

## **Examples of Senior Homeowners Struggling with Ineffective and Inconsistent Servicing of HECM Loans**

October 26, 2017

The National Consumer Law Center, on behalf of its low-income clients, submits the following examples of reverse mortgage borrowers who are facing the risk of imminent foreclosure and eviction due to difficulty accessing loss mitigation and the inconsistent and arbitrary servicing guidelines which lead to servicing abuses. Most of these examples involve servicers refusing to implement repayment plans or an at-risk extension to resolve property charge defaults. Some involve improper servicer claims of non-occupancy based upon conditions which are not contained in the note and mortgage. All of these examples involve vulnerable seniors attempting to save their homes.

### **A. Problems Related to Alleged Property Charge Defaults**

#### **1. HUD should make it clear to servicers that they may offer loss mitigation after foreclosure has been initiated without penalty.**

##### **D.K., Hebron, CT, under 80**

Lorraine Martinez, Connecticut Fair Housing Center

Many servicers are refusing to offer repayment plans to HECM borrowers in foreclosure because they have the impression that they may still be penalized by HUD if the repayment plan fails. Financial Freedom denied D.K.'s request for a repayment plan and told the foreclosure mediator in late July 2016 it could not offer a repayment plan "citing HUD guidelines that provide for the possibility of revoking the loan's insurance if there were to be a subsequent default. The servicer has determined this too risky and is unwilling to offer repayment plans." (this is taken from the mediator's report, available at:

<http://civilinquiry.jud.ct.gov/DocumentInquiry/DocumentInquiry.aspx?DocumentNo=10821341>)

##### **P. B., Charlotte, N.C., under 80**

Leah Kane, Legal Services of Southern Piedmont

Ms. B was forced to file Chapter 13 Bankruptcy because her servicer, Financial Freedom, repeatedly refused to allow her to enter into a repayment plan to cure her property charge default and scheduled her home for foreclosure. In January 2016, Financial Freedom said that based on HUD's Mortgagee Letter 2015-11, it could not offer repayment plans for loans in foreclosure. Ms. B requested that Financial Freedom seek a waiver from HUD, but her request was denied. In order to save her home of over 40 years, she is now attempting to pay into a bankruptcy plan.

##### **J. R., Philadelphia PA, under 80**

Beth Shay, SeniorLAW Center

Ms. R. came to us for assistance facing foreclosure due a property charge delinquency of \$2,551. CIT Bank/Financial Freedom said they were not allowed to offer a repayment plan because the loan was in foreclosure. The Court instructed SeniorLAW Center to reach out to HUD and find out if a repayment plan was possible. HUD responded to our inquiry that HUD does not prohibit a servicer from offering loss mitigation as defined in mortgagee letters 2015-11 and 2016-07 to HECM borrowers where the loan is in foreclosure. However, HUD does not require that the servicer do so. HUD emphasized that the permissive loss mitigation options offered in mortgagee letters 2015-11 and 2016-07 are solely at the discretion of the servicer.

Once the Court understood that a plan was possible, the judge leaned on Financial Freedom, and with further negotiation we might have been able to get them to approve a repayment plan. However, this elderly homeowner actually fainted in the courtroom due to the anxiety and stress of this situation. This prompted her family to go to great lengths to come up with the funds to bring the property charges current, to save her the stress of facing the risk of loss of her home.

**A. G., Middletown, CT, under 80**

Loraine Martinez, Connecticut Fair Housing Center

It is critical that HUD clarify to servicers that they are permitted to offer repayment plans after foreclosure has been initiated. Among other reasons, servicers sometimes wrongfully initiate foreclosure while a borrower is performing on an existing repayment plan. A.G. was performing on a repayment plan when RMS sent a notice of default and referred his loan to foreclosure. In its response to a Notice of Error, RMS stated that it cannot offer A.G. a repayment plan because his loan is in “active foreclosure.”

