

» **Print**

This copy is for your personal, non-commercial use only. To order presentation-ready copies for distribution to colleagues, clients or customers, use the Reprints tool at the top of any article or visit: www.reutersreprints.com.

UPDATE 2-California seeks to suspend Ocwen's mortgage license

5:11pm EST

(Adds company's response; updates shares)

By Amrutha Gayathri and Tanya Agrawal

Jan 13 (Reuters) - California is seeking to suspend Ocwen Financial Corp's license to operate in the state, saying the mortgage collection company failed to submit papers showing that it complies with laws, state regulators said.

California's Department of Business Oversight (DBO), which licenses non-bank mortgage lenders and servicers, said it started asking Ocwen for information early last year and the company failed "to adequately respond" to the requests.

"Ocwen's behavior is egregious enough that we believe it warrants suspension of license," DBO spokesman Tom Dresslar told Reuters.

Ocwen was notified on Oct. 3 about the DBO's action related to untimely or incomplete production of information and documentation during a routine regulatory examination, the company told Reuters in an email on Tuesday.

"Under the oversight of our newly hired chief risk officer, we are cooperating fully with the DBO and recently provided what we believe to be accurate and complete information," Ocwen said.

If Ocwen loses its license, it would have to shift its customers to alternative providers, Dresslar said.

"Like any enforcement action, settlement is always a possibility, but at this point we are focused on suspension," he added.

California accounts for 15 percent of Ocwen's total loans and 23 percent of its total balance due, according to the Los Angeles Times, which first reported the news.

In a statement late on Tuesday, Ocwen said it believed it has proper controls in place to ensure compliance with the California Homeowners Bill of Rights.

The company is also facing scrutiny from New York state and the federal government over whether it improperly stalled short sales of property to collect more fees, Bloomberg reported last month.

Ocwen's shares, which closed down 36 percent at \$7.78, were up about 6 percent at \$8.24 in extended trading. Up to Tuesday's close, the stock had fallen about 85 percent in the past 12 months.

Shares of Ocwen affiliate Altisource Portfolio Solutions SA closed down 39 percent at \$16.49.

Rival Home Loan Servicing Solutions Ltd closed down 19.5 percent at \$12.95. (Editing by Kirti Pandey and Saumyadeb Chakrabarty)

© Thomson Reuters 2015. All rights reserved. Users may download and print extracts of content from this website for their own personal and non-commercial use only. Republication or redistribution of Thomson Reuters content, including by framing or similar means, is expressly prohibited without the prior written consent of Thomson Reuters. Thomson Reuters and its logo are registered trademarks or trademarks of the Thomson Reuters group of companies around the world.

Thomson Reuters journalists are subject to an Editorial Handbook which requires fair presentation and disclosure of relevant interests.

This copy is for your personal, non-commercial use only. To order presentation-ready copies for distribution to colleagues, clients or customers, use the Reprints tool at the top of any article or visit: www.reutersreprints.com.