



**OFFICE OF THE ATTORNEY GENERAL
STATE OF FLORIDA
DEPARTMENT OF LEGAL AFFAIRS**

IN THE INVESTIGATION OF:

AG Case Number: L18-3-1229

**Nationstar Mortgage LLC,
d/b/a Mr. Cooper,**

Respondent.

_____ /

ASSURANCE OF VOLUNTARY COMPLIANCE

Pursuant to the provisions of Chapter 501, Part II, Florida Statutes, the Florida Deceptive and Unfair Trade Practices Act (“FDUTPA”), the Office of the Attorney General, State of Florida, Department of Legal Affairs (“Attorney General”) has investigated certain acts and practices of Nationstar Mortgage LLC d/b/a Mr. Cooper (“Nationstar”), related to enrollment of Florida Consumers into Forbearance Plans.

Nationstar enters into this Assurance of Voluntary Compliance (“AVC”) with the Attorney General without an admission of wrongdoing and for the purpose of resolving this matter only. Pursuant to Section 501.207(6), Florida Statutes, the

Attorney General accepts this AVC in termination of its investigation of Nationstar's Forbearance Plan program in response to Hurricane Irma.

1. STIPULATED FACTS

1.1. Nationstar is a Delaware limited liability company with its principal place of business at 8950 Cypress Waters Boulevard, Coppell, TX 75019. Nationstar engages primarily in mortgage servicing; it makes, funds, purchases, services, and collects on loans to Florida Consumers and nationwide. Nationstar's mortgage servicing business also includes loss mitigation services, such as assisting consumers in taking advantage of forbearance plans that were created and offered by Fannie Mae, Freddie Mac, and FHA in response to a natural disaster, including after Hurricane Irma.

1.2. On September 4, 2017, Florida Governor Rick Scott, issued Executive Order Number 17-235 declaring a state of emergency in every county in the state of Florida in anticipation of Hurricane Irma, a category 4 storm.

1.3. As Hurricane Irma approached Florida, many Florida Consumers incurred significant costs due to evacuation and / or purchase of emergency-preparedness commodities. Following Irma's landfall and statewide impact as a category 4 hurricane, many Florida Consumers: 1) lost power and / or internet access; 2) experienced disruption in employment and / or income; 3) incurred substantial costs for lodging and / or travel due to evacuation; and 4) paid substantial

sums of money for repairs to their homes, associated tree removal and other hurricane-related damage, and hefty homeowners' insurance deductibles.

1.4. Due to these significant costs incurred in preparation for Hurricane Irma and for hurricane-related repair expenses to homes following the storm, in addition to associated financial distress, many Florida Consumers required assistance with their mortgage payments.

1.5. In mid-September 2017, Nationstar began communicating with Florida Consumers to assess their need for assistance and offered to enroll them in a Forbearance Plan, which allowed consumers to refrain from making their monthly mortgage payments, or to make reduced payments, for three to six months. The Forbearance Plan was represented to provide Florida Consumers relief from making their full monthly mortgage payments – during the term of the Forbearance Plan – without a reported delinquency.

1.6. Nationstar initially communicated with Florida Consumers via outbound and inbound telephone communications and enrolled a number of Florida Consumers into Forbearance Plans pursuant to the terms as represented during this initial telephone communication. Following enrollment in a Forbearance Plan by telephone, Nationstar confirmed the Forbearance Plan through a written communication sent to the applicable Florida Consumer.

1.7. Nationstar enrolled approximately 19,500 Florida Consumers into Forbearance Plans. Over 15,000 Florida Consumers were Current or Due for September when they enrolled into the Forbearance Plan. Of those Florida Consumers that were Current or Due for September at enrollment, a significant number became delinquent immediately after expiration of the Forbearance Plan. Nationstar communicated or attempted to communicate with such consumers to resolve the delinquency through modifications or other workout solutions that were available pursuant to investor guidelines. Certain consumers did not, however, enroll in a modification or other workout solution, and, in such cases, Nationstar demanded full payment of the forborne payments.

1.8. The Attorney General received complaints from Florida Consumers enrolled in Forbearance Plans and opened an investigation into Nationstar's conduct. Some or all of these Florida Consumers who filed complaints alleged that Nationstar led them to believe the forborne payments during the Forbearance Plan (often three to six payments) would be added to the end of the loan to bring them current when the Forbearance Plan expired. These consumers further alleged that Nationstar, instead of adding the forborne payments to the end of the loan, required the forborne payments to be repaid immediately after the Forbearance Plan expired, subjecting such consumers to instant delinquency and risk of foreclosure.

