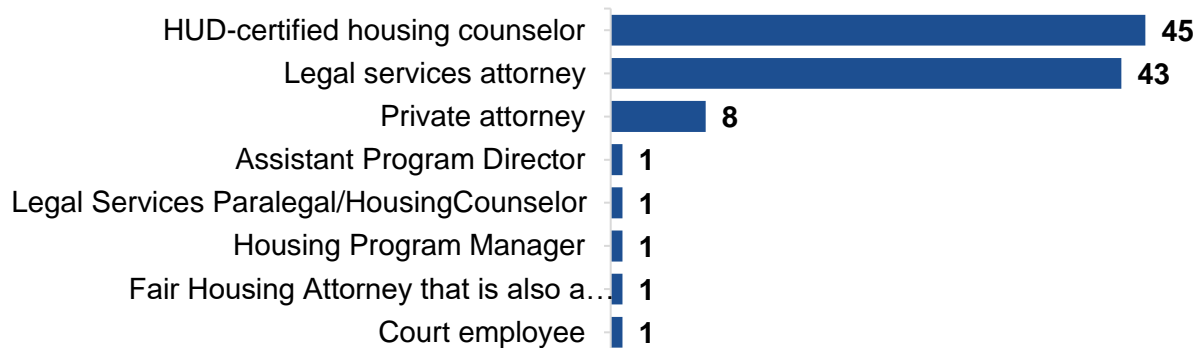


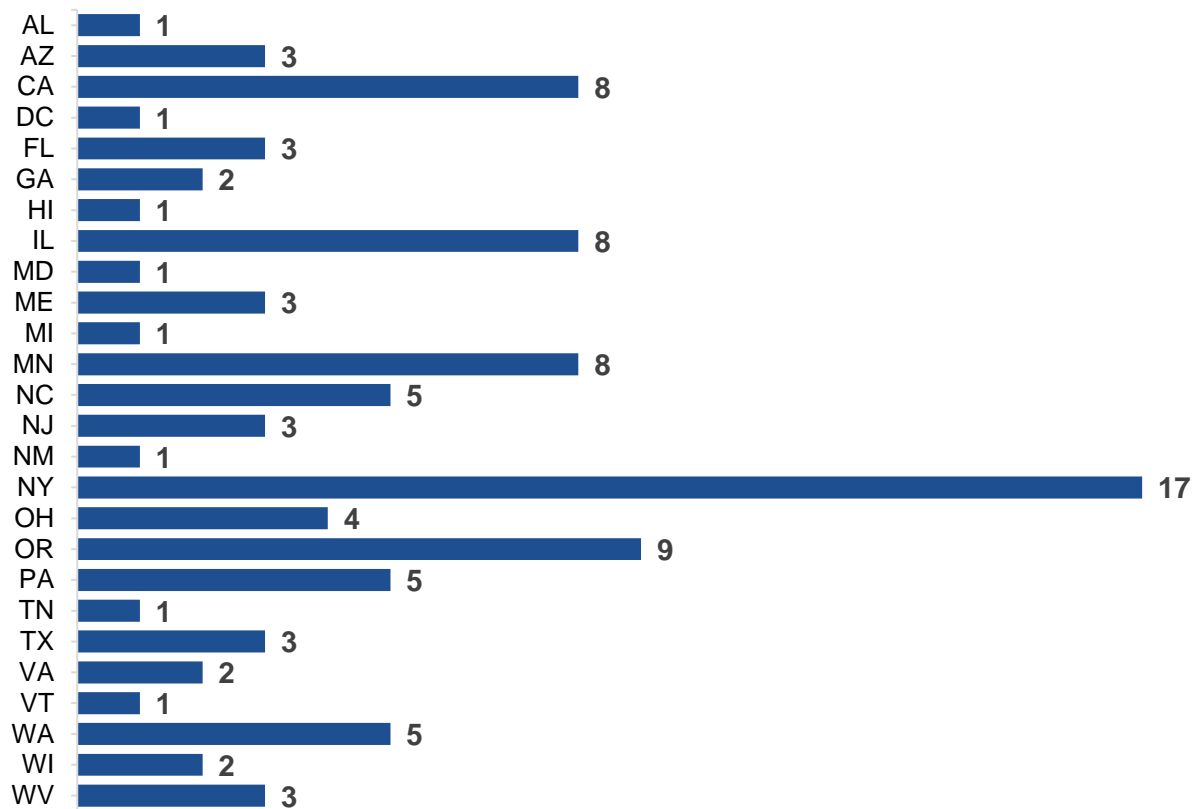


## Appendix A: NCLC Survey Results

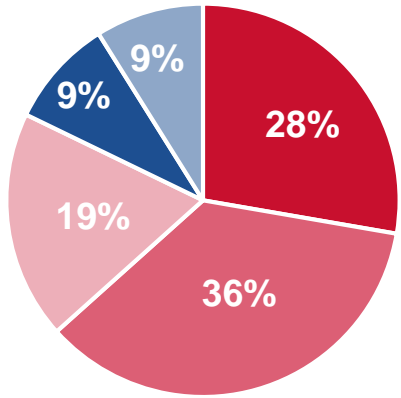
### 1. Which of these best describes your role:



### 2. What is the primary state where you work?

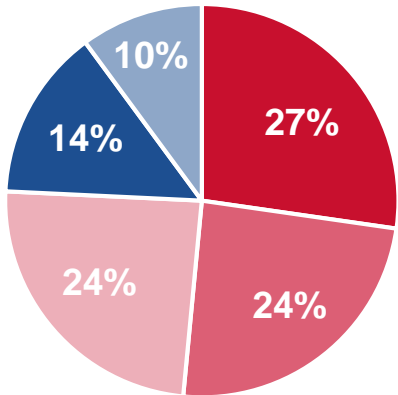


**3. Have you been in contact with a successor in interest who is struggling to get the servicer to agree they are a “confirmed” successor despite the fact that they have sent all the documentation that is reasonably necessary to show their identity and ownership interest? (101 Responses)**



- I have experienced this at least once (28)
- I have experienced this several times (36)
- I have experienced this many times (19)
- I have not experienced this problem in my successor in interest cases (9)
- I don't know / not applicable to my practice (9)

**4. Have you been in contact with a successor in interest whose servicer is requiring them to submit the same document or documents multiple times? (99 Responses)**



- I have experienced this at least once (27)
