

Borrowers Beware: Frightening Foreclosures!



Ariel Speser

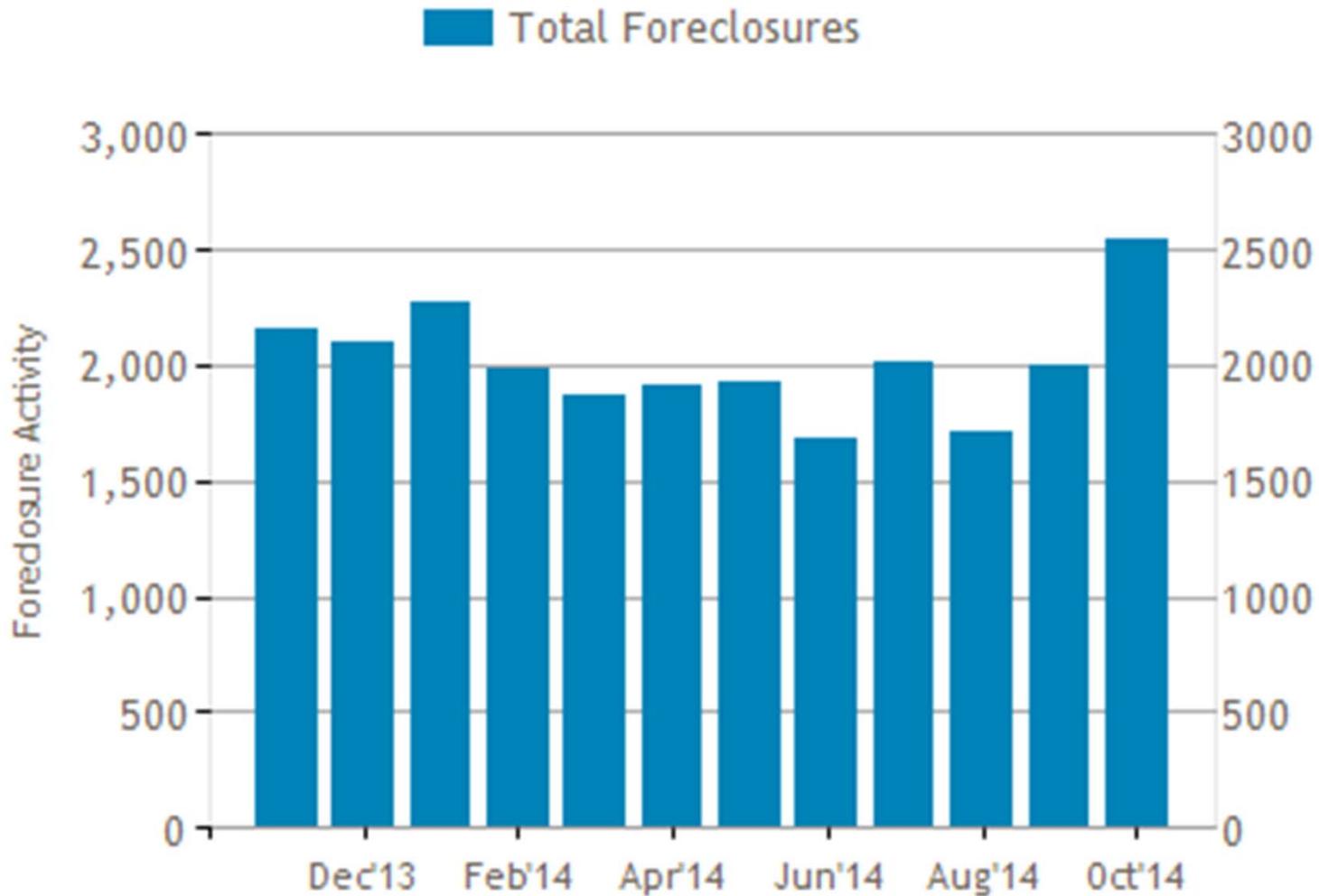
Staff Attorney, Northwest Justice
Project's Foreclosure Prevention Unit

Today's Borrowers Beware Panel

- Why am I here?
 - Legal aid perspective.
 - Foreclosures are still a problem.
 - Things are getting better.
 - But, in some respects, they're also getting worse.
 - How are we using CFPB regulations to help homeowners facing foreclosure?

