



# **NEWS RELEASE**

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OFFICE OF ATTORNEY GENERAL ALAN WILSON  
STATE OF SOUTH CAROLINA

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Contact: J. Mark Powell  
(803) 734-3670  
[mpowell@scag.gov](mailto:mpowell@scag.gov)

## **South Carolina Joins State-Federal Mortgage Servicing "Settlement In Principle"**

**Columbia** - Columbia, S.C. - February 9, 2012 - Attorney General Alan Wilson today announced South Carolina is included in a joint federal-state "settlement in principle" with the nation's five largest mortgage servicers that addresses foreclosure abuses, fraud, and unacceptable nationwide mortgage servicing practices. "Settlement in Principle" reflects the fact that a final document has not been presented to the states.

"This 'settlement in principle' provides certain protections for consumers dealing with the difficult issue of mortgage foreclosure," said Wilson. "It also provides certain guidelines for how these mortgage servicers should operate going forward."

### **State Attorneys General Component**

The settlement puts in place the first-ever nationwide reforms to mortgage servicing standards for the five largest servicers. The standards require these servicers to offer a single point of contact, adequate staffing levels and training, better communication with borrowers and appropriate standards for executing documents in foreclosure cases. In addition, these mortgage servicers have agreed to end improper fees and dual-track foreclosures for many loans.

The five banks will now be required to regularly report compliance with the settlement to an independent, outside monitor that reports to state Attorneys General.

Servicers will be required to pay penalties for non-compliance with the settlement, including missed deadlines. Approximately \$2.5 billion will be paid to the participating states. South Carolina's share will be approximately \$32.8 million. In addition, each state's banking regulator will receive \$1 million for foreclosure prevention and education.

In addition, \$1.5 billion will be distributed to certain borrowers who experienced foreclosure.

### **Federal Component**

The federal portion of the settlement requires the five banks to provide assistance to borrowers in danger of foreclosure who have the intent and ability to stay in their homes. With these funds, the five banks will provide multiple forms of assistance including refinancing assistance, loan modification, facilitation of short sales, unemployed payment forbearance, relocation assistance, waiving of deficiency balances and funding for remediation of blighted properties. This assistance is valued at \$17 billion.

In addition, the settlement requires the banks to offer refinancing to other borrowers who are current on their payments but whose mortgages currently exceed their home's value. This assistance is valued at \$3 billion.

**For Borrowers**

Due to the complexity of the mortgage market and this agreement, which will be executed over a three-year period, borrowers will not immediately know if they are eligible for relief.

For loan modifications and refinance options, borrowers may be contacted directly by one of the five participating mortgage servicers. Banks will be conducting a vigorous search to identify eligible borrowers and this may take six to nine months. Some eligible borrowers who experienced foreclosure will be contacted by a settlement administrator regarding a monetary payment. In addition, the settlement requires the banks to offer refinancing to other borrowers who are current on their payments but whose mortgages currently exceed their home's value. This assistance is valued at \$3 billion.

Borrowers who think they may qualify for loan modifications may wish to contact banks directly:

Bank of America: 877-488-7814

Citi: 866-272-4749

Chase: 866-372-6901

GMAC: 800-766-4622

Wells Fargo: 1-800-288-3212

For the details, latest information and/or updates on the settlement, visit: [www.NationalMortgageSettlement.com](http://www.NationalMortgageSettlement.com).