- I have experienced this several times (24)
- I have experienced this many times (24)
- I have not experienced this problem in my successor in interest cases (14)
- I don't know / not applicable to my practice (10)

**5. Have you been in contact with a successor in interest whose servicer is requiring them to submit documents that do not exist or are not reasonably required under the applicable law and facts? (This could include, for example, a servicer demanding a probate court order where probate was not required under the applicable law and facts.) (100 Responses)**



**6. Have you been in contact with a successor in interest who was confirmed as a successor in interest by a servicer, but later the same servicer began to act as if they were not a confirmed successor in interest? (99 Responses)**



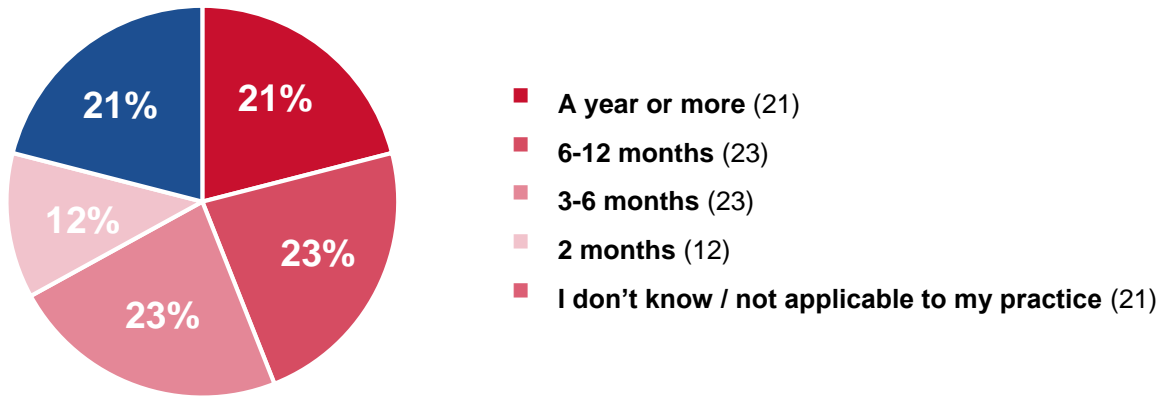
**7. Have you been in contact with a successor in interest who was initially confirmed as a successor in interest by a servicer but, after a servicing transfer, was required to start over and submit documentation to show successor status? (100 Responses)**



