

**UNITED STATES DISTRICT COURT FOR THE DISTRICT OF MARYLAND**

A class action settlement may affect your rights if you paid Carrington Mortgage Services, LLC (“Carrington”) a fee to make a residential loan payment by telephone, including through the use of the telephonic automated “IVR” (interactive voice response) system, or the internet between January 1, 2016, and December 31, 2021.

**THIS NOTICE COULD AFFECT YOUR RIGHTS – PLEASE READ IT CAREFULLY**

*A court authorized this Notice. This is not a solicitation from a lawyer.*

- Carrington’s records identify you as a Class Member.
- A proposed settlement requires Carrington to pay \$18,181,898.65 to make payments to Class Members and to pay other fees and expenses.

**SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT**

<b>Do Nothing and Receive a Payment</b>	If you are entitled under the Settlement to payment, you do not have to do anything to receive it. If the Court approves the Settlement and it becomes final and effective, and you remain in the Settlement Class (i.e., you do nothing and do not otherwise exclude yourself from the Settlement), you will automatically receive a payment and will give up your right to bring your own lawsuit against Carrington about the claims in this case.
<b>Exclude Yourself from the Settlement</b> <b>Deadline: October 19, 2022</b>	Instead of doing nothing, you may ask to be excluded from the lawsuit. If you do so, you will receive no benefit from the Settlement, but you retain your right to sue on your own.
<b>Object</b> <b>Deadline: October 19, 2022</b>	You may object to the terms of the Settlement Agreement and have your objections heard at the November 10, 2022 Final Approval Hearing.

- These rights and options—**and the deadlines to exercise them**—are explained in this Notice.

The United States District Court for the District of Maryland (the “Court”) authorized this Notice. The following is a summary of the Settlement and of your rights. A full copy of the Settlement Agreement is available at [MortgageServiceFeeSettlement.com](http://MortgageServiceFeeSettlement.com).

**Questions? Call 1-855-654-0867 or visit [MortgageServiceFeeSettlement.com](http://MortgageServiceFeeSettlement.com).**

## Basic Information

Three class action lawsuits have been filed against Carrington in Maryland, California, and Florida. They are entitled *Alexander v. Carrington*, Case No. 1:20-cv-2369-RDB (D. Md.), *Thomas-Lawson et al. v. Carrington Mortgage Services, LLC*, Case No. 2:20-cv-07301-ODW (Ex) (C.D. Cal.) and *Dawkins et al. v. Carrington Mortgage Services, LLC*, Case No. 0:20-cv-60998 (S.D. Fla.). The *Thomas-Lawson* and *Dawkins* cases have been consolidated with the *Alexander* case for settlement before the U.S. District Court for the District of Maryland. The actions are collectively referred to here as the Action.

The Plaintiffs in the Action sued Carrington claiming that Carrington charged borrowers fees to make mortgage payments online or over the phone, including through the use of the telephonic automated “IVR” (interactive voice response) system (“Convenience Fees”). The Action asserts that Carrington’s practice of charging such fees, among other things, violated the federal Fair Debt Collection Practices Act and state debt collection laws including the Maryland Consumer Debt Collection Act, the Maryland Consumer Protection Act, the Texas Finance Code, the California Rosenthal Fair Debt Practices Act, the California Unfair Competition Law, the Florida Consumer Collection Practices Act, and the Florida Deceptive and Unfair Trade Practices Act, and breached the terms of the borrowers’ loan agreements. Carrington denies these allegations. The Court has not decided who is right.

This Notice summarizes the proposed Settlement and your rights. For the precise terms and conditions of the Settlement, please see the Settlement Agreement available at [MortgageServiceFeeSettlement.com](http://MortgageServiceFeeSettlement.com), by contacting the Settlement Administrator at 1-855-654-0867 or Class Counsel at the addresses listed in Part 9 below, by accessing the Court docket in this case, for a fee, through the Court’s Public Access to Court Electronic Records (PACER) system at <https://ecf.mdd.uscourts.gov>, or by visiting the office of the Clerk of the Court for the United States District Court for the District of Maryland, 101 West Lombard Street, Baltimore, MD 21201 between 9:00 a.m. and 4:00 p.m., Monday through Friday, excluding Court holidays.

## Why is there a notice?

A Court authorized this Notice because you have a right to know about the proposed Settlement of this Action, and about all of your options, before the Court decides whether to give Final Approval to the Settlement. This notice explains the Action, the Settlement and your legal rights.

Judge Richard D. Bennett, of the U.S. District Court for the District of Maryland, is overseeing this case. The case is known as *Alexander v. Carrington*, Case No. 1:20-cv-2369-RDB (D. Md.). The people who sued are called the “Plaintiffs.” The Defendant is Carrington Mortgage Services, LLC.

