



News Release

Attorney General Robert E. Cooper, Jr.

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Tennessee Joins Agreement with Major Financial Institutions

Tennessee will participate in the \$25 billion agreement with the nation's five largest mortgage servicers, according to Attorney General Bob Cooper. The agreement arises from an investigation into unacceptable nationwide mortgage servicing and foreclosure practices. The servicers participating in this agreement, which was announced today, are Bank of America, J.P. Morgan Chase, Citi, GMAC/Ally Financial, and Wells Fargo.

Once approved by the court, the agreement will provide an estimated \$146 million in relief to Tennessee homeowners and addresses future mortgage loan servicing practices.

"This agreement avoids protracted and costly litigation while providing significant and tangible relief to distressed homeowners," said Cooper. "The benefits of this agreement today far outweigh the possible benefits that might be obtained after several years in court. Homeowners need the help now and an orderly resolution of these claims is in everyone's interests."

Under the agreement, certain Tennessee homeowners who are current on their loans with the settling servicers but have not been able to refinance at lower interest rates may have an opportunity to do so. Other provisions of the agreement would require the servicers to reduce the loan balance of qualifying homeowners who owe more than their homes are worth.

Tennesseans who have lost their home to foreclosures by the settling companies from 2008 to 2011 may qualify for cash payments under certain circumstances. Funds from this agreement will also be used to help all borrowers across Tennessee, whether or not their loans were serviced by the settling companies, through free foreclosure prevention counseling and other housing and legal assistance programs.

"We are pleased to receive funds from the settlement to continue helping all Tennessee borrowers who have been affected by this mortgage crisis," said Tennessee Housing Development Agency Executive Director Ted E. Fellman. "We encourage all Tennesseans who are having problems with their mortgage servicer, regardless of who it is, to contact one of our free foreclosure prevention counselors and visit www.KeepMyTNHome.org."

The participating servicers will also have to revamp the way in which they interact with homeowners by providing a single point of contact rather than being shuttled around to different employees each time they contact their servicer. Servicers will also be restricted from foreclosing on borrowers while, at the same time, negotiating mortgage modifications.

“These provisions protect consumers now and are similar to the common sense treatment that Tennesseans are likely to receive from our smaller community lenders,” said Greg Gonzales, Commissioner of Tennessee Department of Financial Institutions, whose agency participated in the agreement along with other state bank regulators across the country.

To ensure that the servicers meet their new obligations and standards, the settlement will be recorded and enforceable as a court judgment in the United States District Court for the District of Columbia. Compliance will be overseen by an independent monitor who will report to the attorneys general.

Participating mortgage servicers will contact borrowers directly regarding loan modification options. More information will be made available as the settlement programs are implemented after the court approves the settlement.

In the meantime, borrowers should contact their mortgage servicer directly at the following numbers to obtain more information about specific loan modification programs and whether they qualify under the terms of this agreement.

Bank of America: 877-488-7814

J.P. Morgan Chase: 866-372-6901

Citi: 866-272-4749

GMAC/Ally Financial: 800-766-4622

Wells Fargo: 800-288-3212

For more information about this agreement or to find out about housing assistance in Tennessee, please call 855-690-4899 or go to www.KeepMyTNHome.org.

Additional information about the agreement also may be obtained at www.nationalmortgagesettlement.com