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## Lawmakers call for hearings on robo-signing

By Pallavi Gogoi and Michelle Conlin

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NEW YORK—Lawmakers and enforcement agencies called for hearings and further investigation Tuesday after learning that the illegal practice known as robo-signing has continued in the mortgage industry.

The Associated Press reported on Monday that county officials in at least three states -- Massachusetts, North Carolina and Michigan -- say they have received thousands of mortgage documents with questionable signatures since last fall. That's when forged signatures and false affidavits -- also called robo-signing -- led to a temporary halt to foreclosures. Banks and mortgage processors promised to stop the practice. But the findings of the county officials indicate that robo-signing is still a widespread problem.

Sen. Sherrod Brown, D-Ohio., chair of the Financial Institutions and Consumer Protection Subcommittee, said the subcommittee will hold a hearing on the robo-signing issue.

"Wall Street and some in Washington want us to believe that robo-signing is a thing of the past," said Brown. "But the same risky practices that put our economy on the brink of collapse continue to infect the housing market."

Rep. Maxine Waters, D-Calif., a senior member of the House Committee on Financial Services said the lenders who continue the practice "need to be investigated and prosecuted." She told The Associated Press that she believed regulators should step in and that the absence of stronger regulation is "the reason why the system broke down in the first place." She said the county officials' findings show lenders will not stop practices like robo-signing on their own.

"(The lenders) have complete disregard for the damage they have already caused and have no intention of changing their ways," said Waters, who also called for more hearings on the issue.

County officials who are responsible for keeping land records, including property deeds, say that they have received thousands of robo-signed documents filed in their offices since October.

In Essex County, Mass., the office that handles property deeds has received almost 1,300 documents since October with the signature of "Linda Green," but in 22 different handwriting styles and with many different titles.

In Guilford County, N.C., the office that records deeds says it received 456 documents with suspect signatures from Oct. 1, 2010, through June 30. And in Michigan, a fraud investigator who works on behalf of homeowners says he has uncovered documents filed this year bearing the purported signature of Marshall Isaacs, an attorney with foreclosure law firm Orlans Associates.

Early Tuesday, an official from the office of Minnesota attorney general, Lori Swanson, contacted the Essex County's John O'Brien to get more information for its own investigation into robo-signing. The Massachusetts attorney general's office also confirmed that it is meeting with several of the state's 21 registers of deeds to assess the extent of robo-signing in the state.

Also on Tuesday, nine recorders of deeds in Illinois held a press conference to say they will assist the state's attorney general Lisa Madigan who is investigating robo-signing in her state.

Rep. Waters, meanwhile, says the Office of the Comptroller of the Currency, or the OCC, is the main federal regulator for banks. As such, it's the OCC's responsibility to investigate the banks.

The OCC has been criticized by lawmakers and consumer advocates for going easy on banks in the past. The same criticism has resurfaced since the robo-signing scandal broke in September. Last fall, The Associated Press found that robo-signed documents led to banks wrongfully foreclosing on people who had paid their mortgages in full. When asked about the issue, an OCC spokesman flatly denied that any such thing had ever occurred.

The OCC partnered with other federal regulators and conducted a review of bank procedures including robo-signing in

December. In April, the 14 largest national banks entered into a consent decree with the OCC in which they vowed to submit action plans as to how they would address such systemic issues as robo-signing.

Last week, the banks delivered those action plans to the OCC, which is now reviewing them, a spokesman said.

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