

# **NCLC Sues Nationstar Mortgage for conducting unnecessary reverse mortgage inspections, May 4, 2016**

FOR IMMEDIATE RELEASE: May 4, 2016 || Contacts: LCE: JoAnn Mangione, Communications Manager, LCE (jmangione@aarp.org, 202.434.2074) or NCLC: Jan Kruse, (jkruse@nclc.org, 617.542.8010)

## **CLASS ACTION SUIT CHARGES REVERSE MORTGAGE LENDER CONDUCTED UNNECESSARY AND UNREASONABLE PROPERTY INSPECTIONS**

*95-Year-Old Plaintiff Brings Complaint on Behalf of Herself and Other Seniors*

(Washington, D.C.) Legal Counsel for the Elderly (LCE), an affiliate of AARP; National Consumer Law Center (NCLC®) and Tycko & Zavareei LLP (T&Z), filed a class action lawsuit Tuesday in the United States District Court for the District of Columbia, charging that Nationstar Mortgage LLP d/b/a Champion Mortgage and Compu-Link Corporation d/b/a Celink, conspired to order and charge unnecessary and unreasonable property inspections and fees.

Plaintiff Retha Floyd, a 95-year-old homeowner in the District of Columbia, who has a Home Equity Conversion (HECM), or reverse mortgage, loan with Nationstar Mortgage LLC, d/b/a Champion Mortgage Company (Champion). When Ms. Floyd fell behind on her real property taxes and insurance payments, totaling less than \$2,000, Champion sued to foreclose on her home of 50 years. LCE was able to negotiate a repayment plan, and the lawsuit was dismissed.

However, Ms. Floyd endured unreasonable 'drive by' property inspections of two to three times per month by the Defendants, exceeding the U.S. Department of Housing and Urban Development guidelines of once every 30 days. Each inspection, which is purportedly designed to protect the lender's interest in the property, comes with a \$15 to \$20 fee. Based on co-counsel's investigation, Champion sometimes orders and assesses fees for property inspections more than once in a day, or several times in one week, for no legitimate reason.

"The fees our senior clients are being charged are in violation of the D.C. Consumer Protection Procedures Act, and decrease a homeowner's equity by illegally increasing the balance due on their mortgage," says Supervising Attorney Amy Mix, of LCE's Consumer Unit.

There's reason to believe these actions are happening nationwide. "Champion and Celink use an automated system that orders unreasonable and unnecessary property inspections on thousands of homes that have reverse mortgages. In doing so, the companies line their own pockets at the expense of defenseless elders," said National Consumer Law Center attorney Charles Delbaum.

This case seeks monetary damages, restitution, and declaratory and injunctive relief from Defendants on behalf of Ms. Floyd and the thousands of other similarly situated borrowers who have been victimized by Defendants' scheme.

The case is *Retha Floyd v Nationstar Mortgage LLC* and the complaint is available at: <http://bit.ly/1Tm4usT>

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Since 1975, **Legal Counsel for the Elderly** (LCE) has championed the dignity and rights of Washington, D.C.'s elderly by providing free legal and social services to those in need - empowering, defending and protecting vulnerable seniors. LCE is an affiliate of AARP. [www.aarp.org/LCE](http://www.aarp.org/LCE)

Since 1969, the nonprofit **National Consumer Law Center®** (NCLC®) has worked for consumer justice and economic security for low-income and other disadvantaged people, including older adults, in the U.S. through its expertise in policy analysis and advocacy, publications, litigation, expert witness services, and training. [www.nclc.org](http://www.nclc.org)

**Tycko & Zavareei LLP** is a bicoastal law firm with offices in Washington, D.C. and Oakland, CA, and has a long, successful record of litigating complex cases. The firm routinely handles large and complex matters throughout the country, advocating on behalf of individuals fighting for their civil rights, consumers seeking redress for unfair business practices, whistleblowers exposing fraud and corruption, and non-profit entities and businesses facing difficult litigation. [www.tzlegal.com](http://www.tzlegal.com)