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**ATTORNEY GENERAL MADIGAN CALLS FOR SUSPENSION OF  
ALL ILLINOIS FORECLOSURES BACKED BY FALSE DOCUMENTS**

***Madigan Launches Probe into Major Lenders, Announces Legislation to Prevent Rubberstamped Foreclosures***

Chicago — Attorney General Lisa Madigan today demanded 23 additional loan servicers provide her office with information concerning the fairness and accuracy of their foreclosure procedures in courts across the state.

The Attorney General recently issued a similar demand to GMAC/Ally, Bank of America and JP Morgan Chase to halt all pending foreclosures in Illinois, including post-foreclosure sales and evictions, after they admitted they were filing false documents in foreclosure proceedings.

In today's 23 demand letters, Madigan called on mortgage companies to evaluate their internal foreclosure review procedures and, unless they can provide assurances that the affidavits and foreclosure documents are trustworthy, immediately suspend pending foreclosure actions in Illinois.

In recent weeks, some of the nation's largest loan servicers have admitted publicly that their employees have literally rubberstamped thousands of false foreclosure affidavits without having personal knowledge of or verifying the underlying loan file information. Madigan will review those servicers' procedures for possible violations of the Illinois Consumer Fraud Act.

"The same mortgage giants and big banks that fraudulently put people into unfair loans are now fraudulently throwing people out of their homes. They should not be above the law," Madigan said. "Illinois homeowners are legally entitled to a foreclosure process that is transparent, accurate and fair."

Madigan also announced she is helping to convene a multistate task force of state attorneys general and bank regulators to coordinate states' reviews of servicers' foreclosure processes. Madigan's office has contacted federal regulators and investigators, including the U.S. Justice Department, to assist with a coordinated response.

Madigan will introduce legislation in Springfield to ensure the integrity of documents filed in foreclosure actions. Madigan's bill ensures homeowners know the amount they owe, who owns their loan, the terms of their original loan and who they can contact. Specifically, the proposed legislation will require servicers to:

- Provide borrowers with a verified and accurate amount owed and a payment history to ensure borrowers are given proper credit for all payments.
- Detail the steps taken to verify the accuracy of the information contained in the affidavit to prevent the filing of false affidavits not based on personal knowledge;
- File a copy of the original note with the foreclosure complaint so that borrowers clearly know the terms of their contract with their lender; and
- Ensure that the named plaintiff is the legal owner of the loan and has the right to foreclose on the homeowner.

Madigan also called on lawmakers in Washington to support the re-introduction of legislation drafted by U.S. Sen. Richard Durbin, D-Ill., permitting judges in bankruptcy courts to reduce the principal amounts on mortgages and thereby save homes.

The push by Attorney General Madigan to shine a light on the foreclosure filing process continues her aggressive battle against mortgage giants on behalf of homeowners in crisis. In 2008, Madigan led a nationwide \$8.7 billion settlement with Countrywide over its predatory lending practices. The Attorney General has also filed suit against both Wells Fargo and Countrywide alleging widespread discrimination against African American and Latino borrowers who paid disproportionately more for their mortgages than other borrowers.

Madigan urged homeowners to visit her Web site, [www.IllinoisAttorneyGeneral.gov](http://www.IllinoisAttorneyGeneral.gov), for resources available to assist homeowners in crisis. Included on the site is her Illinois Mortgage Lending Guide, a resource manual containing step-by-step instructions for those struggling to make their loan payments and a list of HUD-certified counseling agencies that offer default counseling services. Homeowners who do not have easy access to the Internet should call the Attorney General's Helpline at 1-866-544-7151 to quickly receive the guide or the brochure by mail.

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