

SHELLPOINT MORTGAGE SETTLEMENT

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Shellpoint Mortgage Servicing announced last week “Shellpoint Mortgage Servicing is pleased that this matter is resolved after a long and collaborative review process with the Massachusetts Attorney General's Office, SMS has been and remains committed to helping homeowners in Massachusetts and throughout the country. Over the last five years, we have helped more than 32,000 homeowners avoid foreclosure and we are committed to providing the highest possible level of service to every homeowner.” **What a crock!!!** Shellpoint mortgage servicing has a horrible reputation among mortgage servicers; hence the litigation with the Massachusetts Attorney General's office.

Per this settlement Shellpoint will provide a whooping \$3.5 Million in principal reductions for allegedly violating several Massachusetts foreclosure laws and “failing to help homeowners avoid foreclosure.”

The litigation and settlement revolves around allegations that Shellpoint violated the Massachusetts Act Preventing Unlawful and Unnecessary Foreclosures; which was intended to protect homeowners from foreclosures and requires mortgage servicing company to make a “good faith effort” to avoid foreclosure specifically borrowers who have mortgage that are considered unfair or predatory such as subprime mortgages.

Also as part of this settlement Shellpoint must provide principal reductions and agree to waive any shortfalls when a homeowner seeks to sell their property; as in a short sale transaction. Furthore \$450,000.00 must be paid to the Attorney General. This investigation started when many many Massachusetts residents complained saying that they had significant difficulty in dealing with Shellpoint including issues when applying for a loan modification when they fell behind. Evidence showed that Shellpoint had failed to ensure a single point of contact for the resident; it mishandled calls from borrowers with limited English language capacity; Shellpoint made it difficult for homeowners after a divorce or death of a spouse.

Bottom line is that Shellpoint did not provide time and efficient loan modification review to Massachusetts eligible borrowers as the company is required to do under Massachusetts State law.

As part of the settlement, Shellpoint agreed to make “major business practice changes to address these deficiencies,” Healey's office said, adding that Shellpoint was “responsive” to her office during the course of the investigation. “This settlement will put money back into the pockets of homeowners who were harmed and will ensure

Shellpoint amends its practices and complies with the law,” Healey said in a statement. “We are committed to making sure Massachusetts residents are able to stay in their homes, particularly when their mortgages and loans have been mishandled by companies like this one.”

Personally this settlement is a farce on both sides. First 4.5 Million is a drop in the bucket. This is just not enough to really help people. It seems great and the politicians will claim that they actually did something about it; but it is simply not enough.