## What is this Action about?

The Action claims that Carrington charged borrowers fees to make mortgage payments online, or over the phone, including through the use of the telephonic automated “IVR” (interactive voice response) system (“Convenience Fees”). The Action asserts that Carrington’s practice of charging such fees, among other things, violated the federal Fair Debt Collection Practices Act and state debt collection laws including the Maryland Consumer Debt Collection Act, the Maryland Consumer Protection Act, the Texas Finance Code, the California Rosenthal Fair Debt Practices Act, the California Unfair Competition Law, the Florida Consumer Collection Practices Act, and the Florida Deceptive and Unfair Trade Practices Act, and breached the terms of the borrowers’ loan agreements. Carrington denies the allegations asserted in the Action.

The Amended Complaint in this Action is posted on [MortgageServiceFeeSettlement.com](http://MortgageServiceFeeSettlement.com) and contains all of the allegations and claims asserted against Carrington.

## Why is this a class action?

In a class action, one or more people, called Class Representatives (in this one, mortgage borrowers whose mortgages were serviced by Carrington and who paid Convenience Fees), sue on behalf of people who have similar claims.

All of the people who have claims similar to the Class Representatives are members of the Settlement Class, except for those who exclude themselves from the class.

**Questions? Call 1-855-654-0867 or visit [MortgageServiceFeeSettlement.com](http://MortgageServiceFeeSettlement.com).**

## Who is a Class Member?

The Court has determined that every person who fits the following description is a Class Member:

All persons who paid a fee to Carrington for making a mortgage loan payment by telephone, IVR, or via the internet, between January 1, 2016, through December 31, 2021 (“Convenience Fees”), who fall into one or more of the following groups:

- (1) were borrowers on residential mortgage loans on properties located in California, Texas, New York, Maryland, or Florida;
- (2) were borrowers on residential mortgage loans on properties in the United States to which Carrington acquired servicing rights when such loans were 30 days or more delinquent on loan payment obligations; or
- (3) were borrowers on residential mortgage loans on properties located in the United States insured by the Federal Housing Administration.

## Why is there a settlement?

Both sides agreed to the Settlement. By agreeing to the Settlement, the Parties avoid the costs and uncertainty of a trial, and Settlement Class Members receive the benefits described in this Notice. The Class Representatives and their attorneys think the Settlement is best for everyone who is affected.

The complete terms of the proposed Settlement are set forth in a formal Settlement Agreement (the “Agreement”) which is on file with the Court, and which is also available on the Settlement Website at [MortgageServiceFeeSettlement.com](http://MortgageServiceFeeSettlement.com). This Notice is only a summary of the Settlement, and in case of any conflict between this Notice and the Agreement, the terms of the Agreement will control.

In the proposed Settlement, Carrington has agreed to create a \$18,181,898.65 Common Fund. All Administrative Costs, any Court-awarded attorneys’ fees and expenses to Class Counsel, and any Service Awards to the Class Representatives will be paid out of the Gross Settlement Fund first. The remaining balance of the settlement fund (the “Net Settlement Fund”) will be distributed among the Class Representative and all Class Members who are not excluded from the class, as set forth below (the “Settlement Class Members”). If the Court awards all Administrative Costs, attorneys’ fees and expenses, and Service Awards requested by the Parties, the Net Settlement Fund will be approximately \$11,636,265.77.

Also, as part of the Settlement, Carrington has agreed to stop charging fees for payments made online or by telephone, including through the use of the telephonic automated “IVR” (interactive voice response) system for three years.

Allocations of the Net Settlement Fund will be calculated on a borrower-by-borrower basis, such that each Settlement Class Member who paid at least one Convenience Fee will receive a minimum payment of \$5 and the remaining funds will be distributed on a pro rata basis based on the amount of Convenience Fees each Settlement Class Member paid during the Class Period. Settlement Class Members who receive a Settlement Payment are solely responsible for distributing or allocating their payment between or among all co-account holders. By way of illustration, if you are a borrower on a loan that paid one percent of the total Convenience Fees collected by Carrington during the Class Period, you will be allocated one percent of the Net Settlement Fund.