1.9. Due to the risk of foreclosure, and at the Attorney General's request, Nationstar placed a foreclosure hold on any Florida Consumers' accounts that were Current or Due for September and had entered into a Forbearance Plan.

1.10. This AVC is the result of Nationstar working cooperatively with the Attorney General.

2. DEFINITIONS

2.1 "Florida Consumer" means any consumer that owns a property located in the State of Florida with a mortgage serviced by Nationstar.

2.2 "Forbearance Plan" means any disaster related forbearance plan offered to Florida Consumers in response to Hurricane Irma.

2.3 "Clear and Conspicuous" (including "Clearly and Conspicuously") means that a statement, representation, claim, disclosure, or term, collectively referred to as a "disclosure," being conveyed is easily noticeable and understandable. In order to be Clear and Conspicuous:

a. a visual disclosure shall be presented in a manner so that it is sufficiently prominent because of its location on a page or document, type size, font, contrast to the background against which it appears, color, length of time it appears in an electronic format, or other characteristics, such that it stands out from any accompanying text or other visual elements and that it is easily noticed, read and

understood; disclosures that are on the back of a document or page, in lighter color, or in smaller type size than other disclosures, are not Clear and Conspicuous;

b. the disclosure shall be displayed in close proximity to the statement, representation, claim, or term it clarifies, modifies, explains, or to which it otherwise relates; disclosures that are accessed or displayed in online interactive media through hyperlinks, pop-ups, interstitials, or similar means are not “in close proximity;”

c. the disclosure shall be unavoidable and shall be placed within the advertising or offer at locations where the Consumer is sure to see or hear it and shall be repeated as often as necessary so that it is effective;

d. the disclosure shall be presented in a coherent and meaningful sequence with respect to other terms, representations, claims, or statements being conveyed;

e. the disclosure shall use language commonly understood by a Consumer;

f. the disclosure shall not be accompanied by distracting sounds, graphics, or text that compete for the attention of the Consumer; and

g. statements, representations, or messages contrary to, inconsistent with, or in mitigation of the disclosure shall not be used.

2.4 “Effective Date” means the date on which this AVC is fully executed by the parties.

2.5 “Current” means that the mortgage loan payment obligation for a Florida Consumer enrolled in a Forbearance Plan was up-to-date through August 1, 2017 and the payment due and payable on September 1, 2017 had been made by the Florida Consumer prior to enrolling in the Forbearance Plan.

2.6 “Due for September” means that the mortgage loan payment obligation for a Florida Consumer enrolled in a Forbearance Plan was up-to-date through August 1, 2017 and the payment due and payable on September 1, 2017 had not been made by the Florida Consumer prior to enrolling in the Forbearance Plan.

3. JURISDICTION AND VENUE

3.1 The parties agree that the State of Florida has jurisdiction over Nationstar for the purposes of entering into this AVC and any enforcement actions arising out of this AVC.

3.2 It is further agreed by the parties that venue for any matters relating to or arising out of this AVC shall lie solely in Hillsborough County, Florida.

4. COMPLIANCE TERMS

4.1 Nationstar is on notice and shall comply with the provisions of Chapter 501, Florida Statutes, specifically Sections 501.201 through 501.213, Florida

Statutes, in regards to Forbearance Plans or any other disaster related forbearance plans after the Effective Date.

4.2 Nationstar agrees to designate within ten (10) days of the Effective Date of this AVC a contact person within Nationstar to receive, review, and respond to consumer complaints related to Forbearance Plans escalated to Nationstar by the Attorney General, and also serve as point of contact for the office in regards to any and all issues that arise relating to disaster forbearance plans offered in response to future natural disasters.

5. REQUIRED ACTS

5.1 Nationstar, including its agents and employees, shall Clearly and Conspicuously disclose the material facts about Forbearance Plans and any disaster forbearance plans relating to future natural disasters to Florida Consumers prior to enrollment to enable them to make an informed decision whether to enter into any disaster forbearance plan. These disclosures shall be given verbally and in writing.

