

## **KABOOM! BofA, GMAC, Chase, Wells, Citi, Onewest Face N.J. Foreclosure Freeze**

This is coming in from multiple fronts...

Chink in the Armor

The State Supreme Court of NJ has ordered a halt to all foreclosure in the state of NJ.

This is most excellent news for the reason you may not realize:

NJ is owned by the Wall St. Bankers. Remember the movie Copland about a town in NJ owned and run by a bunch of NYC cops?

Guess who used to be Governor of NJ? Corzine. Guess what his job was before he became Governor? Head of Goldman Sachs. If you are a banker of certain levels, you live in one of three places, Manhattan, Long Island, or NJ (what exit?). NJ is owned and operated by the large NY banking firms so for the Supreme Court to turn on them is stupendous news.

[www.chinkinthearmor.net](http://www.chinkinthearmor.net)

### **Matt Weidner**

Apparently the practices in foreclosure courts in New Jersey have gotten so out of hand that the court has initiated an inquiry into the questionable nature and inaccuracies of documents submitted in courts across the entire state.

The attached Order is filled with all sorts of crazy language like, “Protecting the integrity of the judicial foreclosure process” and the “need to restore integrity to the foreclosure process” and “due process”.

Apparently there were six “foreclosure Plaintiffs with a public record of questionable practices” which the court felt compelled to address in its supervisory capacity.

What in God’s name is going on up there in New Jersey?

Things are just fine down here in Florida.....no problems with integrity or due process or robo signing...no sir-ee, things are just fine thank y’all very kindly.

Them banks ain’t run us over down here....no sir-ee, things are just fine thank y’all very kindly.

The integrity of our real property system is not in run.....no sir-ee, things are just fine thank y’all very kindly.

Us dumb yokels down here in Florida cain’t hardly read all them fancy newspapers and we ain’t heard ‘nuthin ‘bout ‘nuthin going on in Congress.

So you go on with yer investergatin...we’s jus fine down here in Sunnie Floreeduh!

## **Bloomberg**

BofA, Lenders Face Possible N.J. Foreclosure Freeze

Bank of America Corp., JPMorgan Chase & Co. and four other mortgage lenders and loan servicers face a possible suspension of home foreclosures in New Jersey by Jan. 19 under a judge's order.

The action, announced today by New Jersey Supreme Court Chief Justice Stuart Rabner, also covers Citigroup Inc.'s mortgage unit, Ally Financial Inc.'s GMAC mortgage unit, OneWest Bank and Wells Fargo & Co. The lenders were implicated in "robo-signing," the submission of hundreds or thousands of foreclosure claims that falsely swore to personal knowledge of their contents, Rabner said.

The six companies must "show cause why the processing of uncontested residential foreclosure matters they have filed should not be suspended," under an order by Judge Mary C. Jacobson in state court in Trenton.

"It's important that the judiciary ensures that judges are not rubber-stamping documents of questionable reliability," Rabner said today in a conference call with reporters.

Another 24 lenders and loan servicers with more than 200 residential foreclosure actions each in 2010 must "demonstrate affirmatively that there are no irregularities in their handling of foreclosure proceedings," according to an order by Judge Glenn A. Grant, administrative director of the courts.

### **First U.S. State**

Rabner said New Jersey is the first U.S. state to take such an action. The state's courts received 21,752 new foreclosures in 2006 and have gotten 65,222 this year, according to Grant's order.

Only 6 percent of cases were contested this year, meaning 94 percent lacked “any meaningful adversarial proceeding,” according to the order.

Lawyers in foreclosure cases must also certify that they have communicated to employees at the mortgage companies that they have personally reviewed all documents and that they are accurate, Rabner said.

Bank of America, Wells Fargo and JPMorgan are the three biggest U.S. home-loan servicers, handling payment collections, debt modifications and foreclosures on almost 50 percent of the \$10.7 trillion of outstanding mortgages, according to newsletter Inside Mortgage Finance.

Attorneys general from all 50 states in October started probing mortgage servicers after revelations that they may have acted illegally in having employees sign affidavits that they didn’t review. GMAC Mortgage, JPMorgan Chase and Bank of America were among companies that temporarily halted foreclosures amid claims that the legal documents were mishandled.

### **Suspended Foreclosures**

Thomas Kelly, a JPMorgan spokesman, declined to comment on the New Jersey order. Since September, the New York-based bank has suspended foreclosures in 40 states, including New Jersey, he said. It resumed foreclosures in some of those states, he said.

Jumana Bauwens, a spokeswoman for Charlotte, North Carolina-based Bank of America, said the bank is reviewing the judge’s order and can’t comment at this time.

Gina Proia, a spokeswoman for Detroit-based Ally Financial, declined to comment.

New York-based Citigroup “will review the Justice’s order and will ensure that we meet the new requirements,” spokesman Mark Rodgers said in an e-mail.

### **Foreclosure Review**

“Citi has been continuously reviewing its foreclosure processes with respect to its U.S. mortgage portfolios,” Rodgers said. “Last year, we took a series of steps to strengthen our processes and added additional resources to ensure foreclosures were being processed correctly.”

Diane Henry, a spokeswoman for Pasadena, California-based OneWest, declined to comment. OneWest was formed in the aftermath of IndyMac Bancorp’s failure.

Jason Menke, a spokeswoman for San Francisco-based Wells Fargo, said in an e-mail: “We recognize and respect the need to ensure we always comply with respective state laws. With our outside counsel, we intend to comply with the New Jersey court’s order and demonstrate why the foreclosures scheduled in New Jersey should move forward.”

U.S. bank regulators investigating foreclosure problems could impose fines or seek criminal penalties as soon as January, said Julie L. Williams, chief counsel of the Office of Comptroller of the Currency, said at a congressional hearing Dec. 2.

The order is In the Matter of Residential Mortgage Foreclosure Pleading and Document Irregularities, Administrative Order 01-2010.

To contact the reporters on this story: David Voreacos in Newark, New Jersey, at [dvoreacos@bloomberg.net](mailto:dvoreacos@bloomberg.net) ; Jody Shenn in New York at [jshenn@bloomberg.net](mailto:jshenn@bloomberg.net)