

# Iowa may bring criminal charges in foreclosures scandal

By Kay Henderson

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(Reuters) - Iowa's attorney general, who is leading a nationwide probe of questionable home foreclosures, met with struggling homeowners on Tuesday and said he may bring criminal charges in his state.

"We will put people in jail," Iowa Attorney General Tom Miller said, referring to cases in his state he plans to prosecute with the U.S. Attorney in southern Iowa.

A public furor erupted in September over whether banks cut corners in the foreclosure process, using so-called "robo-signers" of legal documents to justify taking homes.

Miller heads up the multi-state foreclosure probe comprised of all 50 state attorneys general. They have met with leading U.S. mortgage servicers to discuss a settlement over allegations related to shoddy foreclosure paperwork, which some homeowners say have resulted in illegal evictions.

"Meeting face-to-face with people who have been caught up in this terrible foreclosure mess has only strengthened my resolve to get to the bottom of it and make the system better," said Miller.

"I've heard from the banks and servicers, and now I've heard from people who are trying hard to save their homes," he said.

Among the homeowners who met with Miller in the basement of a Des Moines church was Gina Gates of San Jose, California, who said it was the first time she felt she was being heard.

Gates said she had made about \$250,000 worth of payments on her home, but after a business slow-down and health problems she could not keep up with her adjustable rate mortgage. She said authorities must force the mortgage industry to modify loan terms so foreclosures can be avoided.

"It makes no sense to us to foreclose on one family and then sell it to another family for half the price when they could have kept the first family there," Gates said.

"We got heard today and we've got a champion," Gates said.


Keya Alvarez said her 59-year-old mother began having problems with the mortgage holder after living in her home for 24 years.


"We're going to continue to hold the banks accountable, bring our stories to the street," she said. "We are going to show up at banks' door steps. We are going to show up at CEOs' door steps until this stops."

(Writing by [Andrew Stern](#), Editing by Greg McCune)

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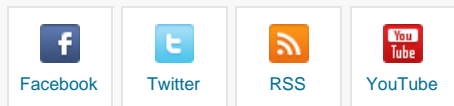
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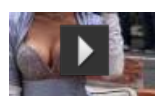

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