**Attorneys’ Fees and Expenses, and Service Award.** Class Counsel will ask the Court to award attorneys’ fees in an amount not to exceed forty percent of the Settlement Fund, or \$6,060,632.88, plus litigation costs and expenses. Class Counsel will also request Court approval of Service Awards to the Class Representatives in the amount of \$5,000.00 each. Class Counsel will file that request, along with all supporting documents, at least 21 days prior to the deadline to opt-out from or object to the Settlement. The Fee and Service Award Application and all supporting papers will be available for your review on the Settlement Website at [MortgageServiceFeeSettlement.com](http://MortgageServiceFeeSettlement.com). The Court will determine the appropriate amount of the attorneys’ fees and awards to be paid. The Settlement is not conditioned upon approval of any of the attorneys’ fees, costs, or Service Award amounts.

**You are not required to make any payments to Class Counsel in this action.**

**Questions? Call 1-855-654-0867 or visit [MortgageServiceFeeSettlement.com](http://MortgageServiceFeeSettlement.com).**

### How can I get the relief?

As long as you do not exclude yourself from the Settlement, you will automatically receive cash benefits from the Settlement, and you do not need to take further action.

Payments will be made by check mailed to Settlement Class Members, or, at the Settlement Class Member's election, by a digital method. Checks will be valid for 90 days. Settlement Class Members may request that the Settlement Administrator reissue a check for one additional 90-day period for good cause shown. If there is any amount in the Settlement Fund that remains following the distribution of checks to Settlement Class Members as a result of checks being returned undeliverable or which are not cashed within 90 days, those funds will be distributed on a pro rata basis to Settlement Class Members who cashed their checks. Within 180 days after the Settlement Administrator mails the first Settlement Class Member Payments, the administrator will decide whether Residual Funds should be distributed to the Settlement Class Members through a secondary distribution. If the amount of the remaining funds is so minimal that a secondary distribution would be impracticable or infeasible, then, subject to the Court's approval, the remaining funds shall be distributed to NeighborWorks America and the Maryland Consumer Rights Coalition, 501(c)(3) charitable organizations that works with nonprofits around the country on housing issues.

### When will I get the relief?

As described below, the Court will hold a Fairness Hearing on November 10, 2022, to decide whether to grant final approval of the Settlement. The Court must finally approve the Settlement before any relief will be distributed, and it will only do so after finding that the Settlement is fair, reasonable, and adequate. In addition, any final approval order the Court may enter may be subject to appeal. If there are any such appeals, resolving them takes time. Payments to Settlement Class Members will only be made after the time for any appeals expires. **Please be patient.**

### Who represents me?

The Court has appointed Hassan A. Zavareei and Kristen G. Simplicio of Tycko & Zavareei LLP, James L. Kauffman of Bailey & Glasser LLP, and Phillip Robinson of Consumer Law Center, LLC to represent you and other Class Members in this Action and for purposes of this Settlement, and for no other purpose. These attorneys are called "Class Counsel." You will not be charged for these lawyers. If you want to be represented by your own lawyer in this case, you may hire one at your own expense.

You may contact Class Counsel at:

James Kauffman Bailey & Glasser LLP 1055 Thomas Jefferson Street NW Suite 540 Washington, D.C. 20007	Hassan Zavareei Kristen G. Simplicio Tycko & Zavareei LLP 1828 L Street NW Suite 100 Washington, D.C. 20036	Phillip Robinson Consumer Law Center, LLC 10125 Colesville Road Suite 378 Silver Spring, MD 20901
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### How will the lawyers be paid?

Class Counsel will ask the Court to award attorneys' fees in an amount not to exceed forty percent of the Settlement Fund, or \$6,060,632.88, plus litigation costs and expenses. Class Counsel will also request Court approval of Service Awards to the Class Representatives in the amount of \$5,000.00 each. Class Counsel will file that request, along with all supporting documents, at least 21 days prior to the deadline to opt out from or object to the Settlement. The Fee and Service Award Application and all supporting papers will be available for your review on the Settlement Website at [MortgageServiceFeeSettlement.com](http://MortgageServiceFeeSettlement.com). The Court will determine the appropriate amount of the attorneys' fees and awards to be paid. The Settlement is not conditioned upon approval of any of the attorneys' fees, costs, or Service Award amounts.

**Questions? Call 1-855-654-0867 or visit [MortgageServiceFeeSettlement.com](http://MortgageServiceFeeSettlement.com).**

### How do I exclude myself from the Settlement?

If you do not want benefits from the Settlement and you want to keep the right to sue or continue to sue Carrington on your own about the legal issues in this case, then you must take steps to exclude yourself from the Settlement. This is called “opting out” of the Settlement Class.

If you choose to opt out of the Settlement, you must send a written statement to the Settlement Administrator that includes name, address, phone number, and signature of the borrowers(s) seeking exclusion, as well as language clearly indicating a request for exclusion, such as “I wish to be excluded from the Settlement in *Alexander v. Carrington Mortgage Services, LLC*.” If there are co-borrowers on the loan, all co-borrowers must sign the request for exclusion.

