

# Coakley plans to sue banks for alleged fraudulent foreclosures

**By SEAN LEONARD**  
THE DAILY ITEM

**BOSTON** — State Attorney General Martha Coakley announced Wednesday she plans to file lawsuits against banks concerning “creditor misconduct in connection with unlawful foreclosures” in the commonwealth.

Coakley’s office, at the insistence of Southern Essex Register of Deeds John O’Brien, among others, has been investigating so-called robo-signed or alleged fraudulent documents submitted to public deeds registries by some of the nation’s biggest banks to prove mortgage ownership.

“I have lost confidence that the banks will bring to the table

an agreement that properly holds them accountable for wrongful foreclosures. Because our office for some time has anticipated that result, we have begun preparing for litigation,” Coakley said in a statement released to the media. “Our office is aggressively proceeding with efforts to file lawsuits regarding creditor misconduct in connection with unlawful foreclosures, including the failure to establish the right to start a foreclosure as well as filing false or misleading documents with registries in the Commonwealth. We will, as we have in the past, use our resources to hold the big banks accountable to fully protect homeowners and restore a healthy economy.”

O’Brien urged Coakley in a letter earlier this year to decline any quick settlement and work to determine the actual extent of damages. He has been on a year-long crusade against major lenders, alleging the banks have broken the chain of title to thousands of properties by not filing public mortgage assignments each time a mortgage is sold.

And during the summer O’Brien stopped accepting robo-signed documents from the banks, which are those that have the same signature of a person purporting to be a senior executive at many financial institutions.

O’Brien in June said an audit of mortgage assignment transfers on file at his registry

showed that 75 percent are invalid.

O’Brien, a Lynn native and former Lynn city councilor, expressed relief on Wednesday that Coakley plans to sue the banks.

“I am extremely pleased that Attorney General Coakley is aggressively pursuing these big banks for the fraud they have committed against Massachusetts homeowners,” O’Brien said. “It has been about a year since we exposed this scheme that these big banks used against people’s property rights and it is time that they be held accountable and pay for all the damage they have done.”