

COMMONWEALTH OF MASSACHUSETTS

SUFFOLK, ss.

SUPERIOR COURT
DEPARTMENT OF THE TRIAL COURT
CIVIL ACTION NO. 1584CV03493

In re Specialized Loan Servicing LLC

ASSURANCE OF DISCONTINUANCE
PURSUANT TO G.L. CHAPTER 93A, § 5

I. INTRODUCTION

1. The Commonwealth of Massachusetts (“Massachusetts” or the “Commonwealth”), by and through the Office of Attorney General Andrea Joy Campbell (“AGO”) and Specialized Loan Servicing LLC (“SLS”), via its successor by merger¹ (hereinafter, the “Company”), enter into this Assurance of Discontinuance (“AOD”) pursuant to G.L. c. 93A, § 5.

2. SLS was a Delaware-based limited liability company headquartered in Greenwood Village, Colorado, that formerly operated as a national residential mortgage servicer, including servicing thousands of mortgage loans secured by properties in Massachusetts.

3. All allegations of misconduct in this AOD refer only to SLS’s conduct prior to the Merger with Newrez.

4. The AGO conducted an investigation, pursuant to G.L. c. 93A, § 6, of SLS’s mortgage loan servicing activities. Based on this investigation, the AGO alleges that SLS failed to comply with the Massachusetts Consumer Protection Act, G.L. c. 93A, § 2, the home ownership preservation law, G.L. c. 244, § 35A, the foreclosure prevention law, G.L. c. 244, § 35B, the

¹ On May 2, 2024, SLS merged into Newrez LLC (“Newrez”), a Delaware-based limited liability company, headquartered in Fort Washington, Pennsylvania (the “Merger”). Accordingly, the rights and obligations of the AOD apply to Newrez, and any reference to “the Company” in this AOD shall include Newrez only as successor by Merger to SLS.



Attorney General's Debt Collection Regulations, 940 CMR 7.00 *et seq*, and the Massachusetts Moratorium on Evictions and Foreclosures During the COVID-19 Emergency, Chapter 65 of the Acts of 2020, in its servicing activities related to residential mortgage loans secured by properties in Massachusetts.

5. In lieu of litigation and in recognition of SLS's assistance and cooperation throughout the investigation, the AGO agrees to accept this AOD on the terms and conditions contained herein, pursuant to the Massachusetts Consumer Protection Act, G.L. c. 93A, § 5.

6. The Company enters into this AOD for settlement purposes only and denies the Commonwealth's allegations.

II. DEFINITIONS

7. All terms defined in G.L. c. 244, § 35B, shall have the same meaning when used herein. Such terms include, without limitation:

- a. "borrower,"
- b. "creditor,"
- c. "Certain Mortgage Loan," and
- d. "mortgage loan."

8. Where applicable, "borrower" shall also refer to the same individual who is defined as a "debtor" pursuant to 940 CMR 7.00, *et seq*.

9. Where applicable, "creditor" shall also have the same meaning as defined by 940 CMR 7.00, *et. seq*.

10. "Affected Chapter 65 accounts" shall mean all accounts in the Covered Portfolio that received a COVID forbearance pursuant to Chapter 65 of the Acts of 2020 on or after April 20, 2020, and did not become current within 30 days of exiting the forbearance. For the purpose of this definition, "current" includes accounts subject to a written repayment plan that the

consumer successfully completed, a modification trial period that later became permanent, or a permanent modification. Additionally:

- a. “Redefaulted Chapter 65 accounts” shall mean those Affected Chapter 65 Accounts that became current following a COVID forbearance through means other than a non-interest-bearing deferment or a permanent modification that did not increase the consumers’ monthly payment, and have since redefaulted.
 - b. “Remaining defaulted Chapter 65 accounts” shall include those affected Chapter 65 Accounts that have not become current since they entered a COVID forbearance and, as of the Effective Date, are due for a payment more recent than January 1, 2018.
11. “35B Notice” shall mean a notice issued by the creditor pursuant to G.L. c. 244, § 35B, and associated regulations, to a borrower in default.
12. “Communication” or “Communicating” shall have the same meaning as provided in 940 CMR 7.00, *et seq.*
13. “Covered Conduct” shall mean all activities by SLS as alleged in paragraphs 19 to 41, below, including SLS’s compliance with the requirements of (i) G.L. c. 244, § 35A, (ii) G.L. c. 244, § 35B, (iii) the Attorney General’s Debt Collection Regulations, codified at 940 CMR 7.00 *et seq.*, (iv) Chapter 65 of the Acts of 2020, and (v) G.L. c. 93A, § 2, as relating to its servicing of the Covered Portfolio of mortgage loans in the Commonwealth.
14. “Covered Portfolio” refers to all mortgage loans that were serviced by SLS at any time between January 31, 2016 and the date of the Merger on or about May 2, 2024 which are now serviced by Newrez or a subsidiary or agent thereof.

