

YOU ARE RECEIVING THIS NOTICE BECAUSE SHELLPOINT SENT YOU MORTGAGE STATEMENTS DURING YOUR FORBEARANCE. YOU MAY BE ENTITLED TO A PAYMENT.

This Long-Form Notice Contains Important Information About Your Rights.

1. WHAT IS THIS ABOUT?

A Settlement has been reached subject to Court approval in a class action lawsuit against NewRez LLC d/b/a Shellpoint Mortgage Servicing ("Shellpoint"), pending in the U.S. District Court for the Eastern District of Pennsylvania as *Dutcher v. NewRez LLC d/b/a Shellpoint Mortgage Servicing*, No. 2:21-CV-02062-MAK ("the Case"). The Case alleges Shellpoint sent misleading mortgage statements to borrowers participating in a CARES Act (the Coronavirus Aid, Relief And Economic Security Act) forbearance plan, in violation of the Fair Debt Collection Practices Act ("FDCPA") and the California Rosenthal Act. The Settlement resolves that portion of the Case. The Case also contains claims under the Telephone Consumer Protection Act, which are not resolved by the Settlement except as to the named plaintiff. Shellpoint denies any wrongdoing. The Court has not decided who is right.

2. WHO IS INCLUDED IN THE SETTLEMENT?

You may be a member of the Settlement Class if (1) your residential mortgage loan was serviced by Shellpoint; and (2) while under a CARES Act forbearance plan, you received a periodic mortgage statement in the same form as the statement attached to the parties' revised Settlement agreement. More information on who is included in the Settlement Class and the parties' revised Settlement agreement is available at www.shellpointmortgagesettlement.com.

3. WHY IS THERE A SETTLEMENT?

Absent the Settlement, the parties would have continued to litigate the Case. Shellpoint has asserted a number of defenses, such as that its communications to borrowers were not misleading. Shellpoint has also asserted a number of defenses to certifying any class in the Case and that class members did not have any damages attributable to any of Shellpoint's communications in any event. Even if plaintiff overcame these defenses and certified a class, there could be appeals and there would be further delay and costs. Even though plaintiff defeated Shellpoint's motion to dismiss the Case, the Court noted the "novelty" of the issues raised and that Shellpoint had raised "fair questions" regarding whether it may ultimately be held liable.

By contrast, the proposed Settlement avoids the risks of continued litigation while also providing the maximum recoverable amount for the Settlement Class under the FDCPA, plus additional remedial relief. Under the FDCPA, the maximum amount of statutory damages recoverable in a class action alleging a technical violation of the FDCPA is the lesser of \$500,000.00, or 1% of the net worth of the debt collector. Although the Rosenthal Act provides for slightly different statutory remedies than the FDCPA, when the monetary award to the class is the maximum allowable under FDCPA, Shellpoint has the additional potential defense that double, or even any further, recovery under the Rosenthal Act is not permitted. Shellpoint also has the defense that, unlike the FDCPA, the Rosenthal Act requires a willful and knowing violation before liability may even be imposed. The parties exchanged a substantial number of documents and other information before reaching the Settlement. The evidence was, and continues to be, disputed as to whether Shellpoint said anything misleading in its mortgage statements to Settlement Class Members, let alone did so willfully, knowingly or intentionally. The evidence produced also did not show that Shellpoint made telephone calls class-wide to borrowers that violated the TCPA. Instead, the evidence showed that the calls between Shellpoint and plaintiff involved unique issues regarding whether plaintiff asked Shellpoint to not call him. That is why the Settlement includes plaintiff's individual TCPA claims only but not any potential TCPA claims of any other Settlement Class Member.