5.2 Nationstar shall Clearly and Conspicuously disclose in written communications to consumers or in marketing, key terms of disaster forbearance plans including, but not limited to:

a. A bold print statement declaring that all arrears will accrue during the disaster forbearance plan;

b. A bold print statement declaring the arrears that accrue during the disaster forbearance plan will be due and payable on the date the disaster forbearance plan expires;

c. A bold print statement that the consumer will receive a demand, through written and verbal requests, for all arrears that accrue during the disaster forbearance plan if he or she does not reinstate or enter into a workout option to bring the account current by a specified date;

d. A reference to general disaster related information published on Nationstar's website and mobile app; and

e. Material restrictions, limitations, conditions, or any material aspect of disaster forbearance plan performance, benefits, nature, or central characteristics as may be reasonably anticipated by Nationstar.

5.3 No later than sixty (60) days after the Effective Date, Nationstar shall implement and maintain procedures and practices, quality control, and monitoring and review mechanisms, as may be reasonably necessary, to ensure adequate disclosure of material facts when enrolling Florida Consumers into disaster forbearance plans, however designated. In addition, Nationstar shall undertake a review of the performance of any disaster forbearance plan and shall implement measures reasonably designed to ensure that the representations made about such disaster forbearance plan accurately reflect the performance of such a plan.

5.4 Nationstar shall engage, in good faith, any Florida Consumer who is delinquent on their mortgage payment as of the Effective Date and was enrolled in a Forbearance Plan for a loss mitigation and / or home retention review. Nationstar shall exhaust all loss mitigation and / or home retention options prior to initiating foreclosure activities for Florida Consumers who were delinquent as of the Effective Date and enrolled in a Forbearance Plan. Nothing in this Section 5.4 shall require Nationstar to recommence the review of any Florida Consumer account for loss mitigation and / or home retention to the extent it has already exhausted all options and recommencement of review will not be reasonably likely to result in a different outcome. Nationstar shall maintain documentation of any decision to refrain from recommencement of review.

5.5 With respect to any Florida Consumers enrolled in Forbearance Plans who were Current or Due for September before enrollment in the Forbearance Plans, Nationstar shall complete due diligence, including review of Forbearance Plan enrollment calls to identify any misrepresentations or omissions that may have occurred, prior to proceeding with: (1) a foreclosure sale; and (2) subject to investor requirements, a foreclosure filing. Nationstar shall maintain the documentation of due diligence performed.

5.6 Nationstar shall correct any credit reporting issues insofar as they negatively affected Florida Consumers who were Current or Due for September

before enrollment in the Forbearance Plan and have since sent a complaint to Nationstar alleging that their credit has been negatively impacted. This action shall include, but is not limited to: correcting inaccurate reporting to the consumer reporting agencies, verifying that such action has occurred, and notifying the borrower about the issue.

5.7 Nationstar shall develop and implement enhanced training for all employees regarding disasters, disaster forbearance plans, the substantive provisions of this AVC, and how to proceed during declared states of emergency in the State of Florida.

6. PROHIBITED CONDUCT

Nationstar, including its agents and employees, shall make no false or misleading representations in any communications or marketing to consumers about Forbearance Plans and any other disaster forbearance plans relating to future natural disasters.

7. MONETARY RELIEF

Restitution

7.1 Nationstar shall distribute restitution payments to Florida Consumers pursuant to Paragraphs 7.4 and 7.5 below.

7.2 No Florida Consumer eligible for a monetary payment in Section 7. will be required to sign a release of liability or a settlement agreement in order to receive a payment.

7.3 Nationstar must produce data and information relating to any payments made to Florida Consumers under Section 7. upon written request from the Attorney General.

Complaint Received Prior to Effective Date

7.4 Within thirty (30) days after the Effective Date, Nationstar shall provide a cash restitution payment of Three Hundred and Fifty Dollars (\$350.00) to Florida Consumers that (1) were Current or Due for September; and (2) have filed a complaint with Nationstar or the Attorney General prior to the Effective Date relating to the enrollment into a Forbearance Plan.

