

Top Ten Bad Guys in Mortgage Lending (Summer 2020)

By Ricardo & Wasyluk PL
July 6, 2020



Ever wonder whether your mortgage lender was one of the “good guys” or the “bad guys”? Fortunately, there’s a way to tell. The Consumer Finance Protection Bureau, a government agency meant to protect borrowers and other consumers, keeps a public database of all the complaints filed by consumers against companies of all types—including mortgage lenders.

We wondered which companies had the most mortgage-related complaints against them, so we pulled the data for the first six months of 2020, crunched the numbers, and came up with this list of “Top Ten Bad Guys.”

In this report, we give you a list of the biggest repeat offenders and a summary of some of the complaints against them.

The Top Ten Bad Guys in Mortgage Lending:

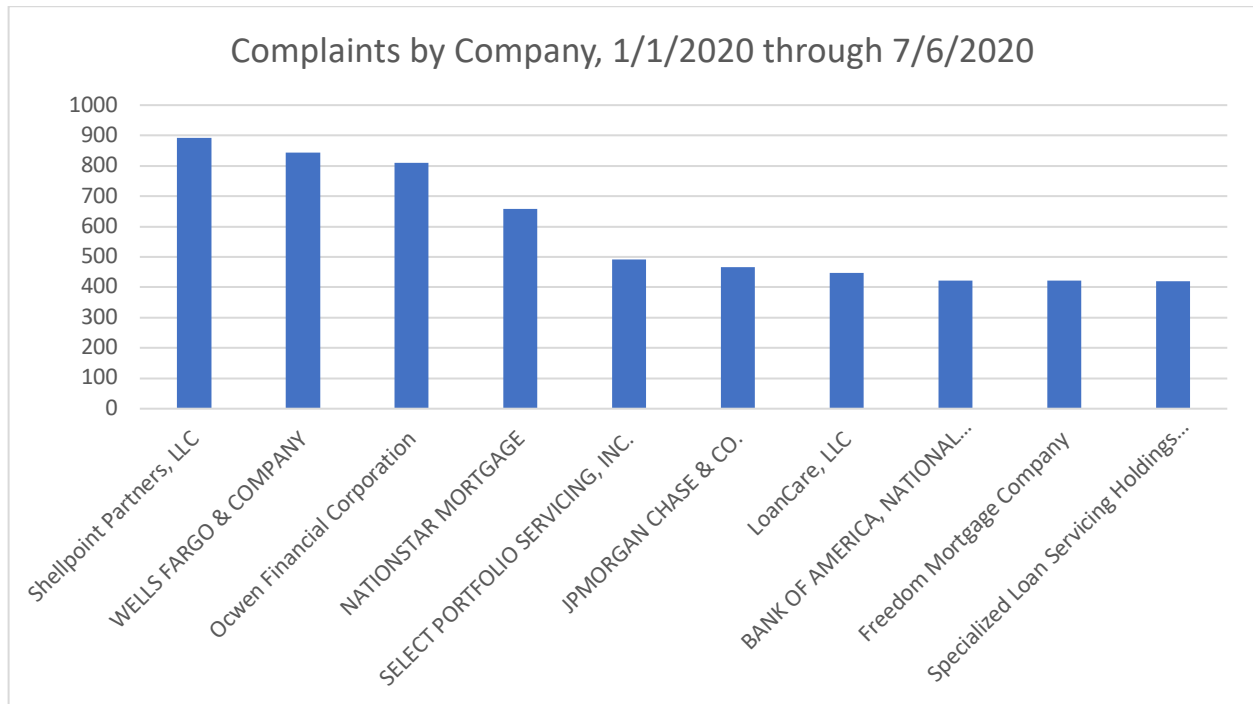


Figure 1 – Complaints per Company

Above you'll see the breakdown of who the worst offenders are. On top of the pile so far in 2020 is "Shellpoint Partners," more commonly known as Shellpoint Mortgage, with 893 complaints year to date. Wells Fargo just barely got bumped out of first place, taking second with 843 complaints. Other well-known lenders round out the Top Ten, including Nationstar, Ocwen, and Bank of America, to name a few.

About this report: all information in this report was pulled from public records kept by the Consumer Finance Protection Bureau in their Consumer Complaint Database. Information is reported as of July 6, 2020 and analyzed by this firm.

Specialized Loan Servicing

SLS, a subsidiary of an Australian company known as Computershare Loan Services, inspired 420 irate customers to file complaints about its practices since January 1. Some of those customers described how SLS had dropped the ball in handling payments during a transfer from a prior lender, failure to provide adequate payoff information as required by law, and padding the bills with thousands of dollars in predatory fees.