**D. M., Torrington, CT, Age 72**

Sarah White, Connecticut Fair Housing Center

D. M. is another example of the problem of servicers initiating foreclosure wrongfully, and then taking the position that they cannot offer a repayment plan once foreclosure has been initiated. D.M. was performing on a repayment plan when Financial Freedom sent a notice of default and referred her loan to foreclosure. Financial Freedom’s counsel told the mediator it cannot review her for a new repayment plan because she is in foreclosure. D.M.’s home has been in her family for more than 100 years, and she raised her 8 children there. She was confused about her obligation to pay taxes and thought she could pay on a monthly basis to the lender, like escrow, which Financial Freedom had allowed her to do for several years without explaining otherwise.

**B.Y., Bridgeport, CT, under 80**

Sarah White, Connecticut Fair Housing Center

Financial Freedom told B.Y.’s housing counselor in late August 2016 that it cannot offer repayment plans to borrowers in foreclosure. It appears that Financial Freedom has made a business decision not to offer repayment plans to any borrowers in foreclosure. This policy will

result in a substantial number of vulnerable seniors facing foreclosure and eviction who could afford a repayment plan.

**V.P., Seymour, CT, under 80**

Pamela Heller, Connecticut Fair Housing Center

V.P. was making payments to Financial Freedom under an oral repayment plan when they quit accepting them and placed her in foreclosure. Financial Freedom told the mediator in September 2016 that it “does not elect to offer repayment plans pursuant to permissive loss mitigation as outlined in Mortgagee Letter 2016-07,” the Mortgagee Letter that made it clear repayment plans may be offered after foreclosure has been initiated. (See Mediation Report, <http://civilinquiry.jud.ct.gov/DocumentInquiry/DocumentInquiry.aspx?DocumentNo=11092326>)

**J. S., Philadelphia, PA, 66 years old**

Kimm Tynan, Philadelphia Legal Assistance

Foreclosure counsel claims in mediation that Reverse Mortgage Solutions has made a business decision to not offer repayment agreements to reverse mortgage borrowers in foreclosure. According to RMS’s counsel, the reason for this policy is that, ML 2016-07 notwithstanding, they are “still” being penalized by HUD if they enter into a repayment agreement and the borrower subsequently defaults on the repayment agreement. He said that for HUD’s purposes the case is considered to be in foreclosure for the life of the repayment agreement. He said that HUD cannot penalize them if the borrower files a Chapter 13, and “a Chapter 13 is the same as a 60-month repayment agreement,” so they have simply made a business decision that HECM borrowers in default should file Chapter 13 bankruptcy.

This client had attempted to negotiate a repayment agreement with RMS well before the foreclosure complaint was filed, but they refused that too. Client was diagnosed with breast cancer in September 2015, and her default was caused in part by the cost of her medications. She also had difficulty because a sinkhole in the street caused major plumbing damage that she was responsible for repairing.

**2. Effective oversight is needed to deter aggressive and sloppy servicing practices surrounding payment of property charges.**

**L.B., Westport, CT, under 80**

Sarah White, Connecticut Fair Housing Center

Ms. B has been put into foreclosure despite being current on a repayment plan to cure her property charge default. Ms. B is current on a repayment plan with Wells Fargo for flood insurance and is current on ongoing taxes and insurance, yet Wells Fargo served her with a summons and complaint initiating a foreclosure. Wells Fargo’s customer service representative told her to “ignore” the summons and complaint.