15. “Debt Validation Notice” shall mean the written Communication that a creditor is required to provide to Debtors under 940 CMR 7.08.

16. “Delinquency Fees” shall mean, in the context of an affected Chapter 65 account, any and all fees, penalties, or interest beyond the amounts scheduled and calculated as if the mortgagor made all contractual payments on time and in full under the terms of the mortgage contract, including any delinquency-related or foreclosure-related costs assessed to each such account between April 20, 2020 and such time that the account either became current or a service transfer occurred.

17. “Effective Date” shall mean the date this AOD is filed in the Suffolk Superior Court.

18. “Single point of contact” or “SPOC” shall refer to the Company personnel assigned to delinquent borrowers pursuant to 12 C.F.R. 1024.40(a)(1).

III. ALLEGATIONS

A. SLS’s Compliance with G.L. c. 244, § 35A

19. In 2007, the Massachusetts Legislature passed An Act Protecting and Preserving Home Ownership, Chapter 206 of the Acts of 2007, codified in part as G.L. c. 244, § 35A (“Section 35A” or “35A”).

20. Section 35A provides homeowners who are delinquent on their mortgage with the right to a 90-day period to cure a default of a required payment. Pursuant to 35A, mortgagees, including mortgage servicers, must provide the consumer with a notice of this right that meets certain statutory requirements.

21. Following investigation, the AGO alleges that SLS sent notices to many consumers that informed them that they had a 33-day right to cure a default instead of the 90-day right to cure period required by 35A.

22. The AGO further alleges that, in many instances, SLS issued these 33-day notices after issuing an initial 90-day notice, but prior to the final 33-days of the 90-day period, which had a tendency to mislead consumers about the length of their right-to-cure period required by 35A by appearing to cut such period short.

23. The AGO alleges that the acts or practices identified in paragraphs 21 to 22, independently or in combination, are unfair or deceptive, and as such constitute violations of G.L. c. 93A, § 2.

B. SLS's Compliance with G.L. c. 244, § 35B

24. In 2012, the Massachusetts Legislature passed An Act to Prevent Unlawful and Unnecessary Foreclosures, Chapter 194 of the Acts of 2012, codified in part as G.L. c. 244, § 35B (“Section 35B” or “35B”).

25. To address the concern that Certain Mortgage Loans put borrowers at high risk of default and foreclosure, Section 35B provides heightened protections for borrowers with such loans. Pursuant to 35B, creditors must provide borrowers with Certain Mortgage Loans with a statutorily defined notice (the “35B Notice”) of the borrower’s right to pursue a modified mortgage loan. If the borrower pursues this right, 35B also requires creditors to conduct a modification review, including an assessment of the borrower’s ability to make an affordable monthly payment, prior to publishing a notice of foreclosure sale. Whether the modification is approved or denied, a creditor must include specified disclosures in its written assessment of the borrower’s application.

26. SLS met the definition of a “creditor” pursuant to G.L. c. 244, § 35B(a), and was therefore required to comply with Section 35B.

27. Following investigation, the AGO alleges that SLS failed to comply with the requirements of 35B, and its associated regulations, 209 CMR 56.00 et seq., and therefore violated G.L. c. 93A, § 2, by:

- a. Failing to issue 35B Notices to some borrowers with Certain Mortgage Loans prior to foreclosure;
- b. Failing, in some instances, to timely respond to loan modification application submissions in response to 35B Notices within the 30-day statutory timeline;
- c. Failing, in some instances, within five days of receipt of modification applications, to send missing document letters identifying any additional information that was required from the borrower in order for SLS to complete its assessment, as required by 209 CMR 56.07(5);
- d. Failing to provide some borrowers with any written assessment of their modification application, as required by 35B(c);
- e. Failing, in instances in which SLS issued a written assessment of modification applications, to provide required disclosures to borrowers, including failing to provide borrowers with a statement of their debts and obligations, a net present value analysis of the mortgage loan, the anticipated net recovery at foreclosure, and a statement of the interests of the creditor, as required by 35B(c);
- f. Requiring, in some instances, that borrowers pay an up-front down payment as a precondition to obtaining or entering an otherwise affordable loan modification or modification trial plan, without subjecting the up-front payment demand to an affordability analysis;
- g. Publishing notices of a foreclosure sale upon Certain Mortgage Loans without first, in some instances, taking reasonable steps and making a good faith effort to avoid foreclosure as required by 35B(b);

- h. Filing affidavits attesting to compliance with 35B, without diligent review of business records to determine whether 35B was actually complied with; and
- i. Failing, in some instances, to file a copy of 35B notices with the Attorney General in violation of 35B(c).

