

ROBERT MENENDEZ  
NEW JERSEY

COMMITTEES:  
BANKING, HOUSING, AND URBAN  
AFFAIRS  
ENERGY AND NATURAL RESOURCES  
FINANCE  
FOREIGN RELATIONS

# United States Senate

WASHINGTON, DC 20510-3005

October 4, 2010

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[REDACTED]

Dear [REDACTED]:

I write to you today regarding several recent news reports detailing flawed foreclosure proceedings and lax servicer oversight.

As you are well aware, Ally Financial, J.P. Morgan Chase and Bank of America have halted their foreclosure proceedings after flawed paperwork and careless oversight procedures were discovered. While Ally Financial has declined to comment on the number of homeowners that may be affected, J.P. Morgan Chase's decision will affect 56,000 borrowers in 23 states, after it was revealed that approximately 18,000 foreclosures per month had been approved by the company without the necessary due diligence. Bank of America will also halt foreclosures in the same 23 states.

It is simply inexcusable that proper oversight proceedings were not in place, especially when dealing with matters as monumental as the seizure of a family's home. At least one credit rating agency, Fitch, states that it believes this problem is widespread among banks and servicers, which raises the question of whether other banks should impose a moratorium until this lack of oversight is corrected.

As Chairman of the Senate Subcommittee on Housing, Transportation, and Community Development, I have several inquiries regarding your company's foreclosure processes:

- Have you reviewed your own foreclosure processes in light of these revelations? If so, please detail this review.
- What steps have you taken to ensure that your own foreclosure processes will not experience the same problems exhibited by Ally Financial, J.P. Morgan Chase and Bank of America? Have you devoted sufficient resources toward this goal given the scope of the problem? Please provide specifics.
- If you have discovered problems with your foreclosure proceedings, what steps have you taken to make whole homeowners who have been adversely affected?

- Please provide statistics detailing your own foreclosure proceedings, including the number of foreclosures that have been investigated, the number that have shown mistakes, and what kind of mistakes those were.

Unfortunately, I continue to hear numerous experiences of New Jerseyans expressing their frustration with the mishandling of bank foreclosure proceedings, and this recent disclosure will bring even more public outrage. I strongly believe that a full accounting and public transparency concerning this revelation is in the best interest of all parties.

Thank you for your attention to this matter. I look forward to your response.

Sincerely,

A handwritten signature in black ink that reads "Robert Menendez". The signature is written in a cursive, flowing style with a large initial "R" and "M".

ROBERT MENENDEZ  
United States Senator