**Ms. R., New York, N.Y., Age 68**

Jennifer N. Levy, JASA Legal Services for the Elderly in Queens

Ms. R. is a 68-year old Queens Village resident who lives on Social Security and Supplemental Nutrition Assistance Program (SNAP) benefits. She found herself in foreclosure without knowing why. Fortunately, she was able to seek the help of JASA-LSEQ to represent her in the required foreclosure settlement conferences. In these conferences, the lawyers for Urban Financial (now called Finance of America Reverse LLC) and her reverse mortgage servicer, RMS, cited a different basis for the foreclosure each time they appeared, such as failure to make repairs, failure to pay taxes, and even the death of the borrower. Ms. R's attorney, who had figured out that her lender instituted the foreclosure because they believed she was dead, tried to clarify this to the court, but the court released her case from mediation because the lender's attorney represented that Ms. R was behind on property taxes, and because at the relevant time, New York law excluded reverse mortgage foreclosures from the opportunity to negotiate a resolution in a settlement conference. The lender, through their attorneys at Fein, Such & Crane, repeatedly ignored requests for an updated breakdown of Ms. R's default balance, refused to consider Ms. R. for a repayment plan, and refused to permit JASA-LSEQ to talk to Urban Financial's affiliate, Reverse Mortgage Solutions. Instead, Urban Financial proceeded with the foreclosure by filing a summary judgment motion, essentially stating that there are no disputed facts. JASA/LSEQ successfully obtained an Order denying summary judgment based on plaintiff's failure to comply with a condition precedent by failing to provide sufficient proof of default notice to the borrower.

**O. L., Lakeland, Florida, Age 92**

Lynn Drysdale, Jacksonville Area Legal Aid, Inc.

Client is very feeble and has a very difficult time getting around. She also has poor eyesight. Her servicer, Financial Freedom/CIT Bank, said she failed to maintain insurance for a short period of time. The payment for the Force-Placed Insurance was initially noted as a loan balance transfer that she did not need to repay. Then the servicer unilaterally decided they would seek payment from her instead. She sent them a check but it was 30 cents short. They sent her a bill for the 30 cents, printed as \$.3. She read it as seeking 3 cents and sent them a check for that amount. They foreclosed based upon the 27 cent delinquency. It is difficult to understand why a servicer would initiate foreclosure in this situation rather than working with the 92 year old HECM borrower, who clearly could have sent an additional 27 cents.

This was the second foreclosure filed against this elderly borrower in less than a year. The first was a non-occupancy case regarding her home of 40 years. They figured out their mistake when her attorney explained she was living in the home, and voluntarily dismissed the first foreclosure. During the pendency of the second foreclosure, and while she was being represented by counsel, they threatened to file foreclosure number three for alleged non-occupancy.

**Ms. N., New York, N.Y., Age mid-80s**

Randi Scherman, Staten Island Legal Services

Ms. N, a senior in her mid-80's who takes home \$3,500 a month from her job and benefits, took out a reverse mortgage in 2007 on the home that she shared with her daughter and grandchildren. Her daughter handled the property charge payments and helped with the household expenses until she passed away in 2009. With her daughter gone, Ms. N became responsible for the care of 3 grandchildren and 3 great-grandchildren, all of whom live with her. Due to the increased expenses and having lost the income contribution of her daughter, she fell behind on her taxes and insurance and was ultimately assisted by the New York State Mortgage Assistance Program (NYS-MAP), a highly-sought after and limited resource, to catch up on the property charges and avoid a foreclosure.

After Ms. N received this help, Champion, her reverse mortgage lender, prematurely paid her property taxes for the next year two weeks before they were due. Not receiving any notices from Champion, Ms. N never knew that she owed Champion any money until she was served with a new foreclosure complaint only two months after her former case was discontinued. The foreclosure complaint did not list a payoff amount or the reason for the foreclosure, but instead stated in boilerplate language that she may owe for insurance and/or taxes, with the full amount of her mortgage shown as the amount needed to save her home. Ms. N and her legal services attorney had to match her payment history with that of the municipality to come to the conclusion that Champion had paid her property taxes in advance. Champion had filed a foreclosure against Ms. N for a debt that she did not yet owe yet at the time, in the amount of about \$600. Champion ultimately requested to discontinue the foreclosure action after Ms. N. asserted her defenses and paid the amount owed, but charged her \$5,000 in attorney fees. Without the intervention of her attorney, Ms. N may have had to pay the attorney fees, court costs, and might have ultimately lost her home, all for \$600 that wasn't even due yet.