You must mail your request for exclusion by no later than **October 19, 2022**, to the following address:

Mortgage Service Fee Settlement Administrator  
P.O. Box 5564  
Portland, OR 97228-5564

If you are a co-borrower or joint borrower on a loan covered by the Settlement and you opt out of the Settlement, all co-borrowers and/or joint borrowers on the loan must sign the request for exclusion and will also be excluded from the Settlement. Similarly, if you are a co-borrower or joint borrower on a loan covered by the Settlement and another borrower on that loan is a Class Member who opts out of the Settlement, you must also sign the opt out and will also be excluded from the Settlement. If you do not opt out, and no co-borrower or joint borrower on your loan opts out, you (and your co-borrower[s] and/or joint borrower[s], if any) will be bound by this Settlement.

### If I do not exclude myself, can I sue Carrington for the same thing later?

No. Unless you exclude yourself, you give up the right to sue Carrington for the claims that the Settlement resolves. You must exclude yourself from the Settlement Class in order to try to pursue your own lawsuit.

### If I exclude myself, will I receive a payment?

No. You will not receive a payment if you exclude yourself from the Settlement.

### How do I tell the Court that I don’t like the Settlement?

If you are a Class Member and have not requested to be excluded from the Settlement Class, you can object to any part of the Settlement, the Settlement as a whole, Class Counsel’s requests for fees and expenses, and/or Class Counsel’s request for Service Awards for the Class Representatives.

You can’t ask the Court to order a different settlement; the Court can only approve or reject the Settlement. If the Court denies approval, no settlement payments will be sent out and the lawsuit will continue. If that is what you want to happen, you must object.

The Court will accept objections that substantially comply with the objection requirements set forth below, and the submission of the following may be excused upon a showing of good cause. In particular, your objection must include the following:

- Your name, address, email address (if any), and phone number;
- The case caption, *Alexander v. Carrington*, Case No. 1:20-cv-2369-RDB (D. Md.);
- The specific legal and factual bases for your objection;
- A list of all cases in which you have objected to a class action settlement, including case name, court, and docket number;
- If you are represented by counsel, a list of all cases in which your counsel has represented an objector in objecting to a class action settlement, including the case name, court, and docket number;
- A statement indicating whether you and/or your counsel intend to appear at the Final Fairness Hearing;
- A list of witnesses, if any, that you intend to call;
- Whether the objection relates only to you, to a subset of the Settlement Class, or to the entire Settlement Class; and
- Your signature.

**Questions? Call 1-855-654-0867 or visit [MortgageServiceFeeSettlement.com](http://MortgageServiceFeeSettlement.com).**



Any Class Member who has not submitted a timely request for exclusion may appear at the Final Fairness Hearing either in person or through an attorney. However, if the Settlement Class Member intends to appear through counsel, the Settlement Class Member must have submitted a written objection pursuant to this section. Any lawyer who intends to appear at the Final Fairness Hearing also must enter a written Notice of Appearance of Counsel with the Clerk of the Court no later than the Response Deadline. Any Settlement Class Member who intends to request the Court to allow him or her to call witnesses at the Final Fairness Hearing must make such a request in a written brief, which contains a list of such witnesses and a summary of their requested testimony. These written notice requirements may be excused upon a showing of good cause.

Your objection must be postmarked no later than **October 19, 2022**, and must be mailed to the Court c/o the Clerk of the Court for the United States District Court for the District of Maryland, 101 West Lombard Street, Baltimore, MD 21201 or filed in person on or before October 19, 2022 at any location of the United States District Court for the District of Maryland.

### **What am I agreeing to by remaining in the Class in this case?**

If the Settlement receives final approval from the Court, the Settlement will be legally binding on all Settlement Class Members, including Settlement Class Members who object. If you, or someone acting on your behalf, are currently litigating claims against Carrington or other released parties that are the same as or similar to those addressed here, you will be barred from pursuing the claims released by the Settlement unless you validly opt out, as described above. Under the terms of the release, you will not be able to sue for any claim relating to Convenience Fees for mortgage payments made over the internet, and or by phone, including those made using the telephonic automated “IVR” (interactive voice response) system, between January 1, 2016, and December 31, 2021.

