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**VERMONT TO RECEIVE \$6.7 MILLION FROM JOINT STATE-FEDERAL
SETTLEMENT WITH FIVE LARGEST MORTGAGE SERVICERS**

Vermont Attorney General William H. Sorrell today formally joined a landmark \$25 billion joint state-federal settlement with the nation's five largest mortgage servicers over foreclosure abuses and unacceptable nationwide mortgage servicing practices. The settlement addresses future mortgage loan servicing practices, affords an estimated \$3.1 million in financial relief to Vermonters, and provides approximately \$3.6 million to the State. The state funds may be used for housing-related or other purposes.

"Many Vermonters have had problems with the companies that service their loans, including delays, lost paperwork, and foreclosures filed even while loan modification applications are pending," said Attorney General Sorrell. "This agreement addresses those problems, provides financial relief to many borrowers, and puts a stop to many of the bad practices that have affected Vermont homeowners in economic distress."

Vermont's share of the settlement consists of the following:

- Vermont borrowers will receive an estimated \$1.6 million in benefits from loan modifications and other direct relief, such as principal reductions, short sales, and deficiency waivers.
- Vermont borrowers who lost their homes to foreclosure by the settling banks between January 1, 2008, and December 31, 2011, will be eligible for payments in the amount of approximately \$2,000, totaling \$411,000, to make up for any servicing abuse they may have experienced; they will not lose their right to seek further relief on their own or through a class action.
- The value of refinanced loans to Vermont's "underwater" borrowers will be an estimated \$1.1 million.
- The State will receive a direct payment of almost \$2.7 million.
- The Vermont Department of Banking, Insurance, Securities and Health Care Administration will receive a direct payment of \$1 million.

The unprecedented state-federal settlement is the result of a massive civil law enforcement investigation that included state attorneys general and state banking regulators across the country and nearly a dozen federal agencies. The settlement, which 49 states (excluding Oklahoma) and the District of Columbia states have joined, does **not** grant immunity from any crime, or from liability for other aspects of the mortgage crisis, including securities fraud. It will also leave homeowners and investors free to pursue individual, institutional and class action cases against the five servicers.

The settlement holds five servicers—Bank of America, J.P. Morgan Chase, Citigroup, Wells Fargo, and Residential Capital (GMAC/Ally)—accountable for past servicing and foreclosure abuses and provides relief to homeowners. With the backing of a federal court order and the oversight of an independent monitor, the settlement will strongly deter future fraud and abuse.

Nationally:

- Servicers will pay a minimum of \$17 billion directly to borrowers through a series of national homeowner relief effort options, including principal reduction. Given how the settlement is structured, servicers may actually provide up to an estimated \$32 billion in direct homeowner relief.
- Servicers will pay \$3 billion to a mortgage refinancing program for borrowers who are current, but who owe more than their home is currently worth.
- Servicers will pay \$5 billion to the states and federal government (\$4.25 billion to the states and \$750 million to the federal government). The state payments include funding for the payments to foreclosed borrowers.
- Homeowners will receive comprehensive protections under new mortgage loan servicing and foreclosure standards.
- An independent monitor will ensure mortgage servicer compliance.

The final agreement will be filed in U.S. District Court in Washington, D.C., and be enforceable as a court order. A number of consumer groups, including the Center for Responsible Lending, National Consumer Law Center, and NAACP, have expressed support for the settlement.

In some cases participating mortgage servicers will notify borrowers directly of their loan modification options. However, borrowers should contact their mortgage servicer to learn whether they qualify under the terms of the settlement. The contact numbers are:

Bank of America—1-877-488-7814

Citigroup—1-866-272-4749

J.P. Morgan Chase—1-866-372-6901

GMAC/Ally—1-800-766-4622

Wells Fargo—1-800-288-3212

For more information on the settlement, go to <http://nationalforeclosuresettlement.com/>, www.HUD.gov, or www.justice.gov.