

SETTLEMENT AGREEMENT

I. Parties and Effect of State Law

1. **Parties.** This Settlement Agreement ("Agreement") is entered into between The State of Arizona, The State of Colorado, The Attorney General for The State of Florida, Florida Office of Financial Regulation, The Attorney General for The State of Illinois, Illinois Department of Financial and Professional Regulation, The State of Iowa, The State of Nevada, The State of Ohio, The State of Oregon, and The State of Texas ("State Government Parties") and Ocwen Financial Corporation and Ocwen Loan Servicing, LLC (collectively, "Ocwen") (Ocwen and the State Government Parties shall collectively be referred to as the "Parties" and each shall individually be referred to as a "Party").

2. **Effect of State Law.** This Agreement may be considered an Assurance of Voluntary Compliance, Assurance of Discontinuance, or Cease and Desist By Agreement, as applicable, under: A.R.S. § 44-1530 (for Arizona); § 501.207(6), Florida Statutes (for Florida); 815 ILCS 505/6.1 (for Illinois); NRS 598.0995 (for Nevada); Ohio Revised Code § 1345.01 *et seq.* (for Ohio); ORS 646.632 (for Oregon); Tex. Bus. & Com. Code Ann. § 17.58 (for Texas). A State Government Party may file this Agreement in its state court or administrative tribunal as may be required by the laws of such State. Failure to reference the law of any State Government Party signing this Agreement in this Paragraph 2 shall have no effect on the enforceability of this Agreement.

RECEIVED
ATTORNEY GENERAL OF OHIO

MAY 15 2019

CONSUMER PROTECTION SECTION
PUBLIC INSPECTION FILE

II. Recitals

3. In 2014, the State Government Parties (along with other state and federal agencies) entered into Consent Judgments¹ with Ocwen (together, the “National Ocwen Settlement”) to resolve allegations that Ocwen violated various state and federal consumer protection laws in the course of servicing residential mortgage loans.

4. During the course of the compliance period required by the National Ocwen Settlement, Ocwen exceeded the threshold error rate related to certain servicing standards under the National Ocwen Settlement. By the terms of the National Ocwen Settlement, Ocwen had the right to cure such “Potential Violations” by implementing a corrective action plan and passing subsequent testing.

5. In order to establish certain agreed terms to govern the corrective action plan process moving forward, the State Government Parties and Ocwen entered into a supplemental agreement in September 2016 (“Letter Agreement”) where Ocwen agreed that it would implement corrective action plans and, following such implementation, return to testing upon certain not-previously-established timeframes. The State Government Parties and Ocwen agreed that if Ocwen failed to meet these timeframes, Ocwen would pay the State Government Parties \$1 million for each instance of non-compliance. A copy of the Letter Agreement is attached as Exhibit A to this Agreement.

6. The State Government Parties allege that Ocwen violated the Letter Agreement by failing to return to testing for Metric 28 in the 4th Quarter of 2016 and by failing to submit a

¹ See, e.g., *Consumer Financial Protection Bureau, et al., v. Ocwen Financial Corporation, et al.*, No. 13-cv-2025-RMC (D.D.C. Feb. 26, 2014).

corrective action plan for Metric 29 within 15 days of learning that the Metric had failed testing in the 1st Quarter of 2017.

7. Ocwen denies the allegations contained in Paragraph 6.

8. This Agreement sets out the terms on which the State Government Parties and Ocwen, to avoid the delay, uncertainty, inconvenience, and expense of litigation, have agreed to settle the potential claims arising from the Letter Agreement. To implement this Agreement and in consideration of the mutual promises and obligations set forth in this Agreement, the State Government Parties and Ocwen agree and covenant as follows:

III. Terms and Conditions

9. **Payment.** Ocwen agrees to make a total payment of \$500,000 to the State Government Parties, to be used for attorney's fees, investigative costs and fees, future expenditures relating to the investigation and prosecution of cases involving fraud, unfair and deceptive acts and practices, and other illegal conduct related to financial services or state consumer protection laws to the extent practicable or as otherwise authorized by the applicable law of any state that is party to this agreement. The \$500,000 shall be distributed evenly between the State Government Parties, and such payments shall be made to the Attorneys General of The State of Arizona, The State of Colorado, The State of Florida, The State of Illinois, The State of Iowa, The State of Nevada, The State of Ohio, The State of Oregon, and The State of Texas, and to the Commissioners of The Florida Office of Financial Regulation and The Illinois Department of Financial and Professional Regulation. Payment shall be made within 15 days of receipt of written instructions provided to Ocwen by the State Government Parties following execution of this Agreement.

