

[Press Releases](#)

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**MADIGAN ANNOUNCES \$45 MILLION MULTISTATE SETTLEMENT WITH PHH MORTGAGE CORPORATION**

**Chicago** — Attorney General Lisa Madigan, along with the attorneys general of 48 states plus the District of Columbia, as well as over 40 state mortgage regulators, today announced a \$45 million settlement with New Jersey-based mortgage lender and servicer PHH Mortgage Corporation (PHH).

The settlement resolves allegations that PHH, the nation's ninth largest, non-bank, residential mortgage servicer, improperly serviced mortgage loans from Jan. 1, 2009 through Dec. 31, 2012. The agreement requires PHH to adhere to comprehensive mortgage servicing standards, conduct audits and provide audit results to a committee of states.

Madigan's lawsuit alleged that PHH failed to properly apply loan payments, properly execute foreclosure paperwork and respond to borrowers' requests for information about their loans.

"This settlement will provide some long-awaited relief to the homeowners who fell victim to PHH's improper loan servicing practices," Madigan said. "Under this agreement, PHH will be held accountable for its actions and must follow standards to prevent this conduct in the future."

The \$45 million settlement includes \$30.4 million in payments to borrowers. Under the settlement, Illinois consumers are expected to receive approximately \$1.5 million in direct cash payments.

Borrowers who were subjected to PHH foreclosures during the eligible period will qualify for a minimum \$840 payment, and borrowers who faced foreclosures that PHH initiated during the eligible period, but did not lose their home, will receive a minimum \$285 payment. As many as 2,800 borrowers in Illinois could qualify for payments, and eligible residents will be contacted by a settlement administrator. For more information, consumers should call Attorney General Madigan's Homeowner Helpline at 1-866-544-7151.

Assistant Attorney General Andrew Dougherty handled the case for Madigan's Consumer Fraud Bureau.

-30-

[Return to January 2018 Press Releases](#)