28. The AGO alleges that SLS's practices, described in paragraph 27 put borrowers at unnecessary and unlawful risk of foreclosure, in violation of G.L. c. 244, § 35B and associated regulations.

29. The AGO alleges that the acts or practices identified in paragraph 27 violated G.L. c. 93A, § 2.

C. SLS's Compliance with 940 CMR 7.00, *et seq.*

Debt Validation Notices

30. 940 CMR 7.08(1) requires that creditors provide to borrowers, within five (5) business days after the initial communication made in connection with the collection of a debt, notice of:

- a. The amount of the debt;
- b. The name of the creditor to whom the debt is owed;
- c. A statement that unless the borrower, within 30 days after receipt of the notice, disputes the validity of the debt, or any portion thereof, the debt will be assumed to be valid by the creditor; and
- d. A statement that if the borrower notifies the creditor in writing within 30 days after receipt of this notice that the debt, or any portion thereof is disputed, the creditor will obtain verification of the debt and provide the borrower, or an attorney for the borrower, additional materials described in 940 CMR 7.08(2).

31. The AGO alleges that SLS failed, in many instances, to provide debt validation notices to borrowers in Massachusetts who had fallen more than thirty days delinquent in the course of SLS's servicing.

32. The AGO alleges that SLS's practices, described in paragraph 31 violated 940 CMR 7.08(1) and G.L. c. 93A, § 2.

Debt Collection Calls

33. 940 CMR 7.04(l)(f) provides that creditors may not initiate more than two Communications in a seven-day period to either the borrower's residence, cellular telephone, or other telephone number provided by the borrower as his or her personal telephone number.

34. The AGO alleges that SLS initiated more than two Communications to borrowers at their residence and/or personal telephone numbers within a seven-day period.

35. The AGO alleges that SLS's call frequency, described in paragraph 34, violated 940 CMR 7.04(1)(f) and G.L. c. § 93A, § 2.

D. SLS's Compliance with Chapter 65 of the Acts of 2020

36. In 2020, at the outset of the COVID-19 pandemic, the Massachusetts Legislature passed An Act Providing for a Moratorium on Evictions and Foreclosures During the COVID-19 Emergency, Chapter 65 of Acts of 2020 ("Ch. 65").

37. Among other provisions, Ch. 65 required creditors or mortgagees to grant a forbearance of not more than 180 days to a mortgagor of a mortgage loan for a residential property where the mortgagor submits a request to the mortgage servicer affirming that the mortgagor experienced a financial impact from COVID-19. Pursuant to Ch. 65, a payment subject to the forbearance shall be added to the end of the term of the loan unless otherwise agreed by the mortgagor and mortgagee. In addition, Ch. 65 prohibits mortgagees from furnishing negative

mortgage payment information to a consumer reporting agency related to mortgage payments subject to forbearance under Ch. 65.

38. The AGO alleges that SLS failed to fully and accurately meet the requirements of Ch. 65, including by failing to accurately inform consumers of their right to a forbearance and their right to have the forborne amounts added to the end of the term of the loan under Ch. 65. In particular, the AGO alleges that SLS's communications misled consumers about their post-forbearance rights by failing to inform consumers that they were entitled to have the forborne payments automatically added to the end of the loan term, stating that consumers must apply for post-forbearance deferment, and by further stating that this relief was one of multiple types of loss mitigation for which a borrower might be found eligible.

39. The AGO alleges that SLS did not always add the forborne amount to the end of the loan term, notwithstanding the lack of any other agreement between the mortgagor and mortgagee.

40. The AGO alleges that SLS's practices, described in paragraphs 38 to 39 violated Ch. 65 by failing to provide accurate information regarding consumers' rights and by failing to provide required relief to homeowners that suffered financial harm as a result of COVID-19, and G.L. c. 93A, § 2.

41. The AGO alleges that SLS knew or should have known that the acts or practices described in Section III, above, were unfair or deceptive and violated G.L. c. 93A, § 2.

IV. ASSURANCES AND UNDERTAKINGS

42. In order to remedy the Covered Conduct and allegations described in this AOD, and to ensure compliance with G.L. c. 93A, § 2, G.L. c. 244, §§ 35A and 35B and associated regulations, 940 CMR 7.00, *et seq.*, and Chapter 65 of Acts of 2020, the Company shall, in its servicing of the Covered Portfolio:

- a. Create and add account designations in its content management system to ensure that all accounts in the Covered Portfolio are prominently and correctly identified and accorded all rights and benefits of this agreement;
- b. Undertake the business practice changes described in paragraphs 43 through 73.

