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## Homeowners, Community Groups Meeting with Iowa AG Tomorrow on Foreclosure Fraud

By: [David Dayen](#) Monday December 13, 2010 12:04 pm



A group of homeowners and community activists from 12 states will meet tomorrow with the lead Attorney General in the foreclosure fraud case tomorrow, making a strong set of asks to Iowa's Tom Miller and the other AGs on how to conduct the case. These are homeowners who are in danger of losing their homes or who have already lost them, and they are in a powerful position to tell Miller and the other AGs what needs to be done.

Here is the letter they have already circulated that they will deliver at the meeting. Pay particular attention to the solutions.



*Dear Attorneys General,*

*We, the undersigned thank you for investigating fraudulent and illegal foreclosure practices by the nation's biggest banks.*

*Your investigation is the best hope for homeowners and communities since this crisis began. Americans are watching. Our expectations are high that we will see justice for the millions of families who have lost their homes, the millions more who are at risk of foreclosure, and the neighborhoods across the country devastated by falling housing values and vacant properties as a result of widespread mortgage fraud.*

*The bank executives who committed fraud should be prosecuted. Any settlement needs to go beyond fixing paperwork, fully addressing ongoing abuse and ending the flood of unnecessary foreclosures.*

*We demand that any overarching settlement agreement contain mandatory loan modification programs, including principal reduction for owner-occupant families facing foreclosure and remedies for those families who have already lost their homes.*

*Now is the time for bold leadership from the nation's Attorney Generals to hold big banks accountable for the damage they have done to families, communities and the nation's economy.*



Principal reductions, and a mess of prosecutions. Nothing less should satisfy those seeking justice in this case.

You can sign on to this message yourself at [this link](#). Tens of thousands of people already have.

This is the first meeting between homeowners and their advocates and Attorney General Miller, where advocates will give first-hand knowledge of what the banks are doing systematically on the ground. Big banks have met with the investigators on several occasions.

There will apparently be an action against a big bank in Des Moines after the meeting. PICO National Network, National People's Action, SEIU, Alliance of Californians for Community Empowerment, Alliance for a Just Society, and IAF Southeast put together the meeting and the further action.

4 Comments Spotlight

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#### 4 Responses to "Homeowners, Community Groups Meeting with Iowa AG Tomorrow on Foreclosure Fraud"

[ubetchaiam](#) December 13th, 2010 at 12:16 pm

1

Signed. Thanks,David.

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[fatster](#) December 13th, 2010 at 12:17 pm

2

Go, People!

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[lawgrace](#) December 13th, 2010 at 12:44 pm

3

Attorneys General cannot afford to exclude massive probes of lawyers who file foreclosures proceedings in civil as well as bankruptcy courts.

Foreclosure lawyers are officers of the court; knowledge of applicable laws and civil procedure is not required from mortgage lenders, nor loan servicers. In states that require judicial foreclosures, lawyers are the ones who file lawsuits to seize and sell property; and lawyers are responsible for filing and recording foreclosure property deeds.


Inadequate or questionable foreclosure leads to useless property deeds that impede real estate sales; title insurance companies reluctant to cover foreclosed properties; mortgage default claims are being disputed due to defective foreclosures. . .

Sample of fraudulent foreclosures by certain foreclosure mills:

- Deliberately utilize defunct lenders or lenders without "standing" to intentionally execute false foreclosure proceedings in civil as well as bankruptcy courtrooms.
- Create and conceal malpractice, delaying foreclosures, engineer various litigations to generate billable legal fees.
- Orchestrate sham foreclosure auctions; property never becomes acquired by lenders, but by 'straw buyers'
- Commit wrongs which are actionable (unfair debt collection, fraud, various torts) that give rise to lawsuits from property owners,
- Engage in self-dealing foreclosures by which some lawyers gain for themselves foreclosed properties
- Foreclosures via names of defunct lenders allow 'straw buyers' illegally convey property deeds, flip real estate, and create blighted communities
- Unconscionably create false deficiency judgments against property owners after straw buyers acquire homes for pennies on the dollar
- Intentionally file Bankruptcy court "Motion to Lift" and "Proof of Claim" on behalf of NON-EXISTENT lenders, concealing fact of "non-secured" mortgage debt.
- Involved in fraudulent collection of property damage and mortgage insurance for illegally foreclosed homes
- Fraudulent foreclosures abet loss of property taxes to city revenue, rodents, vagrants, and blight. –

Thousands of families are being made unlawfully homeless, scores of homes have been fraudulently flipped and communities are blighted from null foreclosure proceedings.

\*\*Request for Congressional Foreclosure Panel to Examine Foreclosure Lawyers  
[http://www.change.org/petitions/view/request\\_for\\_congressional\\_foreclosure\\_panel\\_to\\_examine\\_foreclosure\\_lawyers#](http://www.change.org/petitions/view/request_for_congressional_foreclosure_panel_to_examine_foreclosure_lawyers#)

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Fractal December 13th, 2010 at 7:11 pm

4

I signed, thanks DDay. Yves Smith is boosting the letter, too, over at [Naked Capitalism](#).

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