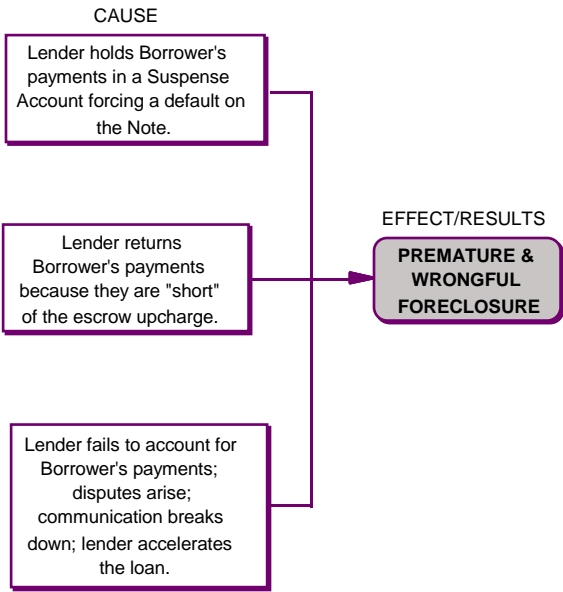
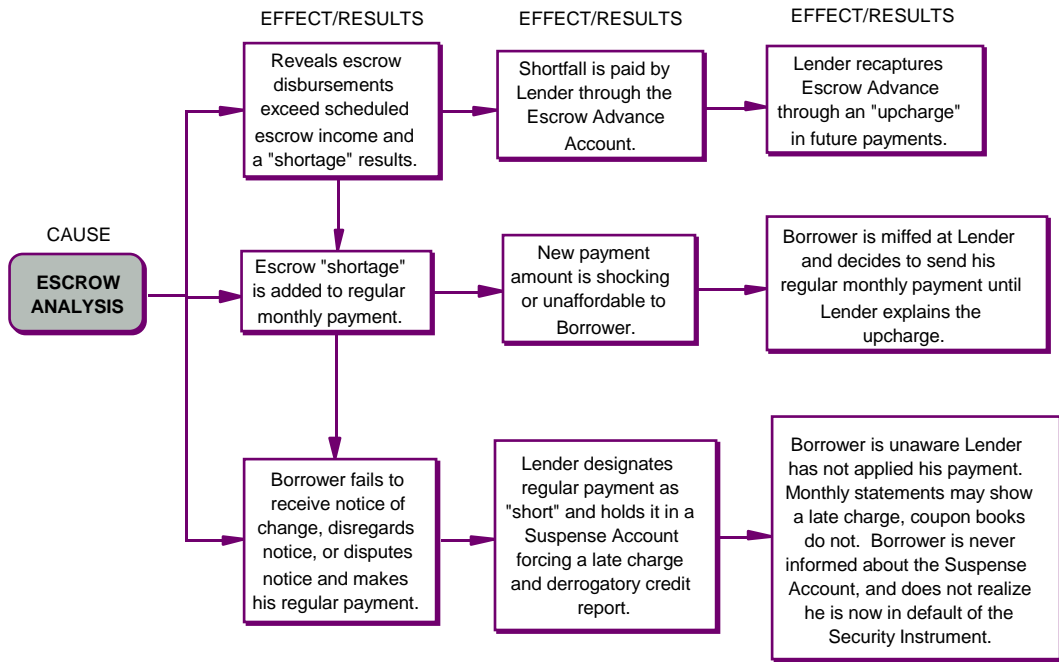


Mortgage Servicing Abuse in Escrow Accounts

We often find that one cause has several effects,

and that several causes lead to one effect.



CAUSE

My audits of hundreds of loans across the country reveal that Mortgage Servicing Abuse in Escrow Accounts is the number one problem facing homeowners today; and that it is the leading cause of premature and wrongful foreclosures.

The root problem occurs at the Lender's operational site where policy, technology, and customer service interpret a "short" payment as a default of the Security Instrument.

Before implementing changes, Lenders often fail to follow RESPA notice requirements thus critically shortening the time for Borrowers to react before a default is declared. Often Lenders ignore Qualified Written Requests that provide for a 60 to 80-day safe haven in which to resolve disputes.

EFFECT/RESULTS

As a result, Lenders expose themselves to considerable liability under various tort claims for: breach of contract, negligence, conversion, breach of a fiduciary duty, and bad faith to name just a few .

In addition, by employing policies and procedures that create these problems and inhibit resolution, Lenders violate consumer protection statutes such as: TILA, RESPA, UADAP, FDCPA, FCRA, and UCC laws.