**8. Have you been contacted by a successor in interest who was at risk of foreclosure while the servicer delayed unreasonably in confirming them as a successor in interest? (99 Responses)**



**9. What is the longest unnecessary delay you have seen by a mortgage servicer in confirming a successor in interest? (100 Responses)**



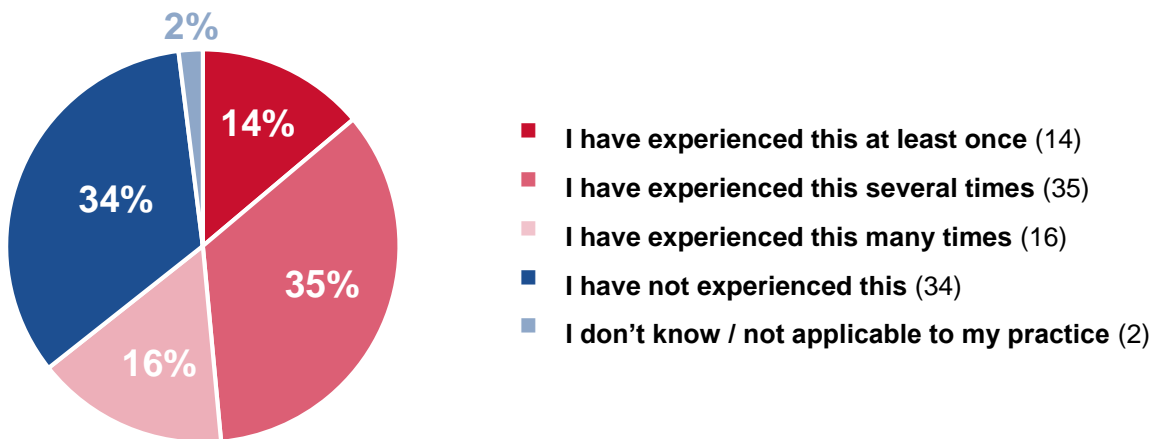
**10. Have you been in contact with a co-owner of the property who signed the security instrument (mortgage or deed of trust) but was not a borrower on the promissory note, and is struggling to get information about the mortgage or apply for loss mitigation? (100 Responses)**



**11. If you have been in contact with a co-owner of the property who signed the security instrument (mortgage or deed of trust) but was not a borrower on the promissory note, and is struggling to get information about the mortgage or apply for loss mitigation, have these cases involved situations where the co-owner is a survivor of intimate partner violence or emotional, financial, or physical abuse? (95 Responses)**



**12. Have you been in contact with a homeowner who is at risk of foreclosure by a second mortgage that is more than ten years delinquent and for which the homeowner says he or she was not receiving periodic mortgage statements in recent years, so-called "zombie second" mortgages? (101 Responses)**



