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STATE OF COLORADO **Consumer Credit Unit**
DEPARTMENT OF LAW

Nonbank Mortgage Servicers Act | January 2024 SMART Act Report

The Colorado Nonbank Mortgage Servicers Act (“Act”) calls for the Department of Law to provide information about the implementation of the Act during the Department’s SMART Act Hearing. See § 5-21-116, C.R.S. (“(1) The department of law shall include in its annual presentations held pursuant to section 2-7-203 updates concerning the administration of this article 21, including: (a) Complaints data, enforcement actions, and other relevant regulatory data; and (b) The use of fees collected by the administrator pursuant to this article 21 and the use of fees subject to section 12-10-718 that are reappropriated to the department of law pursuant to section 12-10-719.”). We are pleased to provide this information as part of the Attorney General’s presentation.

As of December 19, 2023, the Consumer Credit Unit (“CCU”) has 140 active filers. The CCU has received 140 mortgage related consumer complaints in 2023.

The aftermath of the Marshall Fire has been of significant interest. CCU staff have toured the affected region with survivors of the fire and attended public meetings to hear consumers’ experiences with mortgage servicers and the release of insurance proceeds.

In addition, the Attorney General’s Office serves as a member of the National Association of Attorneys General Mortgage Servicing Executive Committee. This committee tracks industry trends and coordinates investigations into potential violations in the mortgage industry. Where appropriate, the committee spearheads investigations or settlement negotiations to protect consumers and bring companies into compliance. In 2023, the Executive Committee led a multistate settlement with ACI Payments, Inc, a payment processor working with the mortgage company Mr. Cooper (formerly Nationstar Mortgage Holdings), related to the unauthorized withdrawal of \$2.3 billion in extra mortgage payments. The settlement resulted in full consumer restitution and a \$10 million penalty. Colorado received over \$300,000.

The Department of Law’s Consumer Protection Section also investigates complaints related to mortgage fraud.