**Mr. S, Jacksonville, Florida Age 80**

Lynn Drysdale, Jacksonville Area Legal Aid, Inc.

Mr. S had reached a repayment agreement with J.B. Nutter. With the assistance of his son, he made all of the payments, sometimes doubling up on payments. Nutter sent him a letter telling him he was \$880.00 behind in his payments and he would have to pay the entire principal balance of the loan, over \$80,000, to avoid foreclosure. He was never offered the At-Risk Extension, and option for which he should have been eligible.

In doing brief research for this case, counsel found that Nutter had filed similar foreclosure lawsuits for small amounts and where the pre-foreclosure demand letter was confusing. An 87 year old New Jersey HECM borrower was sued because she purportedly owed \$6,696.49 in back taxes and insurance, yet Nutter sent a demand letter for \$238,990.62, without allowing a pre-foreclosure repayment plan. Nutter also filed a foreclosure lawsuit against a 75 year old widow for failing to pay approximately \$49.00 in taxes it advanced before the taxes were due. The pre-litigation demand was for the full accelerated loan balance of \$66,700.29.

**3. HUD's rules surrounding repayment plans are too restrictive.**

**L. B., Washington, DC; 68 years old**

Kerry Diggin, Legal Counsel for the Elderly

LB has a default property charge balance of roughly \$10,500. Reverse Mortgage Solutions accepted LB's budget for a repayment plan. RMS told LB's counsel that they could only give a repayment plan if the loan does not reach the Maximum Claim Amount during the repayment term. However, RMS did the calculation and determined LB would reach the MCA before 60 months. They calculated his surplus income was not high enough to repay the amount in a shorter time.

LB's income is \$1,560 per month. LB provided her counsel with \$2,500 in July 2016 which was placed in escrow. LB has continued to pay \$150 per month into a client escrow account since August 2016. With LB's budget and the money in her client escrow account, LB could afford to pay the \$10,500 back over 60 months while also paying LB's ongoing property taxes and maintaining homeowner's insurance. However, RMS will not approve a repayment plan that extends beyond the date LB reaches the MCA, due to HUD's policy.

**D. H., Washington, DC; 85 years old**

Erik Goodman, Legal Counsel for the Elderly

DH has a default property charge balance of roughly \$13,000. Champion will not offer a repayment plan, because DH's loan is past 98% of the Maximum Claim Amount. DH suffers from dementia and as a result has a court-appointed conservator. His income is \$2,000 per month. He could easily afford to pay \$13,000 back over 60 months while also paying his ongoing property taxes and maintaining homeowner's insurance. The major problem that caused his default – his dementia – has been resolved through the conservatorship. Yet Champion refuses to offer a repayment plan simply because of HUD's policies regarding not accepting loans for assignment when they are in an active repayment plan.

**B. J., Rocky Hill, CT, Age 81**

Loraine Martinez, Connecticut Fair Housing Center

Ms. J. was performing on a repayment plan when Champion quit accepting her payments in August 2015. Champion initiated foreclosure in February 2016. The tax debt is only about \$5,000. Champion's counsel told the mediator she can't be considered for a repayment plan because she is above 98% MCA and in foreclosure. Champion has since said it will consider her for a repayment plan but only if she makes a substantial down-payment. It remains to be seen whether this senior client will be able to save her home.