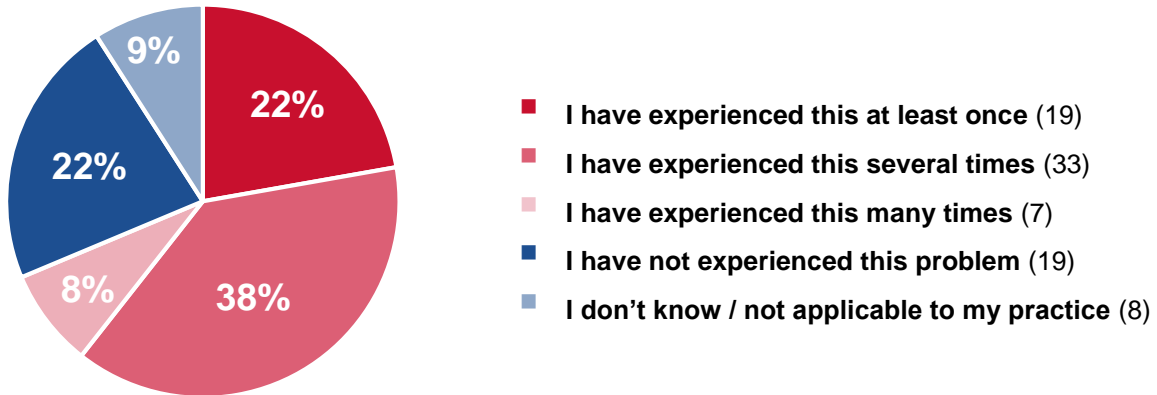
**13. If you have been in contact with a homeowner who is at risk of foreclosure by a second mortgage that is more than ten years delinquent and for which the homeowner says he or she was not receiving periodic mortgage statements in recent years, so-called "zombie second" mortgages, have you seen instances where the servicer appears to be attempting to collect mortgage interest that accrued over a period of time when the homeowner reports they were not receiving periodic mortgage statements? (85 Responses)**



**14. If you have been in contact with a homeowner who is at risk of foreclosure by a second mortgage that is more than ten years delinquent and for which the homeowner says he or she was not receiving periodic mortgage statements in recent years, so-called "zombie second" mortgages, have you seen instances of zombie second mortgages where the zombie mortgage was a home equity line of credit (HELOC)? (86 Responses)**



**15. If you have you been in contact with a homeowner who is at risk of foreclosure by a second mortgage that is more than ten years delinquent and for which the homeowner says he or she was not receiving periodic mortgage statements in recent years, so-called "zombie second" mortgages, have you seen instances where the first communication from the servicer after a period of the homeowner not receiving statements for many years was a notice of intent to foreclose or other communication related to initiating foreclosure?**  
 (86 Responses)



**16. Have you been in contact with a homeowner with limited English proficiency who struggled to obtain loss mitigation options due to the fact that all loss mitigation notices were sent in English?**  
 (101 Responses)

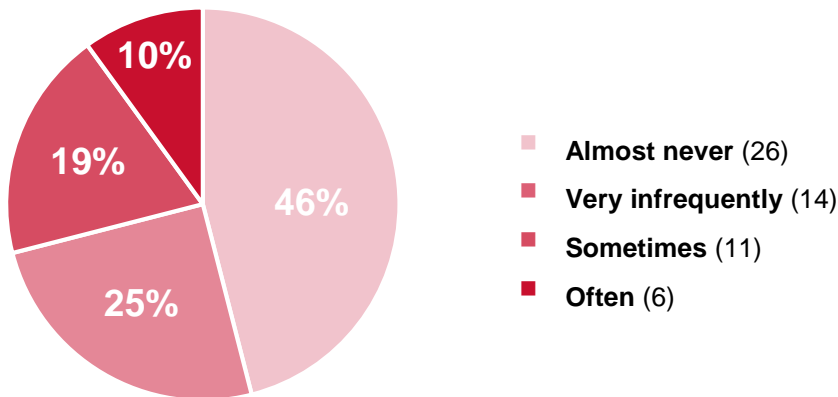




**17. Have you been in contact with a homeowner with limited English proficiency who was delayed in the process of seeking loss mitigation assistance due to the fact that all loss mitigation notices were sent in English? (99 Responses)**



**18. If you frequently represent homeowners with limited English proficiency, how often would you estimate that servicers send loss mitigation notices in non-English languages? (57 Responses)**



