PRESS RELEASE
Colorado Department of Law
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FOR IMMEDIATE RELEASE
DATE

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COLORADO REACHES $550 MILLION STATE-FEDERAL SETTLEMENT WITH SUNTRUST MORTGAGE

DENVER—Colorado Attorney General John Suthers today announced a $550 million nationwide state-federal settlement with mortgage lender and servicer SunTrust Mortgage Inc. to remedy mortgage origination, servicing, and foreclosure abuses. To resolve past SunTrust abuses, some Colorado borrowers are now eligible for $4,448,533 in principal reduction loan modifications, refinancing for underwater mortgages, foreclosure payments and other relief. Coloradans who experienced servicing abuses and were foreclosed by SunTrust from January 1, 2008 through December 31, 2013 may be eligible for a payment from a national $40 million fund. Payment amounts will depend on how many borrowers file claims.

"This settlement holds a major mortgage servicer accountable for its unacceptable past practices, and provides direct relief to Colorado borrowers," Attorney General Suthers said. "Going forward, the settlement's tough servicing standards will ensure that SunTrust treats its borrowers fairly."

The three-year settlement with Colorado and 48 other states, the District of Columbia, the U.S. Department of Justice (DOJ), the Consumer Financial Protection Bureau (CFPB) and the U.S. Department of Housing and Urban Development (HUD) provides direct payments to Colorado borrowers in need of assistance, tough new mortgage servicing standards, and grants oversight authority to independent monitor, Joseph Smith. The settlement will prevent past foreclosure abuses, such as robo-signing, improper documentation and lost paperwork by the company.

The agreement's mortgage servicing terms largely emulates the 2012 National Mortgage Settlement (NMS) reached between the federal government, 49 state attorneys general, including Colorado, and the five largest national mortgage servicers. To date, consumers nationwide have benefitted from more than $50 billion in direct relief under that settlement.

The agreement requires SunTrust to substantially change how it services mortgage loans, handles foreclosures, and ensures the accuracy of information provided in federal bankruptcy court, and creates dozens of new consumer protections and standards, including:

- making foreclosure a last resort by first requiring SunTrust to evaluate homeowners for other loss mitigation options;
- restricting foreclosure while the homeowner is being considered for a loan modification;
- new procedures and timelines for reviewing loan modification applications;
- giving homeowners the right to appeal denials;
- requiring a single point of contact for borrowers seeking information about their loans and maintaining adequate staff to handle calls.

Because SunTrust receives only partial settlement credit for many types of loan modifications, the settlement will provide relief to borrowers that will exceed the overall minimum amount. The borrower payment amount will depend on how many borrowers file claims. Eligible borrowers will be contacted about how to qualify for payments, however, borrowers should contact SunTrust directly calling 1-800-634-7928 with questions.

The agreement will be filed as a consent judgment in the U.S. District Court for the District of Columbia.

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