A. G.L. c. 244, § 35A Compliance

43. The Company shall send notices to Massachusetts borrowers in default indicating their right to 90 days to cure, pursuant to G.L. c. 244, § 35A.

44. When a 90-day right to cure period is required by G.L. c. 244, § 35A, the Company shall not send a notice stating a requirement that a loan be cured during a shorter period.

45. Following issuance of a 90-day right to cure notice but prior to its expiration, the Company shall not send notices that state or imply an intention to accelerate a loan in a manner inconsistent with the 90-day notice. To the extent that the Company sends an additional 35A right to cure or similar notice that states a later date by which the loan must be cured, the Company shall honor this extended period.

B. G.L. c. 244, § 35B Compliance

46. The Company shall assist borrowers who respond to a 35B notice within the statutory timeline for response to complete their modification applications and consistent with this section. A borrower who returns a Mortgage Modification Options form, submits some or all of a loss mitigation application, and/or contacts the Company by phone, email, or otherwise informs the Company of their intent to pursue a modification shall be deemed to have responded for the purpose of this section. Such assistance shall include, but need not be limited to, the following:

- a. Upon receipt of such response referred to above, the Company shall review the request for modification and any submitted documents to identify whether the application is complete. The Company shall issue a letter to the borrower

identifying any missing documents necessary to conduct an evaluation of the application, as follows:

- i. Such letter shall be issued consistent with the timelines set forth in 209 CMR 56.07.
- ii. The Company shall only request documents and information necessary for underwriting review of the modification application, and shall consider the application complete if such documents have been received by the Company;
- iii. To the extent that the Company requests a document previously submitted by the borrower, the Company shall provide explanation, with specificity, as to why the prior submission was insufficient (e.g., the document was unsigned, missing a page, etc.);
- iv. If the Company later discovers that additional information or corrections to a previously submitted document are necessary to accurately review the application, the Company will promptly request the missing information or corrected documents but treat the application as complete for purposes of maintaining foreclosure protections on the file and give the borrower a reasonable opportunity to complete the application.

- v. If the borrower previously responded to the 35B notice by phone, email, or otherwise without submitting documents, the missing documents letter shall identify all documents needed for the modification application.
- b. Where the borrower has submitted adequate information to permit the Company to assess the borrower's income, debts, and obligations, the Company shall consider the borrower's application complete and proceed with the 35B assessment to determine whether the borrower qualifies for a permanent loan modification.
- c. Where the Company is adequately able to determine a borrower's income, debts, and obligations from the information submitted, the Company will review the application, notwithstanding non-substantive omissions, such as omissions of pages with no relevant information, or omissions that could be cured prior to or at the time of a final modification, such as a missing date, initial, or signature.
- d. If the borrower does not complete the application within 30 days of the missing items letter such that the Company has not received adequate information to permit the Company to assess the borrower's income, debts, and obligations, the Company shall inform the borrower by letter and phone that the Company will close the application without review, but that the borrower may still reengage in the loss mitigation process with the Company. If the borrower reengages in loss mitigation, the Company shall not require resubmission of documents that have no temporal expiration.

47. The Company shall issue written modification review assessment letters that include the calculations used in assessing the loan modification application subject to Section 35B.

These written assessments must include all disclosures required by 35B(c), including, *inter alia*,

- a. a written statement of the borrower's income, debts and obligations;
- b. the creditor's net present value analysis of the mortgage loan;
- c. the creditor's anticipated net recovery at foreclosure;
- d. a statement of the interests of the creditor; and
- e. a modified mortgage loan offer under the requirements of this section or notice that no modified mortgage loan will be offered.
 - i. If the Company offers a modified mortgage loan, the offer shall include the first and last names and contact phone numbers of the creditor's single point of contact ("SPOC"); provided, that the creditor shall not assign more than 2 SPOCs responsible for negotiating and approving the terms of and modifying the mortgage loan.

48. The Company shall ensure borrowers are assessed for a permanent loan modification, and where the results of the assessment meet the requirements for 35B modification, offer such a modification. If the borrower qualifies for another loss mitigation option on the investor waterfall, the Company may offer such option in addition to the permanent 35B loan modification.

49. For loans in the Covered Portfolio that are also Certain Mortgage Loans, including those loans for which, after the performance of reasonable due diligence, the Company is unable to determine whether they contain features of a Certain Mortgage Loan pursuant to 35B(a):

- a. In all instances where a borrower's application for loss mitigation in response to a 35B solicitation results in a modified mortgage loan with an affordable monthly payment that has a net present value ("NPV") that is greater than the anticipated net recovery from foreclosure of the loan (*i.e.* the modification offer is NPV positive), the Company shall offer the modified mortgage loan to the borrower.
- b. To the extent an investor guideline (such as internal limits on the number of allowable modifications or modification reviews) conflicts with fulsome modification review and these decision requirements pursuant to 35B, the Company will inform the investor that decisions to approve or deny modification as part of a 35B process must be made in accordance with 35B and this AOD.

