



Contact: Michael Larsen
Bureau Chief
Consumer Finance Bureau
(208) 332-8000

NEWS RELEASE

For Immediate Release

Release

February 9, 2012

Idaho Department of Finance Joins Historic \$25 Billion State-Federal Mortgage Servicing Settlement

Boise, Idaho Department of Finance Director Gavin Gee announced his department is participating in an historic mortgage servicing settlement in response to significant and far-reaching problems discovered in the residential mortgage servicing industry. The \$25 billion settlement is between 45 state regulatory agencies and the District of Columbia, 49 state attorneys general, a host of federal agencies, and the five largest mortgage servicing companies – Bank of America Corp., Wells Fargo & Co., JPMorgan Chase & Co., Citigroup Inc., and Ally Financial Inc.

Idaho's estimated share of the settlement is approximately \$114 million, of which approximately \$100 million will provide direct relief to Idaho homeowners whose mortgages are owned and serviced or were foreclosed on by one of the settling servicers.

"When allegations of questionable practices such as 'robo-signing' first came to light, state financial regulators joined together to conduct comprehensive examinations of servicers," said Gee. "The examinations uncovered extensive foreclosure abuses and unacceptable servicing practices. These practices had negative consequences for homeowners."

The proposed settlement is extensive in its requirements for the five largest servicers and will impact a significant number of homeowners. Among other things, the settlement:

- Implements more stringent standards for affidavits and sworn statements in foreclosure and bankruptcy proceedings;
- Imposes new requirements for accuracy and verification of a borrower's account information;
- Clarifies documentation of noteholder status and chain of assignment;
- Directs the five servicers to implement quality assurance systems and conduct regular audits of such systems;
- Applies loss mitigation requirements, intended to apply to both government-sponsored and proprietary loss mitigation programs;

800 Park Blvd., Suite 200, Boise, ID 83712
Phone: (208) 332-8000 Fax: (208) 332-8097
<http://finance.idaho.gov>

- Prohibits the five servicers from initiating a foreclosure while a loan modification is in process;
- Directs the five servicers to provide a single point of contact and single electronic record to a borrower;
- Seeks to enforce protections for military personnel established by the Servicemembers Civil Relief Act;
- Restricts default and foreclosure-related fees the five servicers can charge;
- Addresses force-placed insurance; and
- Outlines general servicer duties and prohibitions.

Idaho homeowners can access specific information about the national mortgage settlement on the [Idaho Attorney General's website](#), including a [summary of the national mortgage settlement](#), [national mortgage settlement FAQs](#), and [payment eligibility forms](#) for homeowners who believe they are eligible to receive payment under the national mortgage settlement.

Idaho homeowners with loans serviced by one of the five settling mortgage servicers may also contact the servicer directly to inquire about available mortgage loan assistance programs. [Ally/GMAC](#) (800-766-4622); [Bank of America](#) (877-488-7814); [Citi](#) (866-272-4749); [JPMorgan Chase](#) (866-372-6901); and [Wells Fargo](#) (800-288-3212).

“While this settlement is certainly monumental in its scope, it should be noted that most financial institutions or mortgage servicers are not engaged in the types of practices addressed in this settlement,” said Gee. “This settlement is not merely intended as a deterrent from future mortgage service abuses, but to also offer relief to those homeowners who have been victimized by servicer misconduct. A person’s home is the most personal of possessions, and misconduct that results in foreclosure is aggressively addressed in this historic settlement.”

More details about the full settlement are available at www.nationalforeclosuresettlement.com. Consumers can view more department press releases on the department's website at <http://finance.idaho.gov>. Consumers can also contact the Department at (208) 332-8000 or Idaho toll-free at 1-888-346-3378.