments.”

Affected consumers will be contacted by a settlement administrator.

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