50. Where a borrower's application for loss mitigation in response to a 35B solicitation results in a modified mortgage loan with an affordable monthly payment that is NPV negative, the Company may offer such modification in its discretion and/or according to investor guidelines.

51. If the 35B loan modification review does not result in an offer for modification, the Company shall review the borrower for all other available loss mitigation options.

52. In considering other loss mitigation options pursuant to paragraph 51, the Company shall eliminate temporary loan modifications as an option for loss mitigation, unless such temporary loan modifications either (1) provide for an affordable monthly payment with a term of three or more years and allows for reassessment for a permanent loan modification upon exiting the temporary modification term, OR (2) are offered in connection with a partial claim or similar loss mitigation program offered by the Federal Housing Administration, VA, USDA, or other public entity for publicly guaranteed loans.

53. The Company shall not require an up-front down payment as a precondition to enter a loan modification or modification trial plan.

54. The Company shall establish or maintain a dedicated Massachusetts team of specialized SPOCs to ensure SPOC accessibility and expertise on providing information about the 35B process and the options available to Massachusetts borrowers.

55. Notwithstanding the limitation in 35B(c) that the “right to a modified mortgage loan, as described in this section, shall be granted once during any 3-year period,” the Company shall issue a 35B Notice and accord all rights pursuant to 35B and this section, Section IV.B., to all borrowers who:

- a. Are 60 days or more delinquent on their mortgage loan as of the Effective Date of this AOD; or
- b. Fall 60 days or more delinquent on their mortgage loan after the Effective Date and have not previously been received a 35B Notice after the Effective Date of this AOD. The Company shall issue such 35B Notice in a reasonable timeframe and at least 30-days prior to the Company initiating foreclosure processes on such borrowers’ mortgage loans.

56. The Company shall develop and implement monitoring, tracking, and auditing systems to ensure 35B compliance, including the following:

- a. Prior to each of (1) referral to foreclosure and (2) conducting a foreclosure sale, the Company shall confirm that the borrower received a 35B Notice within the last three years and that the Company complied with 35B and the provisions of this AOD.

- b. If the Company is relying on a 35B(f) affidavit or other documents from a prior servicer, the Company shall verify that the prior servicer complied with the requirements of 35B as set forth in this AOD, or otherwise verify that the Company complied with said requirements prior to proceeding with foreclosure.

57. The Company shall execute affidavits pursuant to 35B(f), consistent with the statute, including the following:

- a. Company employees who sign affidavits pursuant to 35B(f) attesting to the Company's compliance with 35B shall base their testimony on personal knowledge of a particular account or review of the Company's business records evidencing the actions taken by the Company and the borrower in connection with 35B-required review.
- b. Where the borrower returned a Massachusetts Modification Option form, this review shall ensure that the Company complied with the entirety of the statute, not limited to sending a compliant notice.
- c. The Company shall conduct regular audits of sample set of borrower accounts for compliance with 35B, its implementing regulations, and this AOD.

C. Debt Collection Practice Changes

58. The Company shall send debt validation notices to all borrowers who fall more than 30 days past due within five business days of the Company first initiating collection efforts, in compliance with 940 CMR 7.08(1).

59. The Company shall place no more than two collection calls in a seven-day period to attempt to reach a borrower (that is, a two-call limit in total regardless of whether the call is made to a cell phone or landline), in compliance with 940 CMR 7.04(f).

D. Relief Related to for COVID Foreclosure Moratorium Practices

60. The Company shall identify all Affected Chapter 65 Accounts, Remaining Defaulted Chapter 65 Accounts, and Redefaulted Chapter 65 Accounts.

61. For Affected Chapter 65 Accounts still serviced by the Company as of the Effective Date of this AOD, the Company shall waive or refund any Delinquency Fees assessed to these accounts that have not already been waived or refunded.

62. For Affected Chapter 65 Accounts for which the Company furnished negative credit reporting to consumer reporting agencies related to mortgage payments subject to the COVID forbearance, the Company shall take all steps necessary to remove such information that has not yet been removed.

63. For Remaining Defaulted Chapter 65 Accounts still serviced by the Company, the Company will provide the borrower with an account credit and/or a non-interest bearing deferment to the end of the loan term of any and all current arrearages, such that the borrower may resume monthly payments in accordance with their pre-forbearance loan terms.