**C. J., Atlanta, GA, Age 88**

J. Rachel Scott, Atlanta Legal Aid Society

Mr. J came to Atlanta Legal Aid for help when he was facing foreclosure on his home due a property charge default. He had struggled to handle his finances after the death of his wife, and did not realize that his reverse mortgage servicer, Reverse Mortgage Solutions, had been required to advance the property taxes in certain years. We also learned that RMS had force-placed homeowner's insurance for certain periods of time where Mr. J had his own insurance coverage in place. Although he was entitled to a refund of those overlapping force-placed

premiums, Mr. J still needed to cure a default for certain premium payments and the property taxes RMS had paid. We contacted RMS and requested a repayment plan on his behalf. RMS responded that Mr. J could not obtain a repayment plan because his loan had reached the Maximum Claim Amount. With no other option to save his home, Mr. J was forced to file Chapter 13 bankruptcy. He has now been in a bankruptcy plan for more than a year, successfully paying nearly all of his surplus income towards curing the property charge default. Mr. J's example shows that homeowners can perform on a repayment plan that consumes more than 25% of their surplus monthly income. When necessary to save their home, and especially with effective housing counseling, seniors can make payments that consume all or nearly all of their surplus income. Making these payments and staying in his long-time home was much better for Mr. J than facing eviction. He would not have been able to obtain rental housing for the amount he has had to pay towards the default and ongoing taxes and insurance. Keeping him in his home has been central to preserving his mental and physical health.

**V. R., Washington, DC, Age 91**

Joanne Savage, Legal Counsel for the Elderly

VR must repay approximately \$6,702 in property charges. Her request to Champion for a repayment plan was denied for three independent reasons: 1) she is in foreclosure; 2) she owes more than \$5,000; and 3) her loan is over the Maximum Claim Amount. VR fell behind in large part because family members in her home were financially exploiting her. With assistance from Legal Counsel for the Elderly and other organizations, she has removed the abusive family members from her home. VR has income to support a repayment plan, and we have helped her obtain property tax exemptions which will make her taxes affordable going forward. Unfortunately, because Champion is refusing to allow her to enter into a repayment plan, she remains at serious risk of losing her home at age 91.

**4. Servicers fail to offer the At-Risk Extension after foreclosure is initiated.**

**C.V., North Haven, CT, Age 86**

Sarah White, Connecticut Fair Housing Center  
Financial Freedom

C.V. has physical and cognitive disabilities and is presently in a rehabilitation hospital. As a result of her disabilities, she was unaware she had defaulted on her mortgage or was in foreclosure until after the foreclosure date was already set. With the assistance of counsel, she applied for an At-Risk extension. Financial Freedom will not consider her At-Risk extension request because she is in foreclosure, even though she requested it do so as a reasonable accommodation of her disabilities. Financial Freedom states an eligibility requirement for the at-risk extension is that the loan has not been referred to foreclosure. C.V. has a disability discrimination complaint pending with HUD related to Financial Freedom denial of her reasonable accommodation request and its counsel's statements that her home should be foreclosed on because she would be "better off" in a nursing home. The pending foreclosure sale already delayed her release from the hospital to the rehabilitation hospital because the rehabilitation hospital was concerned she may not have a home with appropriate services to be released to. The pending foreclosure sale may also delay her release from the rehabilitation

hospital back to her home as the home care agency is unwilling to commit to provide needed in-home services until the foreclosure is resolved.

**G.B., Atlanta, GA, Age 83**

J. Rachel Scott, Atlanta Legal Aid Society

Financial Freedom paid Ms. B's nominal property tax and solid waste bills from the origination date of the HECM in 2008 until 2016, when Ms. B's loan was scheduled for foreclosure. Until she received the foreclosure notice, Ms. B understood that the mortgage company was supposed to pay the taxes and solid waste, and thought she was only responsible for the homeowner's insurance. Once she contacted our office and was advised about her obligation for these charges, she readily agreed to make arrangements to repay the bill. However, when she called Financial Freedom, they advised her that she could not be considered for a repayment plan because the loan was in foreclosure.