10. **Release.** Subject to the exemption set forth in Paragraph 11, each of the State Government Parties fully and finally releases Ocwen from any civil claim the State Government

Party could assert arising out of Ocwen's alleged violation of the Letter Agreement as described in Paragraph 6 above. The Release of claims in this Paragraph 10 is expressly conditioned on Ocwen's full and timely payment of the Settlement Amount, including without limitation payment to each of the States as specified in Paragraph 9 of this Agreement. Each of the State Government Parties executes this Release in their official capacity and release only claims, referenced above, that the individual State Government Party has the authority to bring and release.

11. **Florida Litigation.** Except as to any civil claim relating to the alleged violation of the Letter Agreement, as described herein, nothing contained in this Agreement shall be deemed as a waiver or modification of any of the Parties' rights, remedies, or defenses in the lawsuit filed against Ocwen Financial Corporation, Ocwen Mortgage Servicing, Inc., and Ocwen Loan Servicing, LLC in the United States District Court for the Southern District of Florida (Case No.: 9:17-cv-80496-KAM) (the "Florida Action") for alleged violations of the Real Estate Settlement Procedures Act, Regulation X, the Consumer Financial Protection Act, the Florida Deceptive and Unfair Trade Practices Act, and Chapter 494 of Florida Statutes, including the Office of the Florida Attorney General and the Florida Office of Financial Regulation's ability to amend its complaint in the Florida Action or otherwise bring additional claims under federal consumer financial laws, federal or state consumer protection laws, or for violations of Chapter 494, Florida Statutes. Finally, by executing this Agreement, neither the Office of the Florida Attorney General and the Florida Office of Financial Regulation or Ocwen waive any rights, remedies, defenses or claims related to the servicing conduct covered by Metrics 28 and 29 under the National Ocwen Settlement.

12. Miscellaneous Provisions.

a. This Agreement is intended to be for the benefit of the State Government Parties only and does not create any third-party rights.

b. Each Party shall bear its own legal and other costs incurred in connection with this matter.

c. Each Party and signatory to this Agreement represents that it freely and voluntarily enters into this Agreement without any degree of duress or compulsion.

d. Nothing in this Agreement in any way alters or affects the terms of any applicable legal regulations with respect to Ocwen or Ocwen's obligations under any such regulations.

e. Nothing in this Agreement constitutes an agreement by the State Government Parties concerning the characterization of the Settlement Amount for the purposes of the Internal Revenue laws, Title 26 of the United States Code, or similar state tax codes or laws.

f. For the purposes of construing the Agreement, this Agreement shall be deemed to have been drafted by all Parties and shall not, therefore, be construed against any Party in any dispute.

g. This Agreement constitutes the complete agreement between the Parties. This Agreement may not be amended except by written consent of all the Parties.

h. This Agreement may be executed in counterparts, each of which constitutes an original and all of which constitute one and the same Agreement.

i. This Agreement shall not be deemed to constitute approval of any of Ocwen's mortgage servicing practices, compliance with the Consent Judgment, or compliance

with the Letter Agreement, and neither Ocwen nor anyone acting on Ocwen's behalf shall state or imply that this Agreement constitutes approval, sanction, or authorization for any act or practice of Ocwen.

j. This Agreement is effective on the date of signature of the last signatory to the Agreement. Facsimiles of signatures and signatures provided by portable document format (".pdf") shall constitute acceptable, binding signatures for purposes of this Agreement.

