



# Homeowners at Risk: Nationwide Survey Reveals Critical Gaps the CFPB Must Address to Prevent Foreclosures

February 2024

## Overview

The Consumer Financial Protection Bureau (CFPB) is currently working on a proposed regulation to update its mortgage servicing rule to permanently allow for streamlined loss mitigation reviews.<sup>1</sup> The National Consumer Law Center (NCLC)<sup>2</sup> conducted a nationwide survey in January 2024 to shed light on certain ongoing challenges that create an elevated risk of foreclosure.

The survey findings show that the Bureau, while updating the mortgage servicing rule, should address gaps in the current regulation that leave particularly vulnerable homeowners at risk:

- heirs who inherit a home subject to a mortgage;
- homeowners with long-dormant “zombie” second mortgages; and
- borrowers with limited English proficiency (LEP).

The Real Estate Settlement Procedures Act (RESPA) and its implementing Regulation X require mortgage servicers to follow certain procedures to communicate with struggling homeowners about loss mitigation options, review and evaluate applications, investigate errors, and provide information about the servicing of the mortgage loan. While the original rule required every application to be handled through a fully documented process, the Bureau is now considering whether and how to permit servicers to review homeowners for loan modifications and other relief based on a “streamlined” application, which might proceed solely by phone and without documentation of income.

Adapting Regulation X to permit streamlined reviews with appropriate protections is extremely important. However, to engage in that process without addressing exclusions and barriers that prevent access to the new protections would be like operating to repair an injury to the heart while leaving a visible tumor on the lungs. While Regulation X is open on the table, now is the time to help ensure that the changes are available to the range of borrowers who need them and that the regulation fulfills the purposes for which it was designed: avoiding unnecessary foreclosures.<sup>3</sup> We call on the CFPB to take the following steps:

1. Close the loophole in the successor in interest rule to protect heirs from avoidable foreclosures;
2. Protect homeowners with “zombie” second mortgages, including Home Equity Lines of Credit; and
3. Require simple and broad language access, in the form of translated vital servicing documents and oral interpretation, to borrowers with limited English proficiency across the mortgage market.

## Nationwide Survey of Homeowner Advocates

NCLC conducted a nationwide survey of homeowner advocates from January 22 to January 29, 2024. More than 100 people working in 26 states responded to the survey.<sup>4</sup> The respondents were HUD-certified housing counselors (46), legal services attorneys (43), private consumer attorneys (8), other nonprofit employees (3), and one court employee.

The survey's results show significant ongoing problems with successor-in-interest reviews, zombie second mortgages, and communication with LEP consumers about loss mitigation. While the CFPB's mortgage servicing regulations have led to major strides in procedural transparency and fairness in loss mitigation, these particular challenges remain.

## Successors in Interest

### *The Problem*

People who inherit a home or are awarded it in a divorce, but are not the original borrower on the mortgage (so-called "successors in interest"), are still struggling to keep their homes, even where they qualify for assistance. NCLC continues to hear from homeowner advocates around the country that they are being contacted by a significant number of successors in interest, many of them older adults, who are struggling to obtain loss mitigation and information about the mortgage secured by their home, despite the existing RESPA rule. Servicers fail to timely evaluate documents submitted, request the same document over and over again, and ask for documents that do not exist or are not reasonably necessary.<sup>5</sup>

The CFPB updated its mortgage servicing rules in 2016, effective April 2018, giving these successors the protections of the RESPA and Truth In Lending Act (TILA) mortgage servicing rules, but only once they are "confirmed" by the mortgage servicer as a successor in interest. The Bureau took that action based on reports of widespread confusion about these homeowners' rights and options, but left the determination of whether a homeowner qualifies as a successor at the discretion of the servicer.<sup>6</sup> More than five years after the successor rule took effect, attorneys and counselors representing homeowners continue to cite successor problems as among the most difficult problems they face as they work to save homes from foreclosure. Successors in interest face ongoing problems while attempting to save the family home.

### *Older Adults, Women, and Communities of Color are Disproportionately Impacted*

This is a major issue impacting older adults, as most people inheriting the home of a spouse or parent are in their 60s or older. Older adults may also face technological barriers that make it difficult for them to communicate with servicers, particularly in the immediate aftermath of a family member's death. The harm also falls disproportionately on women, as they are more likely to survive a male spouse and to have been a non-borrower on the home loan due to the wage gap. Moreover, like so many economic justice issues, the burden of these mortgage servicing problems is also hitting the hardest in communities of color due to lower accumulated wealth and a slower full economic recovery after the COVID-19 pandemic.<sup>7</sup> For these communities, successor issues threaten their ability to build and transfer generational wealth.

*Survey Results*

The NCLC survey demonstrated that successors face widespread challenges being confirmed as a successor in interest, increasing their risk of foreclosure. The primary survey findings related to successors in interest are described below.

**1. Servicers are requesting unreasonable proof of successor status and causing unreasonable delays in confirming successors in interest.**

The problems faced by successors reflect noncompliance with the existing successor in interest rule and highlight a need for greater clarity in the rule. Servicers are imposing unnecessary delays and roadblocks in the process of confirming a successor in interest, and successors have no enforceable remedy until the servicer “confirms” them.