With intervention by our office, Financial Freedom ultimately agreed to request approval from HUD for a repayment plan to be entered. However, Ms. B also should have been eligible for the at-risk extension based on her age and serious medical conditions. However, Financial Freedom advised that as soon as the loan was referred for foreclosure, even before the "first legal action" to initiate foreclosure had been taken, they were prevented from submitting an at-risk extension request in HERMIT. HUD's policy preventing borrowers from requesting the at-risk extension once foreclosure has been initiated undermines the purpose of the at-risk extension, as it places seriously vulnerable seniors at risk of displacement, which could have a catastrophic impact on their health. In addition, there can be a significant period of time between the referral to foreclosure and the first legal action to initiate foreclosure, during which servicers should (under HUD's policy) be able to submit the at-risk extension request in HERMIT. Often at-risk seniors like Ms. B, due to their disability or illness, do not realize there is a problem with their mortgage until the family sees a notice from the foreclosure law firm. In order to provide reasonable accommodation for disabled seniors, HUD should allow at-risk extension requests to be made even after the first legal action, at any time up to the date of a foreclosure sale.

**Ms. N., New York, N.Y., Age 82: No Notice and No Options**

Jennifer N. Levy, JASA Legal Services for the Elderly in Queens

Ms. N., an 82-year old widow with hearing issues, cares for her grandson, who is disabled from a car accident. She subsists off of her pension and other benefits. Her late husband had taken out a reverse mortgage under both their names on their South Ozone Park home in 2011 to help pay for their grandson's medical bills, while he was in a coma for months, and a large water bill from a water leak. Ms. N. was never notified when her reverse mortgage line of credit, used to pay for her property taxes and insurance, ran out and Financial Freedom, her lender, started advancing the payments and increasing her default balance.

Financial Freedom offered a repayment plan to Ms. N. Then, around January of 2015, Financial Freedom rejected Ms. N.'s first payment, stating that repayment plans were no longer allowed. Financial Freedom initiated foreclosure and Ms. N sought help with JASA-Legal Services for the Elderly in Queens, who was able to obtain a denial of the summary foreclosure judgment



because the lender failed to give the required notice to Ms. N under the terms of the mortgage and note. Although JASA-LSEQ requested an “at-risk extension” that HUD allowed due to her age and medical condition, her loan’s investor, Fannie Mae, denied the request, claiming that HUD does not allow these extensions for cases already in foreclosure. Her attorney escalated the case with HUD directly. After several court appearances, Ms. N was finally approved for the “at-risk extension.” However, plaintiff still refuses to discontinue its foreclosure action.

**5. HUD should clarify that servicers may dismiss a foreclosure case when the At-Risk Extension is approved, and should clarify the process for recertification.**

**M. R., Washington, DC, Age 94**

Amy Mix, Legal Counsel for the Elderly

Ms. R raised her children and grandchildren in her home, and currently lives there with her granddaughter. Ms. R has number of physical health issues and has an aide (combination of Medicaid and private pay) for 18 hours per day. She also has dementia and doesn't respond to any mail or handle her finances herself (so she would not have responded to notices).

We have been working with Ms. R for a long time. We first asked J.B. Nutter to allow her to enter into a repayment plan, and they rejected the request because foreclosure had been initiated. We sought the waiver of the then existing “no repayment plan while in foreclosure” rule, but it was denied because the loan had reached the MCA. Most recently, we helped Ms. R apply for the At-Risk extension. We submitted a letter from a medical social worker, then another version from a doctor at J.B. Nutter’s request. After a couple of court hearings, the At-Risk extension was finally approved. It took several requests for me to get a copy of that approval because they kept sending it to Ms. R directly.

At the status hearing after the At-Risk extension approval, J.B. Nutter asked the court to keep the case open for annual check-ins. The judge denied this request.

**O. S., Washington DC, Age 86**

Joanne Savage, Legal Counsel for the Elderly

OS is attempting to re-certify the At-Risk Exemption that she was first granted in 2015. OS initially sent the 2016 exemption application with a brief note from her doctor and a contact number. Financial Freedom sent OS a letter with the key words “Need supporting documentation for at risk extension,” at which point OS with help of family contacted Legal Counsel for the Elderly. After calling FF with the client for guidance, we gathered and submitted detailed medical records from her doctor, identifying diagnoses of (among others) dementia, dizziness and giddiness, muscle weakness, degenerative joint disease in the knee, abnormalities of gait, and proneness to accidental falls.

