



Mass Alliance Against Predatory Lending

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MASS HOMEOWNERS STILL FIGHT LARGEST FORECLOSURE CRISIS IN THE HISTORY OF THE UNITED STATES, SPEAK OUT FOR PRE-FORECLOSURE MEDIATION.

10/17/23, today, homeowners from across the state gave testimony at the Massachusetts Legislature's Municipalities Committee hearing in support of pre-foreclosure mediation (House Bill #H.2036, "An act enabling municipal pre-foreclosure mediation." Sponsored By Rep. Peter Capano.)

While most of those who spoke have now experienced an illegal foreclosure, their impassioned stories of endemic and illegal denials of loan modifications reveal part of the story of how the historic illegal land grab has been accomplished by the mortgaging industry and the need for informed neutral mediators to stop the returning deluge.

Homeowners from across the state – West Springfield and Amherst to the Cape and North shore told impassioned stories – hoping those coming behind them finally get real affordable loan modifications – remedying predatory origination practices more than one speaker identified as making their loans "doomed to foreclose" starting at origination.

More than one speaker identified the common practice of pricing the mortgage more than the real value of the house. This practice is illegal under the bank regulator, the Office of Comptroller of the Currency but was hidden by breaking a single underwriting approval into two loans to escape the regulating agency's tracking systems.

As Gary Yard of West Springfield explained: "My mortgage was split in 2 and I quickly found it was more than I could afford, now I was trapped in an overpriced loan." He could neither afford to pay nor sell a house worth less than the debt. No meaningful loan modification ever was offered.

Homeowners addressed the more well-known practices of servicers losing paperwork. They also provided testimony of modifications signed by entities who had no legal interest in the mortgage, who misrepresented the terms and even one which was signed but never honored.

"My trusted CPA gave me a mortgage that now led to a "foreclosuse' on my home using a 54% interest rate. It's a felony to intentionally try to collect on a loan over 20%. But it didn't matter.

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Regardless. Today, my CPA went to the bank with my hard-earned equity instead of going to jail. I got no notices. We must have light of day BEFORE an auction. Please pass the bill to support municipal preforeclosure mediation.” Karen Merritt of Rehoboth.
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