



February 2, 2012

MADIGAN FILES SUIT OVER FAULTY MORTGAGE ASSIGNMENTS FILED WITH COUNTY RECORDERS***Attorney General Alleges Faulty Practices in Foreclosing on Homeowners in Crisis***

Chicago — Attorney General Lisa Madigan today filed a lawsuit against Nationwide Title Clearing for filing faulty documents with Illinois county recorders. Nationwide Title Cleaning Inc. (NTC) is a Florida-based company that prepares documents for mortgage servicers to use against borrowers who are in default, foreclosure or bankruptcy.

“The practices that NTC used were a key contributor to the mortgage crisis by undermining the integrity and accuracy of the mortgage servicing and foreclosure process,” Attorney General Madigan said.

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 used for a lender to foreclose on a borrower.

The lawsuit, filed in Cook County Circuit Court, alleges numerous violations of the Illinois Consumer Fraud and Deceptive Practices Act and the Uniform Deceptive Trade Practices Act. Madigan is asking the court to require NTC to review and correct all documents it unlawfully created and recorded in Illinois, and pay back all revenues, profits and gains achieved in whole or in part due to unlawful practices. The suit also asks the court to impose civil penalties against the company.

Attorney General Madigan is committed to holding all entities that contributed to the financial crisis accountable for their unlawful misconduct. As part of those efforts, Madigan sued the national credit ratings agency Standard & Poor’s last week for its fraudulent role in assigning high ratings to risky mortgage-backed investments in the years leading up to the housing market crash. The Attorney General alleged that S&P compromised its independence as a ratings agency by doling out high ratings to unworthy, risky investments as a corporate strategy to increase its revenue and market share.

In December 2011, Madigan and the U.S. Department of Justice reached a \$335 million settlement with Countrywide, a subsidiary of Bank of America, for discriminating against thousands of Illinois minority borrowers during the height of the subprime mortgage lending spree. The settlement will provide restitution to harmed Illinois borrowers and is the largest settlement of a fair lending lawsuit ever obtained by a state attorney general. The Attorney General is litigating a similar lawsuit against Wells Fargo alleging widespread discrimination against African American and Latino borrowers.

Madigan led an earlier lawsuit against Countrywide, which resulted in a nationwide \$8.7 billion settlement in 2008 over the company’s predatory lending practices. That agreement established the nation’s first mandatory loan modification program. The Attorney General also reached a \$39.5 million settlement with Wells Fargo over the bank’s deceptive marketing of extremely risky loans called Pay Option ARMs in 2010.

Assistant Attorneys General Andrew Dougherty, Thomas P. James and Vaishali Rao are handling the case for Madigan’s Consumer Fraud Bureau.

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