FF subsequently sent the client another informational request letter, again stating only “Need supporting documentation for at risk extension.” Counsel contacted FF for more information and was told that FF could not accept medical records, but instead would need a doctor letter. Because in our experience at-risk exemptions had been granted on the basis of medical

records, whereas it can be difficult and in some cases impossible to obtain a doctor's letter for clients, I contacted FF again to seek a supervisor. The subsequent rep said that no supervisor was available, but suggested that a letter from the client or a family member could serve as supporting documentation. Relying on that guidance we submitted such a letter, further detailing OS's condition and the potential impact of foreclosure. FF then contacted counsel by phone to say yet again that additional supporting documentation was needed. The rep could provide no further information about what documentation might suffice, and finally agreed to escalate the matter to a supervisor, telling me I'd get a call back in the coming days. Two days later I have not received that callback. However, Ms. S just received a letter from FF asking for documentation of the hardship and how it impacted her ability to pay the taxes and insurance. FF seems to be imposing a requirement that the at-risk hardship directly relate to the default on taxes and insurance, which is not required by HUD's policy.

**F. J., Philadelphia PA, Age 86**  
Beth Shay, SeniorLAW Center

Urban Financial submitted At-Risk deferral request to HUD and it was approved. Servicer refused to dismiss foreclosure, however, instead seeking a court order which states that deferral was granted for one year and expires 6/28/17. Case continued on court calendar to 4/13/17.

## **B. Problems Related to False Reports of Non-Occupancy**

### **1. Servicers create arbitrary and unpredictable verification requirements and improperly initiate foreclosure based on alleged non-occupancy.**

**M. D., Philadelphia, PA, Age 82**  
Catherine Martin, Community Legal Services

M.D. was an 82 year old widow with health problems living in Philadelphia, PA. She had a reverse mortgage with Wells Fargo, but failed to maintain the property taxes as her health failed. Wells Fargo paid the delinquent taxes, but foreclosed based on alleged non-occupancy. Ms. D was still living in the property as her primary residence, although she was intermittently hospitalized for a few weeks at a time. I visited her at her home, and she definitely resided in the mortgaged property. Wells Fargo insisted that she sign a non-occupancy form, but the client would not sign because she lived in the property. We provided an affidavit to that effect in hopes that Wells Fargo would discontinue the foreclosure action so she could enter into a repayment plan. We couldn't get anywhere with repayment of the delinquency, because Wells Fargo wanted the non-occupancy form. There was a clear lack of communication among Wells Fargo employees, because some representatives were convinced the foreclosure was about delinquency, when clearly on its face it was erroneously about non-occupancy. This issue was not resolved, but the homeowner passed away during the foreclosure action. It was impossible for the client or me to make any headway in negotiating with Wells Fargo.

**E. M., Jacksonville, Florida Age 76**  
Lynn Drysdale, Jacksonville Area Legal Aid

Initially, client was facing foreclosure due to a property charge default and Nationstar's refusal to set up a post-judgment repayment plan. Client was able to get Hardest Hit Funds/Elmore funds to pay the back taxes and insurance. Now Nationstar is refusing to dismiss the foreclosure because they claim the home is not occupied, and they will not accept my letter explaining that the client is living in the home. This foreclosure cannot proceed under Florida law. Client has significant health problems.

**Ms. C. Elmsford, New York**

Ruth Taranto, Legal Services of the Hudson Valley

Ms. C. took out a reverse mortgage in Elmsford, NY in 2013. She was 83 years old and had already been diagnosed with dementia. In 2014, Live Well Financial, Inc., commenced a foreclosure action, alleging Ms. C. no longer occupied the property. It based its non-occupancy foreclosure on her failure to return a certificate of occupancy form, a document not required by the note or the mortgage.

