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New Jersey Participates in Nationwide Settlement with PHH Mortgage Corp

TRENTON —Department of Banking and Insurance Commissioner Richard J. Badolato announced today that New Jersey is participating in a 47-state legal settlement with PHH Mortgage Corp. The settlement with the Mt. Laurel – based company will assist borrowers harmed by PHH Mortgage during 2009-2012, due to severe operational deficiencies in the firm's mortgage servicing.

The settlement provides \$31 million in cash payments for up to 52,000 borrowers around the country who lost their homes to foreclosure from January 1, 2009 to December 31, 2012, or were in the foreclosure process during that period. The settlement also includes an administrative penalty of \$8.8 million to state regulators and establishes a set of mortgage servicing standards that PHH Mortgage must follow going forward.

"This settlement demonstrates a core responsibility of state regulators: to protect consumers from bad actors and bad business practices," said Commissioner Badolato. "With this settlement, we are saying that states will not tolerate mortgage services that harm consumers by failing to process mortgage payments according to the law. These corrective actions help ensure that PHH's future activity in processing loan payments is timely and accurate."

The settlement will provide a portion of the \$31 million in cash payments to eligible New Jersey borrowers. The settlement also provides \$160,000 to the State of New Jersey as its share of the nationwide administrative penalty.

PHH Mortgage is a licensed mortgage originator in New Jersey, currently serving nearly 38,000 loans with a total mortgage value of more than \$9 billion. It is the 8th largest New Jersey – based lender.

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