

# Fact Sheet: CFPB Complaint Data Reveals OneWest's Track Record Against Seniors



**Background:** In October 2010, Joseph Otting was hired as CEO at OneWest Bank and served as CEO until December 2015, when he was fired.

**Foreclosures:** OneWest Bank is best known for foreclosing on tens of thousands of homeowners, including seniors with reverse mortgages from a OneWest subsidiary, named Financial Freedom.

Critics have suggested that OneWest's incompetent mortgage servicing practices resulted in unnecessary foreclosures.

- According to government data, OneWest denied 3 out of 4 HAMP applications it received;
- OneWest was ranked as the 4<sup>th</sup> worst mortgage servicer in 2012 by JD Power & Associates;
- California housing counselors consistently gave the bank low marks for helping homeowners;
- When Otting was the Chair of the CA Chamber of Commerce, a state bill to stop "widow foreclosures" was placed on the Chamber's infamous "Jobs Killer" list; and
- The bank entered into a consent order with bank regulators in 2011.<sup>1</sup>

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<sup>1</sup> A) Of the 388,147 HAMP requests that CIT Bank (formerly OneWest) had received, it denied 73% of the requests (284,306 denials). HAMP data as of Oct 2016: <https://www.treasury.gov/initiatives/financial-stability/reports/Documents/HAMP%20Application%20Activity%20by%20Servicer%20October%202016.pdf>

B) Onewest Bank was ranked [4<sup>th</sup> worst mortgage servicer in 2012](#).

**CFPB Complaints:** One resource that has not been tapped into to understand OneWest's record is the complaints and accompanying narratives that consumers have filed with the Consumer Financial Protection Bureau against OneWest, and Financial Freedom.

Dr. Garrett Andrew Schneider researched and analyzed CFPB complaint data from 2011 (when the CFPB began accepting complaints) through 2015.

Using the publicly available CFPB complaint data, 1,318 complaints were identified that had been filed with the CFPB against OneWest Bank (and its subsidiary, Financial Freedom) during the time that Otting was CEO.

**FOIA Requests:** In comparison, when the California Reinvestment Coalition asked HUD for the number of complaints filed against Financial Freedom HUD responded that it would take over 193,000 hours (22 years) to compile that information.<sup>2</sup> HUD still hasn't provided FOIA data requested in January about OneWest.<sup>3</sup>

The OCC has yet to respond to an expedited FOIA request about the number of complaints it received about OneWest, pre-emption issues with the bank, and public comment process safeguards the OCC uses.<sup>4</sup>

C) See CRC's 2011 [survey](#) of counselors.

D) OneWest [Consent Order](#). Note: The Fed has NOT lifted its order yet.

<sup>2</sup> See HUD's FOIA response [here](#).

<sup>3</sup> See CRC/JALA FOIA request [here](#).

<sup>4</sup> See the FOIA request to OCC [here](#).