64. For Redefaulted Chapter 65 Accounts still serviced by the Company, the Company will apply a direct monetary credit and/or deferment equal to the lesser of (i) the total amount to bring the account current, or (ii) 6 full monthly payments. This credit shall be applied in the same manner as regular periodic payments to reduce the duration and amount of any delinquency.

65. For all Redefaulted Chapter 65 Accounts that receive a credit or deferment pursuant to paragraph 64 but are not brought fully current, the Company will offer loss mitigation as set forth in Section IV.B.

66. When performing the remedial measures pursuant to paragraphs 61-65, the Company shall send a letter to each borrower receiving relief, explaining, where applicable:

- a. Any Delinquency Fees that have been waived or refunded;

- b. Any deferment and/or credit that has been applied pursuant to this AOD;
- c. For Remaining Defaulted Chapter 65 Accounts, a statement of their pre-forbearance monthly payment amount, and stating a date at least 30 days after the notice letter issuance date when their next monthly payment (commensurate with their pre-forbearance payment amount) will be due; and
- d. For all other Affected Chapter 65 Accounts,
 - i. If brought current: a statement of their monthly payment amount, and stating a date at least 30 days after the notice letter issuance date when their next monthly payment will be due; and
 - ii. If not brought current: a statement of the remaining arrearages on the account; and an invitation to apply for loss mitigation pursuant to 35B and Section IV.B, above. A 35B Notice will be included in the mailing.

E. Foreclosure Notice and Remediation Requirements

67. Within 30 days of the Effective Date of this AOD, the Company shall provide the AGO with a list of all scheduled foreclosure sales and post-foreclosure evictions in the Covered Portfolio, as well as certification that the requirements of this AOD have been met and complied with in each instance. The Company shall report a new list and certification thereof every thirty (30) days for three (3) years after the effective date. Such list shall include:

- a. Loan ID number;
- b. Borrower name and property address;
- c. Foreclosure sale scheduled date;
- d. Date borrower is due for;
- e. Date last 35B letter sent;

- f. Date of borrower response to 35B notice, if any, where a response is demonstrated by a returned Mortgage Modification Options form, submission of some or all of a modification application, and/or follow-up contact by phone, email, or otherwise informing the Company of their intent to pursue a modification, and shall not require submission of a completed application;
- g. 35B assessment results, if any, including affordability and NPV analyses;
- h. Other loss mitigation options offered;
- i. Final outcome of loss mitigation process;
- j. Date of last letter or call to borrower;

68. For a period of three (3) years from the Effective Date of this AOD, the Company shall not conduct any foreclosure auction or evict any former owners or their successors still occupying REO (Real Estate-Owned) properties in the Covered Portfolio without first providing, as described in paragraph 67, notice to the Massachusetts AGO along with certification that the requirements of this AOD have been met and complied with, at least thirty (30) days in advance of such scheduled foreclosure auction or eviction.

69. Upon receipt of the initial notification and certification from the Company regarding a scheduled foreclosure sale or eviction pursuant to paragraph 67, the AGO will have thirty (30) days to raise a concern regarding the Company's certification of compliance with Section 35B and direct the Company to take reasonable steps to postpone foreclosure or eviction. The AGO will not unreasonably request a foreclosure delay upon receipt of the Company's response to the AGO's concern and certification of compliance with Section 35B.

70. For accounts identified pursuant to paragraph 67 that are post-foreclosure sale evictions, and that were not previously reviewed for concerns raised by the AGO pursuant to

paragraph 69, above, the Company shall conduct an additional loss mitigation solicitation for any such borrowers who have not otherwise received loss mitigation review pursuant to this AOD for which:

- a. The Company cannot confirm that the borrower received a 35B notice within three (3) years of a foreclosure auction;
- b. The borrower received a “33-day” right to cure notice that expired prior to the expiration of the timeframe specified in 35A and did not subsequently become current;
- c. The borrower responded within 30 days to a 35B Notice, did not receive an offer of an affordable modification, and the loan did not subsequently become current;
- d. The borrower received a forbearance in the time covered by Chapter 65 of the Acts of 2020 and the loan did not subsequently become current;
- e. In the event that such a loss mitigation review determines that a former borrower living in an REO property can afford a modified mortgage loan, the Company shall take appropriate steps to reverse the foreclosure subject to acceptance of said loan modification.

71. If, after one year from the Effective Date, the Company has shown significant compliance with this AOD through the reporting and process set forth in paragraphs 67 through 70, above, the AGO may elect to halt such reporting and process before the full 3-year term required by paragraphs 67 and 68. Such election will be documented through written notice provided to the Company.

