Banking and Finance Law Daily Wrap Up, ENFORCEMENT ACTIONS—Mortgage servicer fined for withholding foreclosure relief information, (Jun. 9, 2017)

Banking and Finance Law Daily Wrap Up

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By John M. Pachkowski, J.D.

The Consumer Financial Protection Bureau started an administrative action against Chicago-based mortgage servicer Fay Servicing for failing to provide mortgage borrowers with information about the protections against foreclosure that are required by law. The bureau found that Fay violated the CFPB's servicing rules by keeping borrowers in the dark about critical information about the process of applying for foreclosure relief. The CFPB also found instances where the servicer illegally launched or moved forward with the foreclosure process while borrowers were actively seeking help to save their homes.

As part of the administrative action, Fay Servicing entered into a consent order and signed a stipulation agreeing to the consent order and admitting on the facts necessary to establish the CFPB's jurisdiction over Fay Servicing.

The CFPB ordered Fay Servicing to stop its allegedly illegal practices, offer borrowers opportunities to pursue foreclosure relief, and pay up to $1.15 million to harmed borrowers.

Commenting on the administrative action, CFPB Director Richard Cordray noted, "[the bureau] will continue to hold servicers accountable for violations of consumer protection laws."

Companies: Fay Servicing, LLC

LitigationEnforcement: CFPB DoddFrankAct EnforcementActions IllinoisNews Mortgages RESPA

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