Complaint Received After Effective Date

7.5 For six (6) months after the Effective Date, if Nationstar receives complaints from Florida Consumers relating to alleged misrepresentations, including omissions, in the enrollment of Florida Consumers into Forbearance Plans, Nationstar shall investigate the complaint, including reviewing applicable call recordings, to determine whether a misrepresentation and / or omission occurred within thirty (30) calendar days receipt of the complaint. If Nationstar finds that a misrepresentation and / or omission occurred (“Verified Complaint”), Nationstar

shall provide a cash restitution payment of Three Hundred and Fifty Dollars (\$350.00) to the Florida Consumers that filed the Verified Complaints. Nationstar shall provide the cash restitution payment referenced in this Paragraph 7.5 to eligible Florida Consumers within thirty (30) calendar days after determination that a complaint is a Verified Complaint. If Nationstar identifies Florida Consumers who it believes are ineligible for payments under this Paragraph 7.5, it will maintain documentation relating to the identity of the Florida Consumer and basis for ineligibility. Such ineligibility documentation shall be made available to the Attorney General upon written request. The Attorney General may review the basis for any ineligibility decision by Nationstar and direct Nationstar to make a cash restitution payment to the applicable Florida Consumer accordingly.

7.6 No more than one payment shall be made with respect to any mortgage account, regardless of the number of Florida Consumers that may be listed as borrowers on that account.

Payment to the Attorney General

7.7 Nationstar agrees to make a total payment of Three Hundred Thousand Dollars (\$300,000.00) to the Attorney General, to be used for attorney's fees, investigative costs and fees, future expenditures relating to current and ongoing enforcement matters, including the investigation and prosecution of cases involving fraud, unfair and / or deceptive acts and practices, and other illegal conduct related

to financial services or FDUTPA to the extent practicable or as otherwise authorized by the applicable law of the State of Florida. Payment shall be made by wire transfer no later than ten (10) business days after (1) the Effective Date or (2) receipt by Nationstar's counsel of wiring instructions from the Attorney General, whichever occurs later. The payment in this Paragraph 7.7 shall be deposited into the Department of Legal Affairs Revolving Trust Fund pursuant to Section 501.2101(1), Florida Statutes.

8. RELEASE

Subject to Nationstar's compliance with the terms of this AVC, the Attorney General fully and finally releases Nationstar and its parent corporations, affiliates, subsidiaries and subdivisions, and their officers, agents, servants, and employees, from any and all civil liability arising out of conduct occurring prior to the Effective Date relating to allegations of false or misleading representations in communications or marketing to consumers about Forbearance Plans in violation of FDUTPA and/or other laws or regulations.

**9. FAILURE TO COMPLY WITH TERMS
AND CONDITIONS OF AVC**

9.1 In the event Nationstar fails to comply with the Monetary Relief terms pursuant to Section 7 above, Nationstar shall be in default of this AVC and hereby stipulate to entry of a final judgment against it, in favor of the Attorney General for

the outstanding money due. Evidence of the failure to pay in accordance with the terms and conditions of this AVC may be in the form of an affidavit from the Attorney General.

9.2 If the Attorney General believes that Nationstar has failed to satisfy any of the terms of this AVC, the Attorney General will notify Nationstar of the specific term it believes Nationstar has failed to satisfy and provide Nationstar a reasonable opportunity to cure. However, the Attorney General is not required to provide notice or opportunity to cure in advance of taking action to enforce the terms of this AVC to protect the health, safety, or welfare of the public.

9.3 Nationstar acknowledges and agrees that any failure to comply with the terms and conditions of this AVC is, by statute, *prima facie* evidence of a violation of FDUTPA, and will subject Nationstar to any and all civil penalties and sanctions provided by law, including the award of attorney's fees and costs.

10. ACCEPTANCE OF THE AVC

10.1 The Attorney General may refuse to accept this AVC at her discretion, and the AVC shall only become effective upon the execution of this AVC by the Deputy Attorney General.

10.2 This AVC may be signed in multiple counterparts, each of which shall be considered an original, and all of which together will constitute one and the same agreement.

11. BUSINESS RECORDS

Nationstar shall retain documents and information reasonably sufficient to establish its compliance with the provisions of this AVC for two (2) years from the Effective Date of this AVC. Nationstar shall provide the Attorney General reasonable access to such documents and information upon written request from the Attorney General, and Nationstar shall produce documents and information requested by the Attorney General within thirty (30) calendar days of the written request.

12. CONSTRUCTION OF AVC

12.1 This AVC is the result of joint negotiations between the parties and shall be deemed to have been drafted by both the Attorney General and Nationstar. In the event of a dispute, this AVC shall not be construed against either party. Nothing herein shall be construed to limit or bar any other governmental entity from pursuing other available remedies against Nationstar for acts and practices addressed by this AVC. Likewise, nothing herein shall be construed to limit or bar Nationstar from utilizing all legal or equitable defenses it may have under applicable law to the extent claims are made by any other governmental entity.