4. WHAT CAN YOU GET FROM THE SETTLEMENT?

If approved by the Court, Shellpoint will: establish a \$500,000.00 cash fund (the "Cash Fund"), which as noted is the maximum amount of damages recoverable in class actions under FDCPA, to compensate Settlement Class Members; implement changes to enhance Shellpoint's written statements to its borrower clients; separately also pay, in addition to the Cash Fund, notice and administration expenses; separately also pay, in addition to the Cash Fund, plaintiff Dutcher \$2,500.00 for his service to the Settlement Class and \$2,500.00 to settle his individual TCPA claims (unless the Court awards plaintiff Dutcher less than that \$5,000.00 total, in which case the balance will be paid into, and added to, the \$500,000.00 Cash Fund); and separately also pay, in addition to the Cash Fund, plaintiff's counsel attorneys' fees of up to \$250,000.00 and reimbursement of up to \$1,300.00 in litigation costs. Shellpoint will also separately pay for the fees and expenses of the Settlement Administrator who will assist in sending the short-form Notice to Settlement Class Members and administer and distribute the Cash Fund.

Eligible Settlement Class Members will receive a *pro rata* distribution of the Cash Fund if the Settlement is approved. No claim forms are required. Current borrowers will automatically receive a credit, and former borrowers will be mailed a check. If all of the potential **104,647** Settlement Class Members participate in the Settlement, each Settlement Class Member's payment will be approximately **\$4.77**, in addition to the other relief summarized above. No withholding for any taxes will be done by the Settlement Administrator concerning the payments to Settlement Class Members. The parties' counsel believe that a settlement of an FDCPA claim would likely

be taxable. Settlement Class Members will be responsible for handling any taxes and tax reporting relating to the payments. The tax consequence to each Settlement Class Member, whatever it may be, is not changed or impacted whether the payment is made via an automatic credit or the issuance of a check.

5. WHAT WOULD YOU GIVE UP BY PARTICIPATING IN THE SETTLEMENT?

Each Settlement Class Member who does not file a valid and timely request to be excluded from the Settlement Class will release all claims they may have against Shellpoint and the other “Released Parties” relating to the FDCPA and Rosenthal Act claims alleged in this Case. The term “Released Parties” means (A) Shellpoint and any and all of its current or former predecessors, successors, assigns, parent corporations, subsidiaries, divisions, related and affiliated companies and entities, associates, vendors, service providers, software licensors and licensees, clients and customers, principals, stockholders, directors, officers, partners, principals, members, employees, attorneys, consultants, independent contractors, representatives and agents, and all individuals or entities acting by, through, under or in concert with any of them; and (B) any trustee or investor of a mortgage securitization trust or loan pool which includes Class Loans on which Settlement Class Members are borrowers, including, but not limited to, any direct or indirect subsidiary of any of them, and all of the officers, directors, employees, agents, brokers, distributors, representatives, and attorneys of all such entities. This Settlement does not release any Settlement Class Member’s claims under the TCPA that were alleged in the Case except for plaintiff Dutcher’s individual TCPA claims as summarized above.

6. WHAT ARE YOUR OTHER OPTIONS?

You may stay in the Settlement Class; Opt Out of the Settlement Class; or object to any aspect of the Settlement or the attorneys’ fees and expenses plaintiff’s counsel will request.

Stay in the Class: You will be a member of the Settlement Class if you do nothing. As a Settlement Class Member, you will be legally bound by the Settlement, and you will not be able to sue, or continue suing, Shellpoint for the same claims that this Case resolves.

Opt Out of Class: If you do not want to be legally bound by the Settlement, you must Opt Out of the Settlement by **July 27, 2022**. If you Opt Out, you will not receive a payment, but you will be able to file or continue your own lawsuit against Shellpoint about the same claims that this Case resolves. To Opt Out of the Settlement, the Settlement Class Member must mail an Opt Out request **postmarked no later than July 27, 2022** to **Dutcher v Shellpoint, c/o Kroll Settlement Administrator, PO Box 5324, New York, NY 10150-5324**. The Opt Out request must clearly indicate the name, address and telephone number of the person seeking to Opt Out; that the person requests to Opt Out from the Settlement; and must personally sign the Opt Out request.