**19. Is there anything else we should know about successor in interest issues?**  
(21 Responses)

- Successors report that the lender reps they work with to confirm they are successors are not communicating with the lawyers/team responsible for the lender foreclosing on a property. So a foreclosure is ongoing while the successor has been attempting to pay, but now late fees have accrued so much that the successor cannot pay anymore...
- Most servicers seem to make successors in interest start over after a servicing transfer.
- Servicers need to be more proactive about providing applications for SII status to potential candidates.
- This is a real problem, regardless of Garn St. Germain and also where a spouse/significant other is on the mortgage but not the note. Also, when there is a borrower death and another person is already on title, servicer continues to ask for will and administration letters. If the person is already on title, there is no issue. Further, my specific case of 4 yrs fighting, servicer did not follow the FHA guidelines with respect to successor in interest. Took years to even get someone at HUD to help out. After 4 yrs of fighting, my client was given the loan modification. No legal assistance was available to press the subject matter. Another case in active FC, legal assistance dropped out. After 3 yrs, finally was able to get remaining spouse (who was on mortgage not note) approved for the modification.
- These are crushing to the homeowner. Several people believed they had closed the loan in a previous bankruptcy but they were wrong or the bk attorney didn't do everything they should have.
- We are commonly approached by heirs who are not SII's and this is a very difficult situation
- It would be helpful to see options (forbearance or other delay) for non-borrower owners that have initiated divorce proceedings but do not yet have a final decree. In some cases, we can convince the servicer to delay, but having a policy or FAQ to site would be nice.
- Servicers are not very cooperative. In one particular case, they finally granted SII but not assumption.
- The continued change in the answers provided by the servicers.
- If a loan is not past due most mortgage companies do not care who makes the payment, there should be parameters in place when someone passes away suddenly and there is not transfer upon death documents, will etc. To make is easier for the family and/or living survivor to be able to take over payments or even be able to sell the property if need be.
- We are seeing these pop up in scenarios where Spouse A and Spouse B get divorced. Spouse A is the only borrower, and Spouse B and/or Spouse B's new partner must be named Successor in Interest. We have seen this so much in the past 24 months that we have incorporated this scenario into our Pre-Purchase AND Foreclosure Prevention counseling.
- Even with proper disclosures, the mortgage lender would not discuss the account with the housing counselor. Housing Counselor experienced frequent disconnections, actual hang ups during a conversation, and phone dead air.

- Q7 (continuity during servicing transfer, including but not limited to SII) and Q10 (where a mortgagor is NOT a 'borrower') are omnipresent.
- There is often a disconnect between lender's counsel and the servicer. Documents might be sent to lender's counsel numerous times and it is unclear whether they are reaching the servicer. Having said that, the problem is not limited to this issue. Even when a housing counselor sends documents directly to a servicer, we continue to have these problems.
- Many times, they make many excuses to deal working with a Housing Counselor.
- The servicer was less of a problem than their attorneys at the Randall Miller firm in Chicago
- Most people we see do not know what they have to do in order to get the documentation for the successor in interest and they cannot afford an attorney to help them
- Client is currently in lawsuit with Christianson Law Firm with US Bank. Filed CFPB complaint. US Bank did not respond to complaint because client was not on the note. Her name was on mortgage. Successor in Interest CFPB complaint was not recognized by US Bank or CFPB. CFPB Complaint process needs to be changed.
- It is always a problem and has been for many years and typically needs an attorney to resolve. Servicers often request documents not required under North Carolina law and give bad advice to homeowners to "open an estate" especially in an intestacy situation.
- Successor are required to fax the documents to the Servicers and they frequently have to fax multiple times because the documents were lost.
- In my experience, servicing staff do not have sufficient understanding of the rules related to successor in interest and provide advice/information to clients that contradicts what other staff tell them. Clients find themselves on a merry-go-round of varying information about what they have to provide and where things stand in their process of becoming successor.

## **20. Is there anything else we should know about zombie second mortgage issues? (17 Responses)**

- I have had a case where the debt on a second mortgage was sold off to a debt buyer after the property at issue was foreclosed on, and the debt buyer attempted to collect despite the debt being long past the applicable statute of limitations.
- Client had their First American Bank HELOC included in their 2014 CH 7 bankruptcy. The lender did not pursue this loan until 2021, at which time the homeowner began making \$400/m payments. In early 2023, the borrower approached our agency inquiring about the HAF program. Initially, HAF denied the client's application as she was not in imminent danger of losing the home. When relaying this to the lender, the counselor was told by their representative ORE Manager, that he discovered our client's loan while completing an assessment of older charged-off HELOC loans that were now valuable post real estate market boom. Representative informed the counselor that if HAF didn't pay off the HELOC, they would simply seize the home in foreclosure. Counselors parlayed with HAF, who has paid off this HELOC and prevented the foreclosure.

