

Montana Legal Services Association

Provide, protect and enhance access to justice.

MLSA MORTGAGE AND FORECLOSURE CASE STATISTICS

The Montana Legal Services Association (MLSA) is a nonprofit organization whose mission is to protect and enhance the civil legal rights of, and promote systemic change for, Montanans living in poverty. MLSA's Foreclosure Assistance Program (FAP) is part of the Montana Attorney General's "Keep My Montana Home" program, which also includes the Office of Consumer Protection and various housing counseling organizations across the state. Services range from advice only to direct representation.

Senate Bills 280 and 281 would hurt Montana consumers, and particularly consumers with mortgage loans, by severely limiting the available remedies for mortgage servicer's oral statements, including incorrect or confusing statements regarding account status, availability of mortgage assistance programs, how to apply for mortgage assistance, and foreclosure status.

Statistics¹

- **385**—requests for help received by MLSA for FAP services, including from people who did not complete applications, or could not be served by MLSA.
- **310**—MLSA cases from June 2012-March 2015, of which 265 are closed and 45 are open as of the making of this handout.
- **36%**—of open cases involve households with veterans.
- **29%**—of open cases involve clients age 60 or older as of date of intake.
- **33%**—of open cases involve clients with disabilities.
- **89%**—of open mortgage/foreclosure cases involve "Big 5 Servicers" (42%), "Other Nationwide Servicers" (40%), or USDA (7%).
- **83%**—of closed mortgage/foreclosure cases involved "Big 5 Servicers" (48%), "Other Nationwide Servicers" (32%), or USDA (3%).
- **86%**—of closed direct representation cases involved "Big 5 Servicers" (43%), "Other Nationwide Servicers" (21%), or USDA (21%).
- **16%**--of homeowners have reported being advised to skip payments by mortgage servicers since MLSA began tracking this data in January 2014.
- **20%**--of MLSA FAP intakes since January 1, 2015 include homeowners reporting they were required to submit and resubmit multiple applications for mortgage assistance.
- **10%**--of MLSA FAP intakes since January 1, 2015 include homeowners reporting their mortgage payments were misapplied.

¹ These statistics regarding MLSA FAP cases were derived from data in MLSA's case management system for cases opened since the FAP program began handling cases in June 2012 through March 10, 2015. This data has been updated since MLSA prepared a handout for a Senate hearing in February 2015. The last three bullet points include data that has not been statistically tracked for the entire time that FAP has handled cases, but from the respective dates in the bullet points.

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In the statistics above, "Big 5 Servicers" are Ally (formerly GMAC), Bank of America, Chase, Citi, and Wells Fargo. "Other Nationwide Servicers" include nationwide entities to which the servicing rights for several "Big 5 Servicers" have been transferred, such as Nationstar and Caliber, and other nationwide servicers that are not "Big 5 Servicers," such as U.S. Bank. Other categories used for purposes of generating this information include "Montana Banks and Credit Unions," "Out of State Small Banks," "Montana Board of Housing," "Private," and "Unknown."

"Big 5 Servicer" Statistics

The following is a more specific breakdown of how many MLSA FAP cases have involved specific "Big 5 Servicers."

Servicer	Percent open cases	Percent closed cases
Ally/GMAC	0	2
Bank of America	16	23
Chase	7	7
Citi	7	5
Wells Fargo	13	10

Other Alleged Misconduct

Except for claims set forth above, MLSA has not statistically tracked the various kinds of alleged servicer misconduct reported by homeowners. It would be difficult to develop report-generating data fields for all types of misconduct alleged, in part because the facts are often case-specific and difficult to classify. Some other common complaints about servicers fielded by the MLSA FAP program include:

- Telling the homeowner to disregard a written communication, and then proceeding in a manner adverse to the homeowner because the written communication was disregarded;
- Failing to provide information requested by the homeowner, including the basis for a denial of a loan modification application;
- "Dual tracking" (more common at the beginning of FAP before changes in relevant regulations), meaning that a servicer would conduct foreclosure proceedings at the same time that a loan modification application was pending;
- Providing conflicting or confusing information about the mortgage loan account balance, the amount due, or how much should be paid;
- Providing conflicting or confusing information about the terms of a trial period plan (TPP) or modification;
- Rejecting payments that are properly made under loan terms, or are made pursuant to instructions from the servicer;
- Assessing unreasonable fees for lateness, multiple inspections, and other items; and
- When servicing is transferred from one servicer to another, requiring a homeowner to start over with the loan modification application process or losing documents.