

Litton Loan Servicing, LP somehow or another got a hold of my loan from Ocwen Financial Bank. Sometime thereafter, the lodged a overzealous foreclosure on my property and actually had it scheduled to be auction off.

During the whole foreclosure court action, after speaking to a counselor from the "Center for Responsible Lending complaining about Litton trying to auction off y home. The counselor told me that Litton only had sub prime loans with balloon payments and that I should find out if this was the case.

Right after, I contacted Litton and asked them to furnish me information regarding my loan regarding a balloon payment. Just as the counselor said, Litton sent me a monthly "Mortgage Payment Schedule" that indicated when the loan matures that I would owe them a \$80,000 balloon payment. This does not count all of the payments already made on the loan that would be \$165,000 by the time the loan matures, which is getting pretty close.

At no time was I ever told or asked if I wanted a balloon loan during the inception of the loan by the broker or the lender. So I not sure if Litton was the orchestrator of this Mortgage Payment Schedule" because I had never saw it before my loan got transferred or sold to them by Ocwen Financial Bank.

Since this is an equity home loan, I find this to be fraudulent and an unfair deceptive business practice not to tell homeowners that they are putting homeowners in these predatory sub prime loans. I was told by a loan specialist that this loan is the worse possible loan.

The home had a lot of equity built up in it and I believe this is why Litton was so eager to foreclose on my home. I would like for the FTC to enact federal law to stop or enact the following:

1. Mortgage servicers from buying or transferring equity home loans
2. Brokers, Lenders, Mortgage Companies and Banks from selling balloon loans for residential purposes to homeowners. Note: This would prevent equity stripping of elderly homeowners.
3. Homeowner with equity home who have already payed off their mortgage and have over (30) year of equity build up should not have liens on their homes or be able to be sold by lenders. Note: This would prevent property flipping schemes by predatory financial institutions.
4. Mortgage payments are to be credited to Principal Balance of loan and not as Interest Payments.
5. All Interest loans that do not amortized properly the Principal Balance of Loan.

6. In Bankruptcy proceeding, financial institution should include all mortgage payments paid by homeowner as part of "Proof of Claim" and provide proof of late or missed payments. Note: Attorney for creditor just writing down a lot of figures and numbers is not proof of a debt owed.

7. To prevent fraud, debtor should have to sign off of Proof of Claim before bankruptcy plan is confirmed. If debtor disagrees with creditors attorney or there own attorneys plan then debtor is entitled to a hearing to resolve the matter.

8. Attorney for Debtor should verify all loan documents for fraud and not just take the word of the lender, bank, mortgage servicer or attorney representing creditor. Note: In my case my bankruptcy attorneys sold me down the drain to Litton Loan and did not verify or check any of my loan documents. At that time had I known that I had a balloon loan, this could have been brought before the bankruptcy Judge or the trustee for a possible "Cram down."

9. Give bankruptcy judges the authority for loan modifications. Note: Had that been the law when I had to file bankruptcy to keep Litton from auctioning off my home. I could have gotten my the balloon portion of the loan modified.

10. Creditor (Banks, lenders, mortgage companies, and mortgage servicers must provide proof the type of loan a debtor has. Note: No Attorney for creditor

July 31, 2006

[REDACTED]  
[REDACTED], MD [REDACTED]

Ms. Zisa Walton  
Administrative Assistant  
Federal Trade Commission  
Office of Inspector General  
600 Pennsylvania Ave., N.W.  
Room #1110  
Washington, D. C. 20580

Dear Ms. Walton:

Very sorry for the delay in faxing you my complaint letter and my deceased relatives, [REDACTED] [REDACTED]'s complaint letter.

Later that day Ms. Twohig called me to apologize for not responding to my June 15, 2006 complaint. She indicated that she had given the letter to one of her investigators.

I would appreciate it if you would follow up with her to find out what the name of the investigator that is working on my complaint and either you or have Ms. Twohig forward the investigators name to me.

Also, please find out whatever happened to my deceased relatives, [REDACTED] initial complaint was sent over to the FTC on October 6, 2005. I did receive a letter from the FTC Secretary's Office on November 17, 2006 indicating that my complaint would be sent to the Bureau of Consumer Protection, Division of Financial Practices.

As of date, I have not received a reply or written response to his complaint, **FTC Ref. No.** [REDACTED]. I did call several times to the above office and was told that some one would return my call, but no one ever did so.

Sincerely,

Marilyn E. Howard

June 15, 2006

[REDACTED], MD [REDACTED]

Ms. Peggy Twohig  
Associate Director  
Federal Trade Commission  
Bureau of Consumer Protection  
Division of Financial Practices  
600 Pennsylvania Avenue, N.W  
Washington, D.C. 20580

RE: Litton Loan Servicing, LP  
LOAN NUMBER: [REDACTED]

Litton refuses and will not properly credit my mortgage payments to pay down equity (non-money purchase loan). All my mortgage payments are going to Interest in lieu of Principal. My loan balance never decreases; the pay off amount always stays the same.

It was not disclosed to me that I have a large balloon payment of \$80,000 that is due after maturity date of loan, which is, June 2011. I was never given appropriate TILA, HOEPA and Regulation Z disclosure notices that balloon payments and negative amortization schedules are prohibited "and that I could loose my home." Please refer to Federal Trade Commission case: "United States of America and State of Illinois, ex rel. Attorney General James E. Ryan v. Mercantile Mortgage Company, Inc., Bran Silveous, and Ronald Noble (Northern District of Illinois, Eastern Division Civil Action No. 02-C-5078, File No. 002-3321"

Litton is a mortgage servicer that deals in aggressive debt collections, engages in unfair, deceptive, or abusive practices. Litton has already attempted a wrongful foreclosure court action on my home recently after receiving \$85,000 worth of mortgage payments.

My loan falls under the category of abusive or predatory lending, and is a (15) year high cost loan with balloon payment. The loan also is non-money purchase, not based on my income, but based on collateral in my home that will eventually suck up all of my equity. By now, I have paid at least \$110,000 towards my loan. Litton insists I have paid little or nothing towards the loan balance. I believe my loan resembles the FTC Mercantile case. Other Litton customers who also have consumer complaints lodged against Litton have also told me that Litton engages in predatory behavior. Litton is currently involved in many lawsuits and several court actions, as well.

If you need further information, or have any questions. I can be reached at [REDACTED].

Thank You,  
Marilyn E. Howard

Attachments