F. Statutory Reporting

72. The Company shall ensure that it submits reports to the Division of Banks (“DOB”) pursuant to the requirements of 35B(g), the implementing regulations, and in accordance with the DOB’s instructions.

73. The Company shall ensure that it files a copy of each 35B Notices sent to borrowers with the AGO consistent with 35B(c).

V. MONETARY PAYMENT

74. The Company shall, within thirty (30) days of the Effective Date of this AOD, make a monetary payment of four million, six hundred and fifty thousand dollars (\$4,650,000) to the Commonwealth of Massachusetts. At her sole discretion, the Attorney General may use or distribute this payment in any amount, allocation or apportionment and for any purpose permitted by law, including but not limited to: (a) payments to or for consumers and for the facilitation of this AOD; (b) payments to the General Fund of the Commonwealth of Massachusetts; (c) payments to the Local Consumer Aid Fund established pursuant to G.L. c. 12, § 11G; or (iv) for programs or initiatives in furtherance of the protection of the people of the Commonwealth.

75. For avoidance of doubt, the Company shall have no right to direct, nor any responsibility as to the use or application of funds by the Attorney General.

76. Unless otherwise directed by the AGO, the Company shall make this payment by wire transfer or certified check, made payable to the “Commonwealth of Massachusetts,” and shall be delivered to Alda Chan, Assistant Attorney General, Consumer Protection Division, Office of the MA Attorney General, One Ashburton Place, 18th Floor, Boston, MA 02108.

VI. TERM, COOPERATION AND REPORTING

77. The Company shall fully cooperate with the AGO in the implementation of this AOD and any related monitoring, reviews or compliance undertaken by the AGO.

78. The Company agrees to respond to questions and reasonable requests from the AGO related to the implementation of this AOD.

79. Within sixty (60) days of the Effective Date of this AOD, the Company shall provide documentation sufficient to show practices and procedures implemented or to be implemented to comply with the terms of this AOD, including copies of updated:

- a. Training materials
- b. Written policies and procedures
- c. Audit processes
- d. Identifying information for Company representatives responsible for process changes

80. Within thirty (30) days of the Effective Date, the Company shall report to the AGO the following information concerning the populations identified at paragraph 60:

- a. Identifying information of the consumers;
- b. The dates and duration of the COVID forbearance in months;
- c. The current status of each account;
- d. The amount of any Delinquency Fees;
- e. Date of service transfer, if applicable;
- f. Subsequent loan servicer, if applicable; and
- g. Last available contact information of borrower if transferred to different servicer including, where available, a primary phone number, address, and email address.

81. For all remedial measures performed pursuant to paragraphs 61-65, concerning Affected Chapter 65 Accounts, within sixty (60) days of the Effective Date, the Company shall provide reporting to the AGO confirming the specific remedy that has been completed and the

resultant status of the account, as well as a copy of each consumer letter sent pursuant to paragraph 66, above.

82. For three (3) years after the Effective Date of this AOD, the Company shall provide foreclosure reporting every thirty (30) days, consistent with section IV.E, above.

83. For three (3) years after the Effective Date of this AOD, every six (6) months, the Company shall provide report of key metrics related to new protocols for the Covered Portfolio, including:

- a. Aggregate reporting of 35B notices sent to Massachusetts consumers and filed with the AGO.
- b. Loss mitigation results from each 35B solicitation, including:
 - i. Account number and name of consumer;
 - ii. Date of consumer response (where such a response is demonstrated by a returned Mortgage Modification Options form or follow up call from the borrower, and shall not require submission of a completed application);
 - iii. Dates of first and last contact attempts by the Company to the consumer in order to assist with completion of application and submission of required materials;
 - iv. Date of issuance of missing documents letter;
 - v. Date of completed application;
 - vi. Date of issuance of letter acknowledging complete application;
 - vii. Date of issuance of evaluation/written assessment of application;
 - viii. Initial result of application (modification offered or denied);

- ix. Loss mitigation denial reason(s), if denied;
- x. Results of any disputes, including any related to affordability;
- xi. Results of any counter-offer processes; and
- xii. Final disposition (modification booked, denied, etc.).

84. The Company shall establish a trained designated contact for the Massachusetts AGO to address individual consumer complaints in a substantive manner, and report contact information to the AGO within 60 days of the Effective Date of this AOD.

85. Upon any planned substitution of the trained designated contact, the Company shall immediately notify the AGO with updated contact information.

86. The Company shall ensure that this designated contact or any successor has a method to expediently determine whether any account is part of the Covered Portfolio.

VII. RELEASE

87. Contingent on payment pursuant to paragraph 74 of this AOD, the AGO fully and finally releases the Company, its successors, current and former parent corporation(s), affiliates, subsidiaries and subdivisions, and their officers, directors, agents, servants, employees, members, and shareholders, from all civil liability to the AGO arising from the Covered Conduct occurring prior to the Effective Date of this AOD..