12.2 The Attorney General has not approved any of Nationstar's past or present business practices, and Nationstar shall not use the existence of this AVC to in any way state or imply such approval.

12.3 If any clause, provision, or section of the AVC shall, for any reason, be held illegal, invalid, or unenforceable, such illegality, invalidity, or unenforceability shall not affect any other clause, provision, or section of this AVC, and this AVC shall be construed and enforced as if such illegal, invalid, or unenforceable clause, section, or other provision had not been contained herein.

12.4 Nothing in this AVC is to be construed as a waiver of any private rights of any person or release of any private rights, causes of action, or remedies of any person against Nationstar or any other person or entity. Furthermore, this AVC shall not be construed to create any private rights, causes of action, or remedies of any person against Nationstar or any other person or entity.

12.5 This AVC is the final, complete, and exclusive statement of the parties' agreement on the matters contained in this AVC, and it supersedes all previous negotiations and agreements. The parties have made no representations or warranties to each other than those representations expressly stated in this AVC. Moreover, neither party's decision to enter into this AVC is based upon any statements by the other party that are not contained in the instant AVC.

13. APPLICABILITY

13.1 Nationstar shall make any necessary policies and procedures required by this AVC known to any managers, members, officers, directors, employees,

agents, independent contractors, or other persons who are substantially affected by this AVC in a timely manner.

13.2 Nationstar shall complete any necessary training required by this AVC for any managers, members, officers, directors, employees, agents, independent contractors, or other persons in a timely manner.

13.3 The obligations imposed by this AVC are continuing in nature and shall apply to Nationstar's successors and assigns as well as any and all current or new officers, employees, agents, representatives or any other persons who become engaged in the business or activities of Respondents.

14. CHANGES IN BUSINESS PRACTICES

Nationstar shall not alter either its business practices or the organizational identity of any existing business entity or create any new business entities as a method of avoiding the obligations and terms and conditions set forth in this AVC.

15. NOTICE

Notice to any of the parties to this AVC as may be required shall be made by certified mail at the addresses set forth below unless any party notifies the other parties in writing of another address to which notices should be provided.

To Nationstar:

Nationstar Mortgage LLC d/b/a Mr. Cooper
Attn: General Counsel
8950 Cypress Waters Blvd.
Coppell, Texas 75019

To the Attorney General:

Anthony S. Bradlow, Assistant Attorney General
Office of the Attorney General
Consumer Protection Division
3507 East Frontage Road, Suite 325
Tampa, Florida 33607

IN WITNESS WHEREOF, Nationstar has caused this AVC to be executed by an authorized representative in the county and state listed below, as of the date affixed thereon.

SIGNATURES ON SEPARATE PAGE(S)

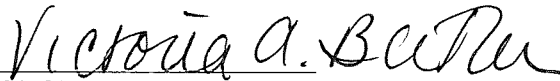
For the State of Florida:

PAMELA JO BONDI
Attorney General



PATRICIA A. CONNERS
Chief Deputy Attorney General
FL Bar No. 361275
Office of the Florida Attorney General
Capitol - Plaza Level - Room PL-01
Tallahassee, FL 32399
Tel: 850-245-0140
Fax: 850-487-2564

Accepted this 12 day of September, 2018.



VICTORIA A. BUTLER
Director, Consumer Protection Division
FL Bar No. 861250
Office of the Florida Attorney General
3507 E. Frontage Road, Suite 325
Tampa, FL 33607
Tel: 813-287-7950
Fax: 813-281-5515

Accepted this 18 day of September, 2018.



ANTHONY S. BRADLOW
Assistant Attorney General
FL Bar No. 104904
Consumer Protection Division
Office of the Florida Attorney General
3507 E. Frontage Road, Suite 325
Tampa, FL 33607
Tel: 813-287-7950
Fax: 813-281-5515

Accepted this 14th day of September, 2018.

For Nationstar Mortgage LLC d/b/a Mr. Cooper:

A handwritten signature in black ink, appearing to read 'S. Covington', with a long horizontal flourish extending to the right.

Steve Covington
EVP and Chief Compliance Officer

Accepted this 29th day of August, 2018.