



Date: January 8, 2016

Mayor Tom Barrett  
City Hall, 2<sup>nd</sup> Floor  
200 E. Wells Street  
Milwaukee, WI 53202

Council President Michael Murphy  
City Hall, 2<sup>nd</sup> Floor  
200 E. Wells Street  
Milwaukee, WI 53202

Re: Ocwen's Proposal to the City of Milwaukee

Dear Mayor Barrett and Council President Murphy:

It is with great pleasure that Ocwen Financial Corporation ("Ocwen") offers the following proposal regarding its ongoing efforts in the City of Milwaukee ("City"):

**1. Ocwen will continue to provide financial assistance to struggling mortgage customers with programs, such as loan modification and other incentive and relief programs, to avoid mortgage foreclosure.**

Ocwen has more than 25 years of innovation in loss mitigation, and has completed more than 627,000 loan modifications throughout the United States, including more than \$12 billion in principal reduction since 2008. Ocwen is an industry leader in foreclosure prevention through sustainable loan modifications, including modifications that provide principal write downs. Ocwen is a leader in total HAMP modifications, achieving consistent best-in-class HAMP performance.

In the City, for years 2012-2014, Ocwen averaged 341 loan modifications completed per year, with an average of 230 of those modifications including principal reduction. The average principal reduction per loan was almost \$55,000 which resulted in approximately \$12.6 million in principal reduction per year, for the years 2012-2014, in the City of Milwaukee (\$55,000 x 230).

Ocwen Proposal:

- Ocwen will utilize its full range of mortgage modification options, including modifications that involve principal forgiveness. Ocwen participates in all HAMP programs. For those borrowers who do not qualify for HAMP, we have a range of options through our proprietary loan modification program. Avoiding foreclosure is a win-win for all parties and is a fundamental tenet of Ocwen’s business model.
- Ocwen notes that in December 2015 the President signed into law The Omnibus Spending Bill that included a provision to ensure that the HAMP program sunsets at the end of 2016. It is unclear exactly how the termination of HAMP will impact the company’s loan modification activity.
- Ocwen will engage in borrower outreach events specifically tailored towards struggling neighborhoods and communities in an effort to increase our overall modification activity in the City of Milwaukee.
- Ocwen will provide quarterly updates to the City regarding all modification activity.
- Within thirty days after each calendar quarter in 2016, 2017, and 2018, Ocwen will provide the updates to the City regarding all modifications that have been executed and the average payment reduction for the borrowers, along with total payment reduction for the borrowers. These updates will be submitted to the following City persons (or to such substitutes as the City may later designate) (the “City Contact Persons”). Ocwen quarterly updates will aggregate data on a zip code basis, and show total number of Ocwen-serviced customers in the City (and number per zip code), the number of them in default (60+ days delinquent) per zip code in the City, and the amount of financial assistance provided through loan modifications and other assistance aggregated per zip code in the City, including total amount of principal forgiveness per zip code. To the extent Ocwen is reasonably able, given its computer and data systems, Ocwen will endeavor to also provide in its quarterly updates the afore-referenced information on a per-census-tract basis.

<p>Mayor Tom Barrett  c/o Housing Policy Director  200 E. Wells Street  Milwaukee, WI 53202  Email: <a href="mailto:mhiggi@milwaukee.gov">mhiggi@milwaukee.gov</a>  Phone: 414-286-3467</p>	<p>Common Council President Michael Murphy  c/o Sarah Zarate  200 E. Wells Street  Milwaukee, WI 53202  Email: <a href="mailto:szarat@milwaukee.gov">szarat@milwaukee.gov</a>  Phone: 414-286-3272</p>
<p>Asst. City Attorney Gregg Hagopian  841 N. Broadway 7<sup>th</sup> Floor  Milwaukee, WI 53202  Email: <a href="mailto:ghagop@milwaukee.gov">ghagop@milwaukee.gov</a>  Phone: 414-286-2620</p>	

**2. Ocwen will participate in the City's STRONG Homes Loan (SHL) program by making a direct contribution of cash.**

Ocwen Proposal:

- Ocwen will donate and contribute a \$225,000 cash gift over three years (\$75,000 per year, in each of years 2016, 2017 and 2018) to the SHL Program created by Council File 140901. Ocwen shall contribute the funds to the City as follows: \$75,000 to be paid by Ocwen to the City on or before April 1, 2016 for use in 2016 and after (if applicable); \$75,000 to be paid by Ocwen to the City on or before March 1, 2017 for use in 2017 and after (if applicable); and \$75,000 to be paid by Ocwen to the City on or before March 1, 2018 for use in 2018 and after (if applicable). Ocwen intends that all such amounts so contributed by Ocwen be used for the SHL Program and be carried over for future use for the SHL Program if not used in the year of payment. This is intended to constitute the documentation of Ocwen's donation and contribution per Milwaukee Code or Ordinances 304-24-7-b.
- These Ocwen contributions are to be tied to Ocwen customers with underwater loans. Ocwen as of November 2015 has 1,337 underwater loans in the City. Ocwen will coordinate with the City so that the SHL funds donated by Ocwen may be directed to Ocwen customers with underwater loans.
- Ocwen will utilize several outreach strategies to inform its borrowers about these earmarked, donated funds and the SHL Program, including targeted mailings to borrowers with underwater loans.
- Ocwen will monitor the success of its donations to the SHL Program and will consider additional funding based on level of success.

**3. Ocwen will provide face-to-face customer outreach events in the City to help Ocwen customers struggling with mortgage payments.**

Ocwen Proposal

- Ocwen plans to sponsor and participate in three face-to-face borrower outreach events per year to take place in the City in each of years 2016, 2017 and 2018, and coordinate the events with the City and local non-profit housing counseling agencies. Ocwen will staff these events with Ocwen representatives so that struggling borrowers may meet in person with Ocwen representatives. Ocwen will coordinate these events with the City Contact Persons.
- Ocwen will utilize several outreach strategies to encourage borrowers to attend these events, including targeted mailings to delinquent borrowers, coordinating with non-profit partners to utilize their communication channels and leveraging Ocwen's PR team.

**4. Ocwen will donate as many Ocwen-owned, controlled or managed REO properties in Milwaukee as possible for rehabilitation by non-profits along with a cash donation to support renovation costs.**

Ocwen Proposal:

- Ocwen will endeavor to donate 3 to 5 REO properties per year (over the 3-year span of 2016-2018), in compliance with investor guidelines (Ocwen does not “own” the properties), in targeted neighborhoods selected by the city.
- Ocwen will commit to rehab grants of \$5,000 - \$10,000 per property donated as appropriate with a three-year cap of \$75,000.
- Within 30 days of the end of each calendar quarter, Ocwen will report to the City Contact Persons regarding (i) REO parcels located in the City owned by it or others for which Ocwen provides servicing or management (including addresses, and whether the parcels are owned by Ocwen or another to the extent permitted by its servicing contracts), and (ii) donations of REO properties including donee recipients and cash donation per parcel.

**5. Ocwen will support local foreclosure mitigation efforts by providing financial support for local counseling and mediation efforts.**

Ocwen Proposal:

- Ocwen will support and partner with various Milwaukee based non-profit community groups in an effort to help struggling borrowers and to reduce city blight.
- Ocwen’s support will include financial contributions to these groups in the amount of \$200,000 over three years (2016-2018).
- Within 30 days of the end of each calendar quarter, Ocwen will report to the City Contact Persons regarding its work with non-profit community groups in the City and its financial contributions to those groups.

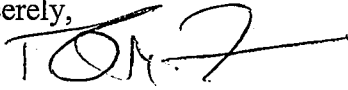
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Ocwen’s contact person for purposes of this letter agreement is set forth below, or will be such other substitute as Ocwen’s CEO shall designate. In the event of substitution, Ocwen will provide notice of such to City.

Jill Showell  
Senior Vice President, Government and Community Relations  
Ocwen Financial Corporation  
1101 Pennsylvania Ave., N.W. Suite 600  
Washington, D.C. 20004  
Phone: 202-973-2867  
Jill.stowell@ocwen.com

Thank you very much. Ocwen looks forward to this collaborative endeavor with the City.  
Please sign acceptance below.

Sincerely,



Ron Faris  
President and CEO

C by email:  
Mario Higgins  
Gregg Hagopian

**City Acceptance**

The City of Milwaukee hereby accepts and agrees to the above.

<p>City Common Council Resolution File No. _____</p> <p>CITY ATTORNEY APPROVAL (MCO 304- 21)</p> <p>_____ Gregg Hagopian, Asst. City Attorney</p>	<p><b>CITY:</b> City of Milwaukee</p> <p>By _____ Mayor Tom Barrett</p> <p>CITY CLERK</p> <p>_____ James R. Owczarski, City Clerk</p> <p><b>COUNTERSIGNED</b></p> <p>_____ Martin Matson, City Comptroller</p>
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