88. Notwithstanding the preceding paragraph, for the removal of any doubt, any and all of the following forms of liability are specifically reserved and excluded from the above releases:

- a. any claims or defenses of any private or other governmental party;
- b. tax liability;
- c. criminal liability;
- d. claims alleging violations of state or federal securities laws;
- e. claims alleging violations of state or federal antitrust laws; and/or

f. claims by any other agency or subdivision of the Commonwealth of Massachusetts.

89. Further, nothing in this AOD shall be deemed to preclude the AGO's review of conduct that occurs after the Effective Date, or any claims that may be brought by the AGO to enforce the Company's compliance with the AOD.

90. The Company acknowledges the release does not cover criminal conduct.

VIII. NOTICE

91. Any notice that is made or required under the terms of this AOD shall be provided via electronic mail and first-class mail to the following addresses.

For the Commonwealth:

Massachusetts Attorney General's Office
Consumer Protection Division
ATTN: Alda Chan & Daniel Bahls
One Ashburton Place, 18th Floor
Boston, MA 02108
alda.chan@mass.gov
daniel.bahls@mass.gov

For the Company:

Michelle L. Rogers
Cooley LLP
1299 Pennsylvania Avenue, NW
Suite 700
Washington, DC 20004-2400
mrogers@cooley.com

IX. GENERAL PROVISIONS

92. This AOD shall be governed by and interpreted in accordance with the laws of the Commonwealth of Massachusetts, and the Suffolk Superior Court of the Commonwealth shall retain jurisdiction over this AOD.

93. This AOD shall be effective as of the Effective Date.

94. This AOD constitutes the complete agreement between the AGO and the Company. No promises, representations, or warranties other than those set forth in this AOD have been made by either party. This AOD supersedes all prior communications, discussions, or understandings, if any, of the AGO and the Company, whether written or oral.

95. The provisions of this AOD are severable. If any provision herein is found to be legally insufficient, invalid, void, or unenforceable, the remaining provisions shall continue in full force and effect and shall in no way be affected, impaired, or invalidated.

96. This AOD shall be binding on the Company and the Company's successors and subsidiaries and all other persons who have authority to control or who in fact control and direct the Company's business in the Commonwealth of Massachusetts.

97. Nothing contained in this AOD shall be used, offered, or received in evidence in any proceeding to prove any liability, any wrongdoing, or any admission on the part of the Company or by any individual or entity not a party hereto; provided, however, that the foregoing provision shall not limit the Attorney General's rights under G.L. c. 93A, § 5, and shall not prevent this AOD from being used, offered, or received in evidence in any proceeding between the AGO and the Company to enforce its terms.

98. The Company shall not assert that because of this AOD it is entitled to any offset or reduction of any compensatory monetary remedies imposed in any related consumer or state or federal government action.

99. The Company and the AGO participated in the drafting of this AOD.

100. The Company waives all rights to appeal or to otherwise challenge or contest the validity of this AOD.

101. Except as to the Notice provision of Section VII, above, this AOD can be amended or supplemented only by a written document signed by all parties or by court order.

102. This AOD, as well as any amendments thereto, may be signed in multiple counterparts, each of which will be considered an original and all of which, when considered together, will constitute a whole.

103. Nothing in this AOD shall relieve the Company of any obligations to comply with all applicable federal and state laws, rules, and regulations.

104. This AOD does not constitute an approval by the AGO of the Company's acts or practices, and the Company shall make no representation to the contrary.

105. The Company shall not direct third parties acting as the Company's agent, on the Company's behalf or for its benefit, or otherwise under The Company's control or direction, to engage in practices from which the Company is prohibited by this AOD.

106. The Company and its signatories have consulted with counsel in connection with their decision to enter into this AOD.

107. The signatories for the Company represent and warrant that they have the full legal power, capacity, and authority to bind the Company.

108. By signing below, the Company agrees to comply with all of the terms of this AOD.

COMMONWEALTH OF MASSACHUSETTS
ANDREA JOY CAMPBELL, ATTORNEY GENERAL

By: 

Alda Chan (BBO No. 705204)
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Dated: December 17, 2025

Counsel for Newrez LLC as successor to Specialized Loan Servicing LLC

By: 
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Kate Goodman
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1299 Pennsylvania Avenue, NW
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mrogers@cooley.com
(202) 776-2227

Newrez LLC as successor to Specialized Loan Servicing LLC

Signed by:
By: 
E4469DB0758A47B...

Shantay Griffin
SVP of Exam Management and Licensing

Dated: December 15, 2025