Freedom Mortgage Company

FMC claims to have “special expertise in VA, FHA, USDA loans as well as conventional mortgages”—in other words, they specialize in *everything*. But apparently, that “specialization” isn’t producing excellent service. In the 421 complaints consumers have filed so far this year, many complaint about the way Freedom is handling forbearance requests, violating federal guidelines on granting mortgage relief, and false reporting of late payments on credit reports.

Bank of America

A perpetual villain, Bank of America once made Jon Stewart’s Daily Show for foreclosing on a Florida home that didn’t even have a mortgage on it. Now, even though it has ramped down the volume of its home-loan servicing business, it still manages to land at number eight on our top ten list, with 423 complaints. Our firm has sued BOA in the past for failing to honor its own loan modifications, so it’s no surprise to us that borrowers loathe them, too. Consumer complaints include failure to records satisfactions of paid-off mortgages, false reports causing credit score damage, and failure to process loan modification requests.

Loan Care LLC

For a smaller servicer, Loan Care, LLC punches far above its weight class when it comes to making customers angry. It comes in as the number-seven scoundrel on our list, with almost five hundred complaints (448) so far this year. “You are better off homeless” than have a loan with LoanCare, one irate borrower complained. “Rude, incompetent employees” troubled borrowers, as well as back-dated letters. In one borrower’s case, Loan Care couldn’t find the loan anywhere in its records.

JP Morgan Chase

If there’s one company that brings to mind a mustache-twirling bad guy, it’s probably JP Morgan Chase. Although it doesn’t handle as many loans as some of the other large banks on the list, it gathers nearly as many complaints, drawing 466 to date this year. Talking to the company on the phone is a sure-fire way to get mad, as customers who tried to make payments over the phone complained they didn’t get proper credit. In addition to wrongly rejected payments, customers worried that their loan modification requests weren’t being handled properly, and the company failed to properly credit veterans for property-tax exemptions.

Select Portfolio Servicing

Select Portfolio Servicing has been on the rise for several years in terms of volume, vacuuming up loans from other servicers as they have gone out of business. Holding down the number-five spot on our parade of horrors, SPS has drawn 492 complaints in just six months for its mortgage servicing business practices. Homeowners have filed complaints about SPS for failing to process loan modification applications, miscalculation of balances or rejection of payments, falsely reporting mortgage sale dates, and even offering loan mods with higher payments than the original.

Nationstar Mortgage (Mr. Cooper)

Nationstar, now doing business as Mr. Cooper, isn't just guilty of terrible branding decisions. Almost seven hundred (659) borrowers have filed complaints against the company this year. Among those left hanging by Mr. Cooper, borrowers have filed complaints about the company's failure to properly handle loan modification applications, refusal to offer loss mitigation for Veteran's Administration loans, and falsely advising borrowers to refinance into less-favorable mortgage products.

Ocwen Financial/PHH

Even though it's no longer an independent company, (it merged into PHH) Ocwen takes the number-three spot on our list with 809 complaints this year alone. The company has a history of violations across the years, and this year is no exception. Some of Ocwen's misdeeds include "losing" loan documents, using incorrect credit scores for loan applications, wrongfully rejecting payments, mishandling escrow money, and failure to return overpayments.

Wells Fargo

As one of the four largest banks in America, Wells Fargo no doubt services a large share of home loans in America. But they also draw a huge number of complaints—843 so far this year. Common gripes about Wells Fargo include their failure to accept payments when made, putting false information on credit reports, failure to help borrowers who were victims of hurricanes and other disasters, and complete ineptness at handling forbearance requests.

Shellpoint Partners

Our "winner" for the first half of the year, Shellpoint brags about its ownership of "several growing mortgage businesses" but for now, it appears to be growing quickly in customer disappointment. Almost nine hundred (893) customers have complained about Shellpoint, including its "fraudulent" lender-placed insurance, and its refusal to recognize when borrower have their own legitimate insurance so that fore-placed insurance isn't even needed. Other common complaints include failure to properly credit payments, mysteriously changing loan balances, and improper handling of loan modification requests.

Are you fed up with your mortgage lender?

Whether your lender is on our “Top Ten” list or not, you’re probably sick of your mortgage lender making mistakes, giving you the run-around, and outright refusing to help. (Otherwise, you probably wouldn’t be reading this.)

If you have questions about your mortgage lender and how they’re treating you, or maybe you already know you just need some help sorting out your mortgage problems, you can reach out to us for a FREE appointment to figure out if there is something we can do to help (at a price that’s surprisingly affordable).

Here are 3 easy ways to contact us.

1. **By Phone:** you can reach our lawyers at (888) 830-0830.
2. **By Mail:** You can write to us at RICARDO & WASYLIK, PL, PO Box 2245, Dade City, Florida, 33526.
3. **By E-mail:** You can contact us through our e-mail address, info @ ricardolaw.com, or use our convenient web page form: <http://ricardolaw.com/contact>

However you reach us, be sure to mention that you read this report!