* * *Dated June 11, 2018

For Ocwen Financial Corporation and Ocwen Loan Servicing, LLC

By: 


Name: Joseph J. Samarias

Title: SVP, Deputy General Counsel

Dated: June 11, 2018

For the State of Arizona:

MARK BRNOVICH
Arizona Attorney General



MATTHEW DU MEE
Assistant Attorney General
2005 N. Central Ave.
Phoenix, AZ 85004-1592
Tel.: (602) 542-5025

Dated: May 22, 2018

For the State of Colorado, *ex. rel.*

CYNTHIA COFFMAN
Colorado Attorney General:

A handwritten signature in cursive script, appearing to read "Terri Leshier", written over a horizontal line.

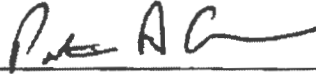
TERRI LESHIER
Assistant Attorney General
Consumer Protection Section
Colorado Department of Law
Ralph L. Carr Colorado Judicial Center
1300 Broadway, 7th Floor
Denver, Colorado 80203
Tel.: (720) 508-6228

Dated: _____

5-10-18

For the State of Florida:

PAMELA JO BONDI
Florida Attorney General



PATRICIA A. CONNERS
Chief Deputy Attorney General
FL Bar No. 361275
Office of the Florida Attorney General
Capitol - Plaza Level - Room PL-01
Tallahassee, FL 32399
Tel.: (850) 245-0140


Dated: 5/16/18


VICTORIA A. BUTLER

For Director, Consumer Protection Division
FL Bar No. 861250
Office of the Florida Attorney General
3507 E. Frontage Road, Suite 325
Tampa, FL 33607
Tel.: (813) 287-7950

Anthony S. Bradlow
Assistant Attorney General

Dated: 05/08/2018



ANTHONY S. BRADLOW

Assistant Attorney General
FL Bar No. 104904
Consumer Protection Division
Office of the Florida Attorney General
3507 E. Frontage Road, Suite 325
Tampa, FL 33607
Tel.: (813) 287-7950

Dated: 05/08/2018

For the Florida Office of Financial Regulation:

DREW J. BREAKSPEAR
Commissioner, Florida Office of Financial Regulation


DREW J. BREAKSPEAR
Florida Office of Financial Regulation
200 E. Gaines Street
Fletcher Building, Suite 118
Tallahassee, FL 32399-0370
Tel.: (850) 410-9601

Dated: 5 - 17 - 18

For the State of Illinois:

LISA MADIGAN
Illinois Attorney General


A handwritten signature in cursive script, appearing to read "S. Ellis", written over a horizontal line.

SUSAN ELLIS
Chicago Consumer Fraud Bureau, Chief
100 West Randolph Street, 12th Floor
Chicago, IL 60601
Tel.: (312) 814-6351

Dated: 5/16/18

For the Illinois Department of Financial and Professional Regulation:

BRIAN A. SCHNEIDER
Secretary, Illinois Department of Financial and Professional Regulation


A handwritten signature in cursive script, reading "Brian A. Schneider".

BRIAN A. SCHNEIDER
Secretary, Illinois Department of Financial and Professional Regulation
100 West Randolph Street, 9th Floor
Chicago, IL 60601
Tel.: (312) 814-2837

Dated: May 8, 2018

For the State of Iowa:

TOM MILLER
Iowa Attorney General




PATRICK MADIGAN
Assistant Attorney General
Iowa Attorney General's Office
1305 E. Walnut Street
Des Moines, IA 50319
Tel.: (515) 281-5926

Dated: June 8, 2018

For the State of Nevada:

ADAM PAUL LAXALT
Nevada Attorney General

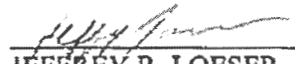


SHERI ANN FORBES
Senior Deputy Attorney General
Office of the Attorney General
Bureau of Consumer Protection
10791 W. Twain Avenue, Suite 100
Las Vegas, Nevada 89135
Tel.: (702) 486-3085

Dated: May 8, 2018

For the State of Ohio:

MIKE DEWINE
Ohio Attorney General



JEFFREY R. LOESER
Senior Assistant Attorney General
Consumer Protection Section
30 E. Broad St., 14th Floor
Columbus, OH 43215
Tel.: (614) 644-9618