- I have seen subsequent non-bank assignees give loan modifications with interest rates prohibited by state law. It seems to me that preemption should not protect such assignees.
- That successors feel harassed and manipulated by these issues.
- I have been seeing numerous cases attempting to collect the debt calming the balance was never accelerated and thus each individual payment that is not past the SOL is collectable and now accelerated and due
- There should be a time limit for them to require payment, if the zombie 2nd mortgage company did not send regular statement there should be statute of limitations for them to be able to collect payments.
- The zombie second mortgage cases I've had have seemed very predatory and both clients spoke English that was very hard to understand.
- This happened after COVID-19, when the borrower did not ever receive a mortgage statement on a 2nd loan from the servicer for many years. Then they sent the borrower a Notice of Default
- The worst case was bankruptcy related (mortgage was not reaffirmed and homeowner stopped paying for 13 years)
- Huge issue especially for those who have filed bankruptcy at some point in time, they assume the loan went away in the bankruptcy since they do not get statements
- Often these loans "disappeared" after a Ch 7 and then suddenly re-appear with a notice from an attorney
- I'm aware that Dakota County CDA, MN has had several cases.
- They appear to be forgotten about until they will drop off the bureau, then remembered by the Servicer/Collector
- The CFPB needs to come out a LOT harder on these issues.
- I have a client with a zombie loan on their first mortgage, and they put a sale date on their property without following proper Oregon foreclosure laws.
- In most cases these are collectors, clients don't trust these agencies.
- Government Assistance program should be established to provide relief for homeowners facing foreclosure or mortgage challenges specially with second mortgage. Lump sum payment is something that the homeowner cannot afford at this time.

**21. Is there anything else we should know about making loss mitigation accessible to homeowners with limited English proficiency? (16 Responses)**

- Would be great if loan file included a note on a borrower's preferred language, and each call to a LEP borrower then begins with a pre-recorded invitation to find an interpreter and call servicer back in that borrower's language. (Ideally, servicer should provide interpretation services!)

- Documents related to loss mitigation are unclear both to those with limited English proficiency and those who have any developmental or verbal disabilities which affect their reading comprehension.
- Provide information in multiple language spoken by the homeowner. Translate key documents, website content and outreach materials to ensure clarity and understanding. Offer interpreter services who prefer to communicate in their native language. Establish hotlines with multilingual support to assist homeowners with questions about loss mitigation options. Communicate complex information in plain language to enhance understanding.
- Servicers really need to step up here!
- I have found that if requested, the response to change the documents has been addressed.
- Our agencies are required to have interpreter available if needed, the same should be for mortgage servicers.
- Our LEP clients choose their language when first prompted on a lender's phone tree, but often are not forwarded to loss mitigation representatives who speak that same language.
- Our organization is located in Montebello, in Los Angeles County. Our clients are Spanish-speaking, and they do not have access to computers or emails. They have never registered with the Servicer and often become delinquent on their payments. They do not understand the letters sent by the Servicer, which are in English. As a result, they often come to our offices seeking in-person assistance to avoid foreclosure.
- They should have more bilingual people to work in those places, or at least to work with the housing counselor faster, so the clients don't lose their homes.
- Servicers should use language services like the counseling services do
- Very difficult to help LEP clients understand what their options are. Have to repeat a number of times and explain it in many different ways.
- Depending on the language, some English Financial terms don't translate very well
- Yes, you should have Servicers documents sent in whatever first language, and the calls should be made by people who speak in clients first language.
- In not very many organizations offer loss mitigation therefore for those LEP may have a more difficult time navigating this process in Washington State.
- Need to have translation services paid for by the mortgage companies.
- Most clients have a language barrier, these is the reason they come to a HUD counselor