Object to the Settlement or Attorneys’ Fees or Any Other Aspect of the Settlement: Any Settlement Class Member who does not request to be excluded from the Settlement may submit a written objection to the Settlement and may appear at the Hearing described below (the “Fairness Hearing”) if they wish to speak or show cause why the Settlement should not be approved as fair, reasonable and adequate, provided that they must first hand-deliver or serve by U.S. first class mail or by email, to (a) plaintiff’s counsel care of Lawrence J. Lederer, Bailey & Glasser, LLP, 1055 Thomas Jefferson Street NW, Suite 540, Washington, DC 20007, email llederer@baileyglasser.com; and (b) defendant Shellpoint’s counsel, Marc Gottlieb, Akerman LLP, 201 East Las Olas Boulevard, Suite 1800, Fort Lauderdale, FL 33301, email marc.gottlieb@akerman.com, written objections that state with specificity the grounds for any objection, such that they are postmarked by July 27, 2022. All written objections should include: (a) the case caption and the full name, address and telephone number of the objecting Settlement Class Member; (b) a written statement of all grounds for the objection accompanied by any legal support for the objection; (c) whether the objection applies only to the objector, to a specific subset of the class, or to the entire class; (d) copies of any papers, briefs, exhibits, or other documents upon which the objection is based; (e) a list of all persons who will appear at the Fairness Hearing in support of the objection; (f) a statement of whether the objector intends to appear at the Fairness Hearing; and (g) the objector’s signature. Any Settlement Class Member who does not make his or her objection in the manner provided herein shall be deemed to have waived such objection and shall be foreclosed from making any objection to any aspect of the Settlement, unless otherwise ordered by the Court.

7. WHO REPRESENTS YOU?

The Court has appointed Bailey & Glasser LLP and Gucovschi Rozenshteyn, PLLC as “Class Counsel” to represent you and all other Settlement Class Members. You will not be charged for these lawyers’ services. Their attorneys’ fees and reimbursement of litigation costs will be paid separately and directly by Shellpoint, above and in addition to the \$500,000.00 Cash Fund for Settlement Class Members, subject to the approval of the Court. As part of the Settlement, Shellpoint has agreed to pay a maximum of \$250,000.00 in attorneys’ fees, and a maximum of \$1,300.00 in reimbursement of the litigation costs that plaintiff’s counsel incurred and disbursed in litigating the claims for plaintiff and the Settlement Class. If you want to be represented by another lawyer, you may hire one at your own expense. Based on the work plaintiff’s counsel has already done in the Case, plaintiff’s counsel’s collective fees computed at their regular hourly rates already exceeds the \$250,000.00 cap Shellpoint has agreed to pay. Plaintiff’s counsel will file their motion for fees prior to the deadline for Settlement Class Members to opt out of, or object to, the Settlement which will contain further information including about the time plaintiff’s counsel devoted to the Case.

8. WILL THE COURT HAVE A HEARING ABOUT THE SETTLEMENT?

The Court will hold the Fairness Hearing on **October 20, 2022** to decide whether to approve the Settlement, and the requests by plaintiff's counsel for attorneys' fees and reimbursement of litigation costs and the additional payments totaling \$5,000.00 to plaintiff for his service to the Settlement Class and to release his specific TCPA claims as summarized above. The Fairness Hearing may be moved to a different date or time without additional notice. The Court may also decide to hold the hearing remotely due to the evolving nature of COVID-19 without any additional notice, so please check the Settlement Website for updates. **You do not have to attend the Fairness Hearing in order to participate in the Settlement.** If you would like to attend, you or your own lawyer, if you have one, may ask to appear and speak at the Fairness Hearing.

9. HOW CAN YOU GET MORE INFORMATION?

The parties' Settlement agreement contains more information and sets forth the complete agreement of the parties concerning the Settlement. The Settlement agreement is available on the **Settlement Website** at www.shellpointmortgagesettlement.com which also contains further information concerning the Settlement. **You can also contact the Settlement Administrator at Dutcher v Shellpoint, c/o Kroll Settlement Administrator, PO Box 5324, New York, NY 10150-5324, or call the toll-free number, 1-833-620-3586, to hear more about the Settlement.** You may also call Class Counsel c/o 877-852-0342, or email Class Counsel at llederer@baileyglasser.com for further information about the Settlement.