



September 10, 2013

MADIGAN FILES SUIT OVER ILLEGAL EVICTION PRACTICES*Attorney General Sues Safeguard Properties LLC for Breaking into Legally Occupied Homes, Changing Locks & Shutting Off Utilities*

Chicago — Attorney General Lisa Madigan today announced she has filed a lawsuit against Safeguard Properties LLC for illegally evicting struggling Illinois homeowners by breaking into their homes, changing locks to bar residents from re-entry, and shutting off utilities well before a foreclosure is finalized.

Madigan filed her lawsuit in Cook County Circuit Court against Safeguard, a Delaware corporation based in Ohio. It is the largest privately held company in the country hired by mortgage lenders to determine whether a home in default or foreclosure is still occupied. If a home is deemed vacant, Safeguard is charged with securing and maintaining the property to ensure it does not lose value during the foreclosure process.

Madigan alleges that Safeguard routinely deemed occupied properties in Illinois as vacant, instructing its contractors to winterize and secure homes that occupants still had a legal right to live in. In many cases, Safeguard's contractors broke into homes, changed the locks, turned off the utilities and removed occupants' personal possessions in spite of clear evidence that the homes were still occupied.

"This case shows the lengths that banks and their service providers will go to abuse and intimidate borrowers in foreclosure," Madigan said. "This company was illegally breaking in to people's homes, removing all their possessions and locking them out. It is a homeowner's worst nightmare."

As the number of foreclosures has climbed in recent years, mortgage lenders have increasingly relied on third-party companies like Safeguard to ensure that properties do not lose value after their owners default on the mortgage. The vendors manage the properties throughout the foreclosure process and, most times, after the foreclosing lender buys a property at a foreclosure auction. However, homeowners and tenants have a legal right to occupy a home until the completion of the foreclosure process.

Among the most egregious examples cited in Madigan's lawsuit, an Illinois homeowner on at least a dozen occasions told Safeguard he was still living in his home yet returned home one day to find his front and back doors broken into with a sledgehammer. Another homeowner, a member of the U.S. Armed Forces who was in the process of a short sale on his property, returned home from out-of-state training to find it had been broken into, the locks changed and utilities shut off. Another homeowner, who had fallen behind on her payments but had not entered default, returned home to find it had been broke into, the locks changed, her water shut off and anti-freeze poured into her pipes to winterize the property.

Read Madigan's lawsuit [here](#).

Assistant Attorneys General Eric Sirota and Andrew Dougherty are handling the case for Madigan's Consumer Fraud Bureau.

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