

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

COURT OF COMMON PLEAS
PHILADELPHIA COUNTY, PENNSYLVANIA
JESSICA GILLESPIE v. LOANCARE, LLC.
Case No. 190202806

NOTICE OF CLASS ACTION SETTLEMENT

www.gillespievoancare.com

You have received this notice because LoanCare, LLC, as the servicer for your mortgage loan, may have incorrectly assessed late fees on your account by calculating such fees as a percentage of the principal, interest, taxes, and insurance (“PITI”) due on your monthly statement rather than as a percentage of the principal interest (“P&I”) alone.

THIS LAWSUIT MAY AFFECT YOUR RIGHTS. A FINAL APPROVAL HEARING ON THE PROPOSED SETTLEMENT IS SCHEDULED FOR OCTOBER 27, 2020 AT 10 A.M.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
IF YOU DO NOTHING	<p>If the Court approves the settlement and you do nothing, you will release certain claims and you will receive one of the following:</p> <ol style="list-style-type: none">1) If LoanCare currently services your mortgage your account will be corrected to reflect late fees assessed as a percentage of P&I only and your account will be credited for the difference between what was paid and the correct amount of the late fees calculated as a percentage of P&I only, plus interest on the amount of the overpayment calculated at 2% per annum from May 1, 2016. The amount of any adjustment and/or refund will be reflected on your monthly statement within 75 business days of when the Court’s Order approving the Settlement becomes final.2) If LoanCare no longer services your mortgage, you will receive a check for the amount of over-assessed late fees equal to the difference between the assessed fees and the correct amount of late fees calculated as a percentage of P&I only, plus interest on any overpayment made to LoanCare calculated at 2% per annum from May 1, 2016. <p>The full release and definition of the released parties are available in the settlement agreement.</p>
IF YOU EXCLUDE YOURSELF FROM THE SETTLEMENT	<p>You have the right to exclude yourself (“opt-out”) from the lawsuit. If you validly exclude yourself, you will not receive any monetary payments from the settlement and you will not have any right to object to the settlement, but you will not be bound by the terms of settlement. The opt-out deadline is October 6, 2020. If you opt-out, no attorney will represent you unless you hire your own attorney.</p>
IF YOU OBJECT	<p>You remain a class member, but you write to the Court via the Claims Administrator and explain why you do not think the settlement is fair,</p>

	reasonable, and/or adequate. The objection deadline is October 6, 2020. Objections must be mailed to: GILLESPIE v LOANCARE - OBJECTIONS c/o SETTLEMENT ADMINISTRATOR PO BOX 23489 JACKSONVILLE, FL 32241-3489 (800) 641-9097
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What Is The Case About?

Jessica Gillespie, a Pennsylvania resident, is a consumer who has a mortgage loan obtained through the FHA program administered by the United States Department of Housing and Urban Development (“HUD”). In 2017, the subservicing of her loan transferred to LoanCare, LLC.

Ms. Gillespie sued LoanCare in Pennsylvania state court because she believes that LoanCare breached the terms of her promissory note and/or was unjustly enriched because it charged her late fees based on a percentage of the PITI (due on her monthly payments) rather than as a percentage of P&I alone.

LoanCare denies that it did anything wrong and argues that Ms. Gillespie cannot state a valid claim for breach of contract or unjust enrichment.

Why did I get this Notice?

You received this notice because LoanCare’s records indicate that you are a member of the “Class” in this class action settlement. The Class is defined to include:

All individuals who (1) had or have mortgage loans subserviced by LoanCare that were (2) governed by an FHA promissory note limiting late fees to a percentage of the principal and interest (“P&I”) payment; and (3) from whom LoanCare assessed and/or collected late fees based on a percentage of PITI.

You are receiving this notice because you have a right to know that, as a member of the Class, this lawsuit may affect your rights.

What can I get out of the Settlement?

If your mortgage loan is currently subserviced by LoanCare, your account will be corrected to reflect late fees assessed as a percentage of P&I only rather than as a percentage of PITI. Further, LoanCare will credit your account for any overpayments of late fees made by you via a direct refund to your account for the amount that you paid LoanCare in excess of what should have been charged based on a percentage of P&I only, plus interest on the amount of the overpayment calculated at 2% per annum from May 1, 2016.

If your mortgage loan is no longer subserviced by LoanCare, the Settlement Administrator will issue you a check for the amount of over-assessed late fees on your account, plus interest on the amount of the over-assessment calculated at 2% per annum from May 1, 2016.

Collectively, the account corrections and reimbursements total an estimated **\$971,526.42**. Any uncashed checks shall not revert to the Defendant but shall be distributed to an organization to be named by the court.

Who are the attorneys representing the Class and how will they be paid?

The Court has appointed lawyers to represent the Class, but you may enter an appearance in the case through an attorney if you want. If you do so, you will have to pay for your own lawyer.

The attorneys who have been appointed by the Court to represent the Class are: Irv Ackelsberg and Peter Leckman of Langer, Grogan & Diver, PC.

Subject to the Court’s approval, the attorneys’ fees awarded will be \$230,000. This payment will be separate from the account corrections and reimbursements as well as the proposed \$2,500 service award to Ms. Gillespie. The Attorneys’ Fees represent less than 20% of the total value of the settlement, calculated by dividing the fees by the total value of the settlement (the amount of account corrections, the amount of refunds, estimated amount of notice and administration costs, service award, and the agreed-upon attorneys’ fees).

What rights am I giving up in this Settlement?

You give up your right to sue or file a lawsuit against LoanCare regarding certain legal issues that were raised or could have been raised in this case. Giving up your legal claims is called a release. The released parties collectively include LoanCare, and its parent, affiliates, clients, subsidiaries, principals, agents, and vendors, among others. You will be releasing these parties from any and all claims related to, or arising out of, the calculation of late fees based on a percentage of PITI rather than P&I alone. You are not releasing any claims other than those related to the calculation of late fees.

If I choose to do so, how do I exclude myself from the Settlement?

To ask to be excluded, you must send an “Exclusion Request” in the form of a letter sent by mail to *Gillespie v. LoanCare, LLC*, Exclusions, c/o Settlement Administrator, at PO Box 23489, Jacksonville, FL 32241-3489, (800) 641-9097. Be sure to sign the letter and include your name, address, and a specific statement that you want to be excluded from “*Gillespie v. LoanCare, LLC*.” You must mail your Exclusion Request such that it is received on or before October 6, 2020.

When and where will the Court decide whether to approve the Settlement?

The Court will hold a Fairness Hearing on October 27, 2020, at 10:00 a.m. The hearing will be held virtually via Zoom, City Hall Philadelphia, PA 19107. At the Fairness Hearing, the Court will consider whether the proposed settlement is fair, reasonable, and adequate. The Court will hear objections to the settlement, if any. We do not know how long the Court will take to make its decision. In addition, the hearing may be continued at any time by the Court without further notice to you. You may attend this hearing, but you are not required to attend in order to obtain the benefits of the settlement.

Where can I get additional information?

This notice is a summary of the proposed settlement of this lawsuit. Certain pleadings and documents filed in Court, including the Settlement Agreement, may be reviewed or copied in the Clerk’s Office or by visiting www.gillespievloancares.com.