Dated: 5/8/2018

For the State of Oregon:

ELLEN ROSENBLUM:
Oregon Attorney General

s/D. Althea Cullen
D. ALTHEA CULLEN
Assistant Attorney General
Oregon Department of Justice
Financial Fraud/Consumer Protection
100 SW Market Street
Portland, OR 97201
Tel.: (971) 673-1880

Dated: 5/16/2018

For the State of Texas:

KEN PAXTON
Texas Attorney General



RICHARD L. BISCHOFF
State Bar No. 02343200
Assistant Attorney General
Consumer Protection Division
401 E. Franklin Avenue, Suite 530
El Paso, Texas 79901
Tel.: (915) 834-5800

Dated: 2018/5/8

September 26, 2016

Via Electronic Mail

Patrick Madigan
Iowa Assistant Attorney General
1305 E. Walnut St.
Des Moines, IA 50319
Patrick.Madigan@Iowa.gov

**RE: Ocwen Financial Corporation and Ocwen Loan Servicing, LLC – Corrective
Action Plan Letter Agreement**

Dear Mr. Madigan,

In connection with our discussions surrounding Ocwen Financial Corporation and Ocwen Loan Servicing, LLC's (collectively, "Ocwen") Potential Violations of National Mortgage Settlement metrics, I am providing this letter agreement ("the Agreement") to establish certain agreed terms to govern the Corrective Action Plan ("CAP") process moving forward.¹ Ocwen and the designated members of the Monitoring Committee² ("Monitoring Committee Parties," and together with Ocwen, the "Parties") agree to the terms set forth below.

Terms

1. If Ocwen identifies a Potential Violation of a metric in a Quarterly Report, Ocwen shall submit an initial draft of a Corrective Action Plan ("CAP") to the Monitor within 15 days from the submission of the Quarterly Report. If the Monitor discovers a Potential Violation of a metric despite Ocwen not indicating the same on its Quarterly Report, Ocwen shall submit an initial draft of the CAP to the Monitor within 15 days of being notified in writing by the Monitor of the Potential Violation.
2. Ocwen shall implement the CAP within 90 days from the date that Ocwen submitted its initial draft of the corrective action plan to the Monitor. The Monitor has agreed that the Monitor will approve or provide revisions to the initial draft of the CAP within 2 days of receiving the initial draft from Ocwen.
3. In the event of a Potential Violation, the Cure Period shall begin 90 days after the submission of the initial draft of the CAP. If the last day of the 90 day period occurs in the first month of a Quarter, the Cure Period shall constitute the period between expiration of the 90 day period and the end of that Quarter. If the last day of the 90 day

¹ Capitalized terms used herein and not otherwise defined shall have the same meaning as in the consent judgment, *Consumer Fin. Prot. Bureau, et al. v. Ocwen Fin. Corp. et al.*, No. 13-cv-02025 (D.D.C. Feb. 26, 2014) ("Consent Judgment").

² The following members of the Monitoring Committee are considered the Monitoring Committee Parties to this Agreement: The State of Arizona, The State of Colorado, The State of Iowa, The State of Florida, Florida Office of Financial Regulation, The State of Illinois, Illinois Department of Financial and Professional Regulation, The State of Nevada, The State of Ohio, The State of Oregon, and The State of Texas.

period does not occur in the first month of a Quarter, the Cure Period shall begin the following Quarter.