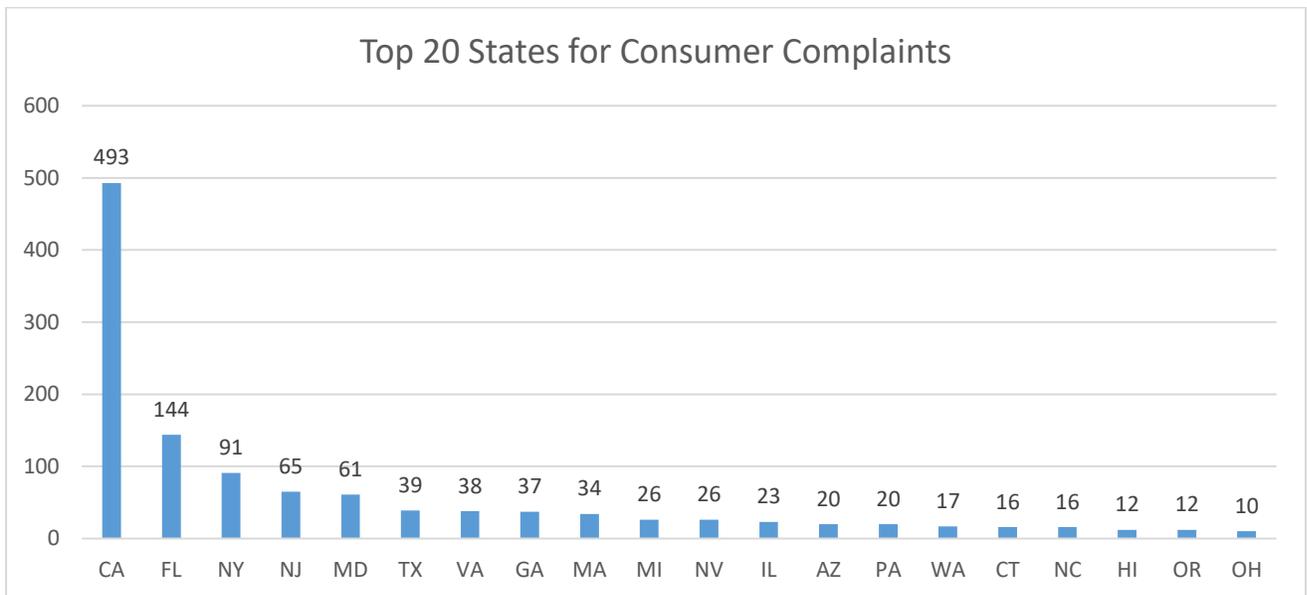
# Key Findings

## Who is complaining about OneWest and how does the bank respond?

- **Older Americans** account for at least 171 complaints (13%)
- **Servicemembers** account for at least 60 complaints (4.6%)
- Only 91 complaints (6.9%) closed with relief.
- California is the state with the most complaints at 493 (37.4%).
- Complaints from California and Florida represent almost half (48%) of all complaints.

## What OneWest **products** are people complaining about?

- Mortgages account for 1,062 complaints (80.6%)
- Reverse mortgages account for 216 complaints (16.4%).
- The majority of complaints concern loan modifications, collections, and foreclosures.



*Consumer complaint narratives highlight themes of lost documentation, disorganization, misinformation, billing errors, and arbitrary foreclosures and loan modification refusals.*

## Consumer Complaints about Reverse Mortgages

- “We mailed, faxed, and certified mailed them the necessary documentation and they NEVER acknowledged getting it....Two months after my mom passed they sent us a package referencing foreclosure procedures...It's been six months of being tossed back and fourth from Financial Freedom to...OneWest Bank to CIT Bank...ALL we want to do is keep our MOTHERS home. All we need is someone to tell us, who has the deed now to purchase the property from. We are running out of time...Please help us before it's too late. Financial Freedom is a Financial Nightmare! Six months talking to people and still no results! NEVER DO A REVERSE MORTGAGE!!!!!! It's not worth it!”—**Reverse Mortgage in MS**
- “We had a Reverse Mortgage but I was not on the deed, yet this was my homestead for over 35 years. I was forced into bankruptcy and finally given time by the courts to take my homestead through bankruptcy...I am desperate. I live off of fixed income, my husband's social security and I work to make ends meet. I am XXXX years of age and I need help. This is not fair to me.”—**Reverse Mortgage in FL**
- “Freedom Financial is...intentionally stalling in order to avoid or stop the [family] estate from purchasing the home.”--**Reverse Mortgage in GA**
- “My Mother passed away... [in] 2015. She had a reverse mortgage with Financial Freedom (“FF”). We were busy dealing with funerals services, bills, etc., but contacted FF within 30 days to notify them of her death. They sent forms...asking our intent for the property. We checked the appropriate boxes that indicated our intent to purchase the property for the family. We also called them and had extensive conversation with a rep....The forms were mailed in. I called to confirm they had been received and never heard anything else. I assumed the extension had been granted...[only later] I discovered a foreclosure had been filed against the property.” – **Reverse Mortgage in CA**
- “My mother passed away...[in] 2014...We notified Financial Freedom that our intent was to clear the home of personal property, to make repairs/renovations, and to market the property for sale...We were granted a 90 day extension...Both OneWest Bank and Financial Freedom deny receiving request for extension and instituted Foreclosure Proceedings on the Estate property... Financial Freedom has been unwilling to work with us; we simply requested legal extensions in order to market the property at a fair price in line with local comps.” – **Reverse Mortgage in CA**