The full terms of the release, which will bind all Settlement Class Members as to certain claims against Carrington and certain affiliates and related entities (“Released Parties”), are set forth in the Settlement Agreement, which is on file with the Court, and which is available on the Settlement Website at [MortgageServiceFeeSettlement.com](http://MortgageServiceFeeSettlement.com). Unless you exclude yourself, you will be a Settlement Class Member, and that means that any claims you have regarding fees Convenience Fees you paid to Carrington will be fully and completely resolved, and that you cannot sue, continue to sue, or be part of any other lawsuit against Carrington about Carrington’s collection of Convenience Fees. It also means that the Court’s Orders approving the Settlement and the judgment in this case will apply to you and legally bind you.

If you want to keep the right to sue or continue to sue Carrington, on your own, about Carrington’s collection of Convenience Fees, you must exclude yourself from the Settlement in this case. If you exclude yourself, as set forth above, you will not receive any of the benefits of the Settlement, as described above.

### **What happens next?**

The Court will hold a “Final Fairness Hearing” on **November 10, 2022, at 11:00 a.m.**, to hear any objections and to consider whether to give final approval to the Settlement. The hearing will be held at the United States District Court for the District of Maryland, United States Courthouse, 101 West Lombard Street, Chambers 5D, Baltimore, MD 21201. If there are any updates to the hearing format, date, and time, it can be found on the Settlement Website or on the Court’s website (<https://www.mdd.uscourts.gov/>). The Court will hear objections at the hearing only from those who timely object to the Settlement, as described below. You may participate in the Fairness Hearing with or without an attorney, but if you choose to be represented by an attorney, you must do so at your own expense.

### **YOU DO NOT HAVE TO APPEAR AT THE HEARING TO RECEIVE THE BENEFITS OF THE SETTLEMENT.**

You may ask the Court for permission to speak at the Final Fairness Hearing. To do so, you must send a letter saying that you intend to appear and wish to be heard. Your Notice of Intention to Appear must include the following:

- Your name, address, and telephone number;
- A statement that this is your “Notice of Intention to Appear” at the Final Approval Hearing for the Settlement in *Alexander v. Carrington*, Case No. 1:20-cv-2369-RDB (D. Md.);
- The reasons you want to be heard;
- Copies of any papers, exhibits, or other evidence or information that is to be presented to the Court at the Final Fairness Hearing; and
- Your signature.

**Questions? Call 1-855-654-0867 or visit [MortgageServiceFeeSettlement.com](http://MortgageServiceFeeSettlement.com).**

You must submit your Notice of Intention to Appear no later than **October 19, 2022**, to the following:

Settlement Administrator	Class Counsel	Defendant's Counsel
Mortgage Service Fee Settlement Administrator P.O. Box 5564 Portland, OR 97228-5564	James Kauffman Bailey & Glasser LLP 1055 Thomas Jefferson Street NW Suite 540 Washington, D.C. 20007  Hassan Zavareei Kristen G. Simplicio Tycko & Zavareei LLP 1828 L Street NW Suite 1000 Washington, D.C. 20036	Fredrick Levin Buckley LLP 100 Wilshire Boulevard Suite 1000 Santa Monica, CA 90401  John Williams Buckley LLP 2001 M Street NW Suite 500 Washington, D.C. 20036  Scott Sakiyama Buckley LLP 353 N Clark Street Suite 3600 Chicago, IL 60654

#### More Information

This Notice is only a summary of the Settlement and the Agreement. More details can be found in the Settlement Agreement. You can obtain a copy of the Settlement Agreement, and additional court documents related to the Settlement, at [MortgageServiceFeeSettlement.com](http://MortgageServiceFeeSettlement.com).

If you have other questions regarding the Settlement, you may contact the Settlement Administrator at:

Mortgage Service Fee Settlement Administrator  
P.O. Box 5564  
Portland, OR 97228-5564  
1-855-654-0867

You may also contact Class Counsel at:

James Kauffman Bailey & Glasser LLP 1055 Thomas Jefferson Street NW Suite 540 Washington, D.C. 20007 <a href="mailto:jkauffman@baileyglasser.com">jkauffman@baileyglasser.com</a>	Hassan Zavareei Kristen G. Simplicio Tycko & Zavareei LLP 1828 L Street NW Suite 100 Washington, D.C. 20036 <a href="mailto:havareei@tzlegal.com">havareei@tzlegal.com</a> <a href="mailto:ksimplicio@tzlegal.com">ksimplicio@tzlegal.com</a>
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You may also review the Court's file during regular court hours at:

United States District Court for the District of Maryland  
101 West Lombard Street  
Baltimore, MD 94102

**PLEASE DO NOT TELEPHONE THE COURT, THE JUDGE, OR THE CLERK OF THE COURT.**

**Questions? Call 1-855-654-0867 or visit [MortgageServiceFeeSettlement.com](http://MortgageServiceFeeSettlement.com).**