



## Press Releases

May 25, 2011

### **MADIGAN ISSUES SUBPOENAS; WIDENS 'ROBOSIGNING' PROBE**

Chicago — Attorney General Lisa Madigan today expanded her investigation into "robosigning" practices, issuing subpoenas against two national mortgage servicing support providers. The subpoenas are the latest effort in Madigan's ongoing probe into the fraudulent practices used by banks and other mortgage institutions that contributed to the collapse of the U.S. housing market and the subsequent global financial crisis.

Madigan issued subpoenas against Lender Processing Services Inc. and Nationwide Title Clearing Inc., two Florida-based corporations that provide "document preparation services" and other loan management services to mortgage lenders for use against borrowers who are in default, foreclosure or bankruptcy.

"Foreclosure became a rubber-stamping operation that robbed many homeowners of the American Dream without a fair and accurate process," Attorney General Madigan said. "I will not relent in my investigation into the fraudulent practices by lenders and others that caused and exacerbated the mortgage crisis and the resulting massive foreclosure crisis."

Lender Processing Services (LPS) provides loan servicing support for more than 50 percent of all U.S. mortgages. More than 80 financial institutions use LPS to service more than 30 million loans. These loans have an outstanding principal balance exceeding \$4.5 trillion.

Nationwide Title Clearing (NTC) provides a range of mortgage loan services to eight of the top 10 lenders and mortgage servicers in the country. NTC specializes in creating, processing and recording mortgage assignments, which are often needed for a lender to foreclose on a borrower.

Madigan will investigate reported allegations that LPS and NTC engaged in the practice of "robosigning" legal documents filed with the court to foreclose on borrowers. Robosigning occurs when an individual has no knowledge of the information contained in the document and often doesn't even read or understand the document that he or she is signing. The use of robosigned documents was pervasive as lenders foreclosed on borrowers' homes. The probe will also include a complete review of the accuracy of the systems and services that LPS and NTC provide to the large lenders including servicing platforms, foreclosure attorney interaction with these platforms and the assignment of mortgage process.

Attorney General Madigan said former employees of LPS, NTC, or former employees of any residential mortgage servicer or bank who have knowledge of any unlawful practices relating to mortgage servicing or the execution of documents should call her Homeowner Helpline at **1-866-544-7151** to aid in the investigation.

-30-

[Return to May 2011 Press Releases](#)