- “I began getting letters from Financial Freedom threatening me with foreclosure. These letters said I owed Financial Freedom {\$3300.00} for advances they paid out on my reverse mortgage. However, when I called Financial Freedom on numerous occasions no one could explain to me what these were for. Finally, my son ordered an account history and after reviewing the history we determined that Financial Freedom was billing me for taxes that had already been paid or for taxes they claim they paid 8-10 years ago”—**Reverse Mortgage in MI**
- “After [my father] died [Financial Freedom] said that I, as legal heir, would be allowed to purchase my father's home for 95 % of its fair market value. They sent an appraiser who took a photo of the front and rear of the house and added a {\$450.00} appraisal fee to my father's account with Financial Freedom. The appraiser never even came inside...I told Financial Freedom that the property was not worth {\$120000.00}. This was confirmed by a real estate agent, and friend, who lived next door. I told Financial Freedom that I wanted to get my own appraisal and they said only their appraiser could be used...I feel completely cheated by this dishonest appraiser, Financial Freedom and...the buyer at auction...Completely unfair and immoral and criminal in my opinion.”—**Reverse Mortgage in MA**
- “I am now trapped in a situation whereby I face the threat of losing my home over {\$1200.00}.”—**Reverse Mortgage in FL**
- “How could the US bail out banks when this is what they do to elderly homeowners?” – **Reverse Mortgage in NJ**
- “I have had a lot of trouble and feel like the loan was misrepresented. I receive {\$1100.00} in Social Security each month....I have been in my home 60 years and am not fit to move. It is tearing me up. I don't know what to do. They are driving me crazy. I went to a lawyer but I can't afford to pay them....My banker has tried to help me also with forms. I am helpless as to how to live...I have no money for needed items.”—**Reverse Mortgage in KS**
- “I am desperate. I live off of fixed income, my husband's social security and I work to make ends meet. I am XXXX years of age and I need help. This is not fair to me.”—**Reverse Mortgage in FL**

- “Financial Freedom 'the reverse mortgage specialist' has been giving my XXXX-year old mother the run-around for the last three months since she notified them she vacated her home with a 'no fault ' home equity conversion mortgage (HECM), in trying to complete Financial Freedom's 'streamlined ' deed in lieu of foreclosure process. My mother is on an extremely limited income and cannot continue paying for this property while Financial Freedom gives her the run-around...It's completely stuck in Financial Freedom's limbo and every time we call customer service...to speak with a manager or the specialist handling the account they say that everyone is [in] a meeting or on break or on lunch and will return our call but a manager or supervisor NEVER calls us back. Every time we call, we get a different answer where the deed in lieu of foreclosure process is at and no one can tell us what the next step is to complete or what is needed to complete it. They are intentionally trying to delay the process and even an email from their legal office says they are purposely delaying for an unknown reason. Please help. My XXXX year old mother is losing her faculties and health is failing. This predatory and deceitful practice by Financial Freedom is taking its toll on her health and her finances...PLEASE HELP US.”—**Reverse Mortgage in VA**
- “Near the end of 2011, I fell behind on my mortgage payments because I separated from my husband and finances changed drastically. I immediately applied for a loan modification. I followed through, faxed the application and all necessary documents to One West. Kept in touch with them to make sure they had received them. But every time, there was something missing, or they didn't receive my documents, or the documents had expired because so much time had passed since the first time I had sent the first documents. I felt they were playing me because I knew they had received them. They waited for all that time to go to then tell me my documents had expired...I did everything they asked me to and they still took my home, our home. My children and I were devastated whenever they would post our door and finally when they took it from us. This bank had no intention in giving me a modification. We had more than enough time to get it done before the sheriff sale. Finally, just two weeks before the sale, they told me I qualified for the modification but it was too late because the sale date was too close. I couldn't believe what I was hearing. This bank has to be punished for what they have been doing to homeowners. It is not like I ignored their phone calls or abandoned my home. I need...help and want to be compensated for my loss. They wanted to take my home.”—**Reverse Mortgage in PA**