4. The Cure Period for the following metrics shall occur as follows:
 - a. Metric 8: April 1, 2016 – June 30, 2016
 - b. Metric 31: April 1, 2016 – June 30, 2016
5. Ocwen's failure of Metric 28 and Metric 29 in the 4th Quarter of 2015 shall be covered by the terms of this Agreement.
 - a. For Metric 28, Ocwen's initial draft CAP was submitted to the Monitor on or before May 31, 2016; Ocwen implemented the CAP on or before August 30, 2016; and the Cure Period for Metric 28 shall occur from October 1, 2016 – December 31, 2016.
 - b. For Metric 29, Ocwen's initial draft CAP was submitted to the Monitor on August 18, 2016; Ocwen shall implement the CAP on or before November 16, 2016; and the Cure Period for Metric 29 shall occur in the 1st Quarter of 2017.
6. Upon request by Ocwen, the Monitoring Committee Parties will consider an alteration of any timeline described in this Agreement. The Monitoring Committee Parties have the sole discretion to grant or deny any such request for an alteration.
7. In the event that Ocwen fails to comply with the deadlines described in Paragraphs 1, 2, 3, 4, or 5 above, the Parties agree that Ocwen shall pay the Monitoring Committee Parties \$1 million for each instance of non-compliance, and Ocwen agrees that it will promptly remedy any noncompliance. Further:
 - a. Any payments shall be apportioned among the Monitoring Committee Parties for attorney's fees, administrative remedies, consumer education, or future consumer protection enforcement purposes, in accordance with state law and as directed by each of the Monitoring Committee Parties.
 - b. These payment obligations and Ocwen's obligation to promptly remedy the noncompliance are additive to the enforcement rights and remedies described in the Consent Judgment.
 - c. The parties agree that nothing in this Agreement shall be construed as a limitation, reduction, or waiver of the Monitoring Committee's or any Plaintiff's rights or remedies under the Consent Judgment.
 - d. Any failure by Ocwen to comply with the requirements of this Agreement shall not be deemed an uncured Potential Violation under the Consent Judgment.
8. Upon request, Ocwen agrees to provide relevant documents, to the extent documentation exists, relating to the Consent Judgment metric testing for Servicing Standard(s)

associated with reported metric failures where subsequent quarterly testing results were not reported to OMSO, including Metrics, 8, 19, and 31, and any future metric fails. Ocwen, including its agents, shall retain all documents relating to compliance with the Consent Judgment metric testing for Servicing Standard(s) in accordance with the records retention laws in each state where Ocwen currently holds a license. Ocwen does not waive or release any privilege, protections, or rights it may have under applicable law in connection with such requests.

9. In exchange for the above commitments by Ocwen, the Monitoring Committee Parties agree that they will not seek relief from the Court for the gap in testing of Metrics 8, 19, and 31 that has occurred as of the time of the signing of this Agreement, provided that Ocwen complies with terms of this Agreement. This Agreement is not intended to modify the existing Consent Judgment, and the designated members of the Monitoring Committee are not relinquishing any rights pursuant to the Consent Judgment, including but not limited to any rights that may stem from Ocwen's failure to meet its obligations under the Consent Judgment to engage in compliance testing or to cure any Potential Violations.
10. This Agreement is the entire agreement between the Parties and may not be altered or amended except in a writing signed by the Parties. This Agreement may be executed by the Parties in multiple counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

Our approval of the agreement on behalf of Ocwen Financial Corporation and Ocwen Loan Servicing, LLC is reflected on the following page. Please provide signatures of the Monitoring Committee Parties to indicate agreement with the foregoing.

Sincerely,

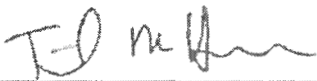


Andrew S. Wein

Senior Vice President and Deputy General Counsel
Ocwen Financial Corporation

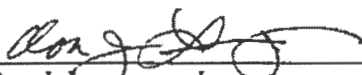
Acknowledged and Accepted as of October 13, 2016:

Ocwen Financial Corporation and
Ocwen Loan Servicing, LLC

by: 
Name: TIMOTHY M. HAYES
Title: VP - GENERAL COUNSEL

For the Arizona Attorney General's Office:

Mark Brnovich
Arizona Attorney General



Don J. Lawrence, Jr.
Section Chief Counsel
Arizona Attorney General's Office
1275 W. Washington Ave.
Phoenix, AZ 85007
Tel.: (602) 542-4085
Email: consumer@azag.gov

For the Colorado Attorney General's Office:

Cynthia H. Coffman
Colorado Attorney General

A handwritten signature in black ink, appearing to read "Terri C. Lesher", is written over a horizontal line.