Ms. C was served with the Summons and Complaint at her home, the property in foreclosure. Therefore, Live Well was aware that Ms. C, in fact, occupied the property. Nonetheless, despite the fact that Live Well Financial and its attorneys were aware that Ms. C was living in the property, they continued with the foreclosure action on the premise that she did not live there. Ms. C was unaware of the action and her prognosis and health continued to deteriorate.

Live Well obtained a judgment of foreclosure and sale and sold the property in 2016. It then commenced an eviction action to evict Ms. C. When this occurred, Ms. C's adult children requested assistance from LSHV. LSHV filed an Order to Show Cause and was successful in having the eviction and foreclosure actions consolidated and stayed until the issues could be resolved, with the goal of having the property returned to the client and the bank sanctioned.

**J. T. and C.B.S, Jacksonville, FL, Age 75**

Lynn Drysdale, Jacksonville Area Legal, Inc.

An elderly couple was sued in a foreclosure lawsuit for purportedly abandoning their home of almost 20 years. Despite the fact they were served with the lawsuit papers at their home, the lender obtained a foreclosure judgment and writ of execution. By the time they came to JALA their home was sold and they had been forcefully removed from their home. All of their belongings, including a family bible and other priceless, irreplaceable family heirlooms were thrown out on the lawn or taken. The 76 year old husband spent the night outdoors in the rain to save what little of their possessions he could, but they still lost most if not all of their possessions. The lender failed to secure the home, allowing appliances to be removed, and damage to the interior. They did not understand they were being sued because of hearing and vision loss and their inability to understand the process.

JALA was able to obtain a court order to get the couple back into the home. JALA ultimately resolved their foreclosure case and their counterclaims in a confidential settlement. You can see their story at: (<http://jacksonville.com/news/metro/2014-12-15/story/judge-lets-couple-back-home-while-foreclosure-case-continues>).

**R.T., Jacksonville, Florida, age 84**

Lynn Drysdale, Jacksonville Area Legal Aid, Inc.

An 84-year-old widower who has an extreme difficulty in hearing because of his age and related health issues and is wheelchair bound was also sued for foreclosure based on a wrongful allegation that he no longer lived in the home even though he is housebound in the property at issue. The servicer would not accept an affidavit from him and his daughter, caretaker as proof he lived in the property and took the case to trial. One the date and time for trial, after many judicial and lawyer resources had been expended, the servicer finally dismissed the case.

**J.H.Y, Orange Park, FL, Age 82**

Lynn Drysdale, Jacksonville Area Legal Aid, Inc.

An 82 year old widower was facing foreclosure for having defaulted on the mortgage based upon alleged non-occupancy. This allegation was false and the servicer was aware he lived in the property. The servicer had been communicating directly with Mr. Y. regarding his homeowner's insurance payments. Mr. Y and the servicer had sent correspondence back and forth and the servicer even negotiated a repayment plan pursuant to which he sent checks listing and from his home address. He was also served *at the home* he is alleged to have left. Counsel for Mr. Y. contacted the attorney for the Plaintiff's as soon as Mr. Y was served, informing Plaintiff's attorney he was served at this home. The litigation lasted a year longer even though the servicer had proof positive he lived in his home.

**N.S., Daytona Beach, FL, Age 75**

Lynn Drysdale, Jacksonville Area Legal Aid, Inc.

A 75 year old widow was also facing foreclosure for purportedly no longer occupying the property. She had also been in constant communication with the servicer about repayment for insurance and the fact she occupied the property. The servicer claimed she had to fill in and return an occupancy letter. She did this before the foreclosure was filed. Despite all of the personal contact and the return of the occupancy letter the servicer still filed a foreclosure lawsuit. It served Ms. S. at her home and continued to litigate her occupancy.