



Attorney General Doug Peterson

News Release

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ATTORNEY GENERAL PETERSON ANNOUNCES \$86.3 MILLION SETTLEMENT WITH MORTGAGE SERVICER NATIONSTAR

Case settles allegations of past violations affecting thousands of 'Mr. Cooper' customers

LINCOLN -- Attorney General Peterson has joined with 50 attorneys general and other federal and state agencies to reach an \$86.3 million settlement with the country's fourth-largest mortgage servicer, Nationstar Mortgage.

The Consent Judgment, filed today in the U.S. District Court for the District of Columbia, resolves allegations that Nationstar, which does business as "Mr. Cooper," violated consumer protection laws during its servicing of mortgage loans. The state attorneys general negotiated the settlement with a coalition of state mortgage regulators and the Consumer Financial Protection Bureau, which filed separate settlement documents.

The settlement provides approximately \$79.2 million in relief, affecting 55,814 loans nationally. It covers conduct by Nationstar occurring from January 1, 2011, through December 31, 2017. Thousands of borrowers had problems when their loans were transferred to Nationstar, leading to foreclosure in some circumstances.

In Nebraska, the settlement affects 134 loans for a total of \$141,741.

In 2012, Nationstar began purchasing mortgage servicing portfolios from competitors and grew quickly into the nation's largest non-bank servicer. As loan data was transferred to Nationstar, borrowers who sought assistance with payments and loan modifications sometimes fell through the cracks, the state attorneys general alleged. Borrowers in this category will receive a guaranteed minimum payment of \$840 as part of the settlement.

Other borrowers suffered harm when Nationstar failed to oversee third-party vendors hired to inspect and maintain properties owned by delinquent borrowers and improperly changed locks on their homes, the states alleged. These borrowers will receive a guaranteed minimum payment of \$250.

The settlement also requires Nationstar to follow a detailed set of rules or “servicing standards” in how it handles certain mortgage loans. These servicing standards are more comprehensive than existing law and will be in place for three years, starting on January 1, 2021.

A settlement administrator will send claim forms to eligible borrowers in Nebraska starting in 2021. Nationstar has already provided some of the relief outlined in the settlement.

Joining Attorney General Peterson in this settlement are the attorneys general of Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, and Wyoming.

To obtain information about how to protect yourself as a consumer, file a consumer complaint, or report a scam, please visit the Nebraska Attorney General’s Office, Consumer Protection Division website at <https://protectthegoodlife.nebraska.gov/> or call (800) 727-6432.

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