Terri C. Lesher
Assistant Attorney General
Colorado Department of Law- Consumer Protection Section
Ralph L. Carr Colorado Judicial Building
1300 Broadway, 7th Floor
Denver, CO 80203
Tel.: (720) 508-6231
Email: Terri.Lesher@coag.gov

For the Florida Attorney General's Office:

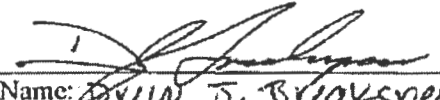
PAMELA JO BONDI
Florida Attorney General

A handwritten signature in cursive script that reads "Victoria Butler". The signature is written in dark ink and is positioned above a horizontal line.

VICTORIA A. BUTLER
Director, Consumer Protection Division
Florida Attorney General's Office
3507 E. Frontage Road, Ste. 325
Tampa, FL 33615
Tel.: (813) 287-7950
Fax: (813) 281-5515
Email: victoria.butler@myfloridalegal.com

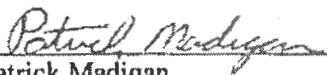
Acknowledged and Accepted as of 9/30/16, 2016:

For the Florida Office of Financial Regulation:


Name: Devin S. Breakspear
Title: Commissioner

For the Iowa Attorney General's Office:

Tom Miller
Iowa Attorney General



Patrick Madigan
Assistant Attorney General
Iowa Attorney General's Office
1305 E. Walnut St.
Des Moines, IA 50319
(515) 281-5926

For the Illinois Attorney General's Office:

Lisa Madigan
Illinois Attorney General

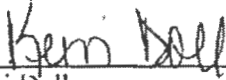


Susan Ellis

Consumer Fraud Bureau Chief
Illinois Attorney General's Office
100 W. Randolph, 12th Floor
Chicago, IL, 60601
Tel.: (312) 814-6351
Email: sellis@atg.state.il.us

For the Illinois Department of Financial and Professional Regulation:

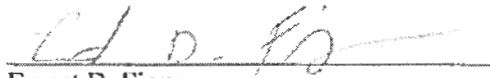
Bryan A. Schneider
Secretary

A handwritten signature in dark ink, appearing to read "Kerri Doll", is written over a horizontal line.

Kerri Doll
Acting Director
Division of Banking
320 West Washington Street
5th Floor
Springfield, IL 62786
Tel.: (217) 558-4938
Email: kerri.doll@illinois.gov

For the Nevada Attorney General's Office:

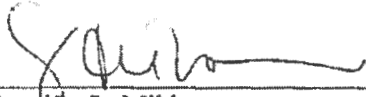
Adam Paul Laxalt
Nevada Attorney General



Ernest D. Figueroa
Consumer Counsel / Chief Deputy Attorney General
Office of the Nevada Attorney General
Bureau of Consumer Protection
100 North Carson Street
Carson City, Nevada 89701
Tel.: (775) 684-1197
Email: efigueroa@ag.nv.gov

For the Ohio Attorney General's Office:

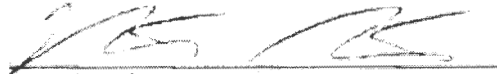
MICHAEL DEWINE
Ohio Attorney General

A handwritten signature in dark ink, appearing to read "J. Mildren", is written over a horizontal line.

Jennifer L. Mildren
Assistant Attorney General
Ohio Attorney General's Office
30 East Broad Street, 14th Floor
Columbus, Ohio 43215
614-466-8235
Email: Jennifer.mildren@ohioattorneygeneral.gov

For the Oregon Attorney General's Office:

Ellen Rosenblum
Oregon Attorney General

A handwritten signature in dark ink, appearing to read 'Janet Borth', is written over a horizontal line.

Janet Borth
Assistant Attorney General
Oregon Department of Justice
1162 Court St. NE
Salem, OR 97301
Tel.: (503) 934-4457
Email: janet.c.borth@doj.state.or.us

For the State of Texas:

A handwritten signature in black ink, appearing to read 'R. Bischoff', with a long horizontal line extending to the right.

RICHARD L. BISCHOFF
State Bar No. 02343200
Assistant Attorney General
Consumer Protection Division
401 E. Franklin Avenue, Suite 530
El Paso, Texas 79901
Tel.: 915- 834-5800
Fax: 915-542-1546