## Consumer Complaints to the CFPB about Conventional Mortgages

- “I am really at the end of my endurance financially, emotionally, and self-worth. There is nothing else for us to do. Soon we will be homeless. I never thought my life would end this way. After all the years of hard work, this is what we have come to in our lives”—  
**Conventional ARM/Older American in MA**
- “[OneWest] is repeatedly denying my loan application stating I do not live in the subject property even though all my documents which includes all utility bills for gas, electric, water, cable and phone as well as my driver’s license and vehicle registration all show this subject address. But because on [my credit report] it shows another residence...[that] I have not resided at in over 10 years, they will not accept that this is my primary residence...[OneWest] is stating I would need to contact the credit bureaus to have this changed. I came to find out I would need to contact each bureau in writing and will be responded to in 90 days which by then, I would most likely have a scheduled foreclosure sale date.”—  
**Conventional ARM in NY**
- “[OneWest]...ruined my life, business and my family's future”—  
**Conventional Fixed Mortgage in MA**
- “We feel that bank was not helpful with us and is not trying to help keep our home. I think the bank is playing games with us. Every time I speak with someone it's something different”—**Conventional Fixed Mortgage in MD**
- “I have had a very difficult time with [OneWest]. I have tried to submit for a loan modification. I was never able to communicate to the same person which always caused confusion. [OneWest] always seemed to lose my paper work, which I constantly had to re-fax.”—**Conventional ARM in CA**
- “I'm filing this complaint because it's been a horrible process to be left a widow with a XXXX dollar mortgage because the banks threw money at my late husband who was gambling on our equity...And it was heartbreaking to go through the humiliation of a foreclosure that turned out to be a back door agreement between IndyMac/OneWest and XXXX...I want anyone going through this to learn from my experience.”—  
**Conventional ARM in CA**
- “OneWest bank has taken away from me the chance to avoid foreclosure, the chance to have my loan modified by HAMP program. OneWest Bank has failed in their duty of care with my HAMP modification. OneWest is the reason I am losing my home. OneWest Bank has caused me a lot of harm.”—**Conventional ARM in FL**

- “OneWest Bank FSB does not have standing to foreclose on the subject property as it is not the holder in due course of the subject loan... I'm a victim of robo-signing”—  
**Conventional Fixed Mortgage in FL**
- “Can my home be foreclosed if the original signed documents cannot be presented?”—**FHA Mortgage/Elderly American in MD**
- “I did on several occasions send in complete [HAMP] applications, and yet there were always ‘missing documents’...--their word against mine”—**Conventional ARM in LA**
- “As a...widow, I cannot afford the house my late husband left me with...I just wish to have some better closure with this...I wish to be able to have bank agree to a short sale or deed in lieu of foreclosure and give me up to 2-months to clear out of the house I've lived in for 28 years.”—  
**Conventional ARM in CA**
- “The bank has acknowledged that they have no legal standing to continue to hold their lien against our home....I appreciate the Consumer Financial Protection Bureau's assistance and can say without equivocation that it was your involvement that moved the bank to begin a dialogue.”—  
**Mortgage/Older American in CA**