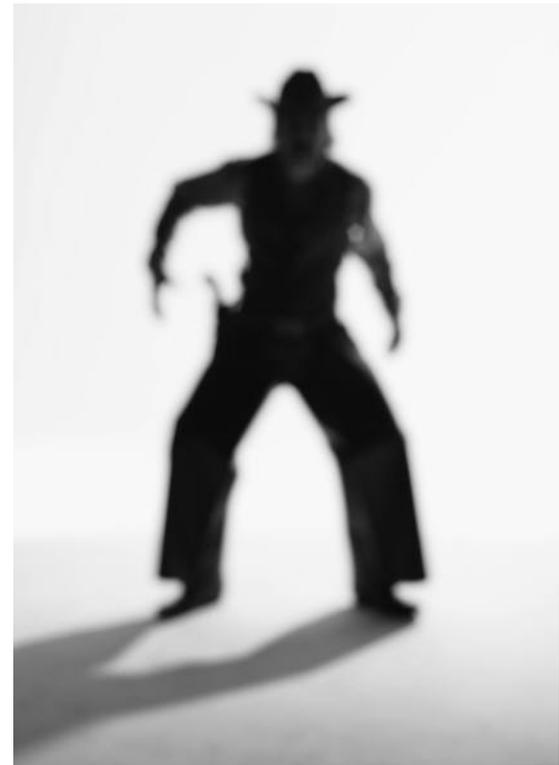


Foreclosure Rate in WA



Before CFPB

- Little oversight
- Lack of regulation
- Lots of bad guys (banks)
- Homeowners on their own...



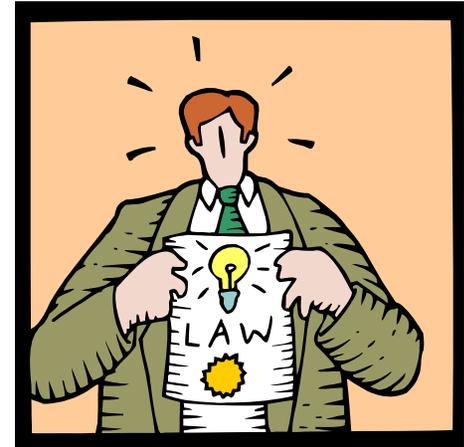
In Washington State:

- Strong network of allies: legal services, housing counselors, AG, DFI, HFC, etc.
- Foreclosure Fairness Act
- Making Home Affordable Program
- Litigation



Benefits of CFPB

- Complaint Process
 - Resolution to specific problems
 - Document trends and patterns
- Mortgage Servicing Rules
 - Loss mitigation, foreclosure prohibitions, charges and fees, error resolution, requests for information, and requests for payoff statements.
- Mortgage servicers are more inclined to follow the law.
- Increases accountability and transparency for everyone.



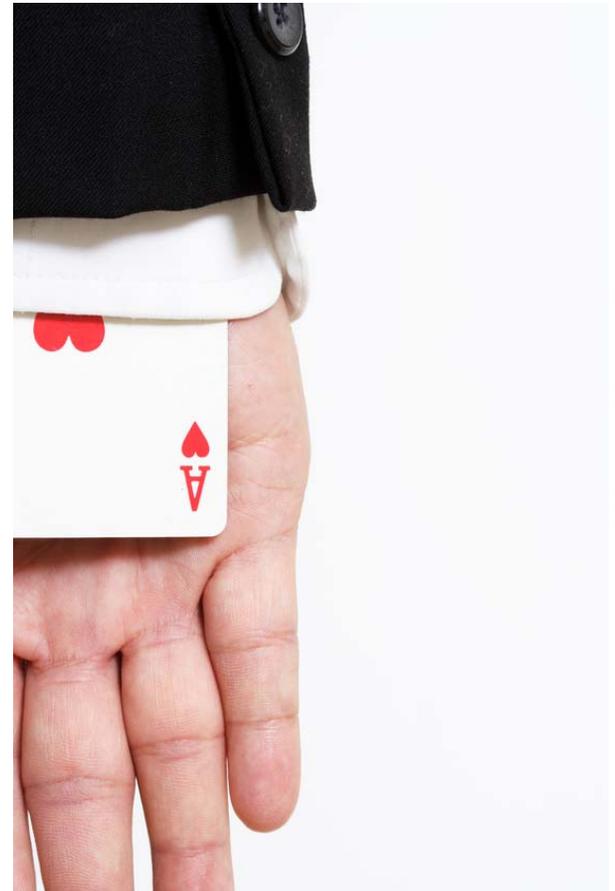
Day-to-Day Benefits

- Clear Timelines
- Single Point of Contact
 - More sophisticated customer service
- Missing Document Letters
- Prohibitions on Foreclosure



Are there still problems?

- Servicers up to old and new tricks
 - Servicing transfers
 - Nonbank servicers
 - Delay
 - Failing to honor TPP's
 - Modification steering
 - Improper denials
 - “Investor restrictions”
 - Dual tracking
 - Failure to follow the rules



So, what works?

- Regulations and rules that put people first.
- Sending lots of demand letters.
- Using CFPB mortgage servicing rules in FFA mediation.
- Educating mortgage servicers and counsel.
- Filing complaints. Escalation.
- Filing lawsuits.



Is it working?

- Yes!
- We regularly settle cases and save homes.
- We are obtaining affordable modifications, including principal reduction.
- But, there's more work to be done.



So, what's next?

- Let's discuss.
 - Questions?
 - Comments?
 - ariels@nwjustice.org
 - 360.452.9137 ext. 202

