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## ARKANSAS SECURITIES DEPARTMENT

### FOR IMMEDIATE RELEASE

Date: April 20, 2017

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#### **ARKANSAS SECURITIES COMMISSIONER ISSUES CEASE AND DESIST ORDER AGAINST LARGE MORTGAGE SERVICER TO STOP THE ACQUISITION OF NEW MORTGAGE SERVICING RIGHTS AND THE ORIGINATION OF NEW MORTGAGE LOANS IN ARKANSAS**

Arkansas Securities Commissioner B. Edmond Waters issued a cease and desist order today, April 20, 2017, against Ocwen Loan Servicing, LLC NMLS No. 1852 and Ocwen Mortgage Servicing, Inc. NMLS No. 1089752, together referred to as Ocwen, finding that Ocwen has been mishandling borrower escrow accounts and has a deficient financial condition. The order prohibits the acquisition of mortgage servicing rights and the origination of mortgage loans until the company is able to prove it can appropriately manage its borrower mortgage escrow accounts.

The Arkansas Securities Department joined State Mortgage Regulators from around the country in issuing regulatory orders or charges against Ocwen. These regulatory orders or charges are a culmination of several years of examinations and monitoring that revealed the company is unable to accurately manage borrower's mortgage escrow accounts. Mortgage escrow accounts are utilized to pay taxes and insurance and hold borrower funds that the company is entrusted to manage appropriately.

The Staff of the Arkansas Securities Department, who joined State Mortgage Regulators in other states in the investigation and monitoring of this matter, requested the order and asked for a prohibition of the acquisition of new mortgage servicing rights and the origination of mortgage loans until the company can provide a third party audit of the Arkansas borrower escrow accounts showing that borrower funds are appropriately collected, properly calculated, and disbursed accurately and timely.

Copies of the order can be obtained at the Arkansas Securities Department website, listed below. Order No. C-14-0020-17-OR02, *In the Matter of Ocwen Loan Servicing, LLC, NMLS No. 1852 and Ocwen Mortgage Servicing Inc., NMLS No. 1089752*

Arkansas consumers that are experiencing problems with payments, other account issues, or with any questions regarding this action should contact the Staff at 501-324-9260 or 800-981-4429.