**Struggling to Get Confirmed**

More than 80% of respondents reported that they had worked with clients who, despite sending the documentation reasonably necessary to show their identity and ownership interest, still struggled to get a servicer to confirm their status. Over half of respondents said they had experienced this “several” or “many” times:

*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?*  
(Survey Question 3, 101 Responses)



## Repetitive Requests

Three in four respondents had worked with successors in interest whose servicers required them to submit the same document(s) multiple times.

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



## Unreasonable Requests

Nearly 40 percent of respondents said they had been in contact with a successor in interest whose servicer required them to submit documents that either do not exist or are not reasonably required under the applicable law and facts, with over a quarter of surveyed respondents expressing that they had experienced this “several” or “many” times.

*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.) (Question 5, 100 Responses)*



## Back to Square One

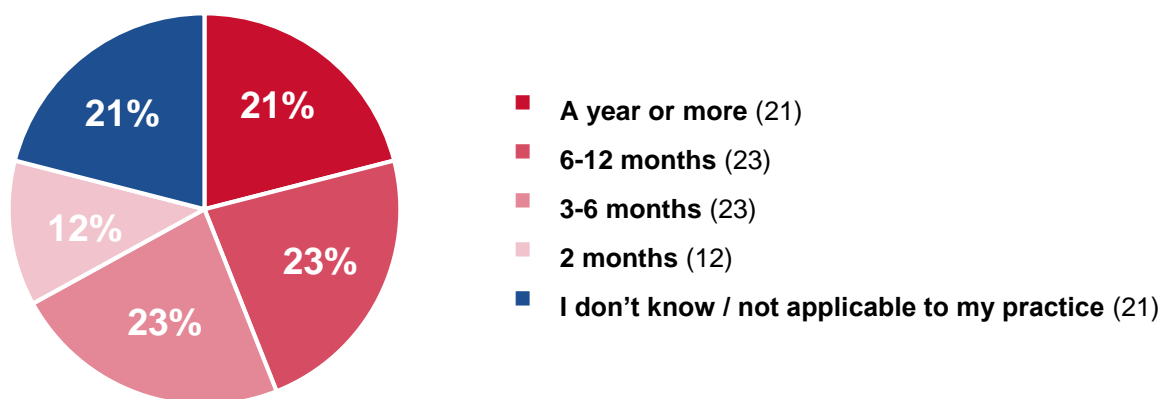
Nearly half of respondents had been in contact with a successor in interest who was confirmed as a successor in interest by a servicer, but was later treated as if they were not a confirmed successor by the same servicer. Roughly one in five respondents had experienced this “several” or “many” times.

Half of respondents surveyed had been in contact with a successor in interest who was initially confirmed as such by a servicer but who, *after a servicing transfer*, were treated as if the initial confirmation had not occurred (i.e., were required to submit documentation to be confirmed by the new servicer).<sup>8</sup>

## Long Delays

Nearly three in four respondents reported an unnecessary delay of three months or longer from a mortgage servicer in confirming a successor in interest, with over one in five respondents experiencing a delay of a year or more:

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



## Recommendations

- **The Bureau should modify the definition of a “confirmed successor” to be any person who *has provided* reasonable proof of successor status.**
- In the alternative, the Bureau could create a private right of action when a servicer fails to provide to the potential successor in interest a description of the documents reasonably required to confirm successor status or fails to confirm a successor within certain reasonable timeframes.
- In addition, supervision and enforcement of any rule is vitally important.

## 2. Successors need dual tracking protections while being confirmed and applying for loss mitigation.

Another problem reflected in the survey results is that successors are facing the risk of foreclosure while attempting to get confirmed as a successor in interest, all with the goal of applying for loss mitigation. If a mortgage is already more than 120 days past due when the original borrower passes away, a successor in interest needs dual tracking protections while they communicate with a servicer and provide the appropriate reasonable documents to prove successor status. In our survey, more than 75 percent of respondents had been contacted by clients at risk of foreclosure while their servicer delayed unreasonably in confirming them as a successor in interest, with nearly 40 percent of respondents having experienced this “several” or “many” times.

*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? (Question 8, 99 Responses)*



One Georgia advocate recently highlighted this problem. Her client, Mrs. B, was a 73-year-old African American widow who had lived in her home for over 29 years. Mrs. B’s husband had always handled the mortgage payments and did not discuss the mortgage with his wife. Mrs. B did not realize that the mortgage payments had fallen behind during the illness that eventually led to her husband’s death.

After her husband died and she learned that the mortgage was in default, Mrs. B promptly began communicating with the mortgage servicer to try to find a way to save her home. Servicer representatives repeatedly told Mrs. B that they could not communicate with her because she was not on the loan. They did not tell her what she needed to do to be recognized as a successor in interest.

In late March 2023, a supervisor at the servicer finally told Mrs. B that she could submit a loan modification application, which she did on March 31, 2023. On April 4, 2023, the mortgage servicer conducted a nonjudicial foreclosure of Mrs. B’s home. On April 5, 2023, she called the mortgage servicer (believing the foreclosure had not gone through), and the representative she spoke with told her she needed to file for probate of her husband’s estate. Despite her many prior phone calls, this was the first time the servicer had mentioned probate.<sup>9</sup>

## Recommendations

- **The CFPB should provide dual tracking protections to successors in interest once they have notified a servicer that they are a potential successor in interest.**
- These protections should last until the servicer requests and the successor provides reasonable documentation of successor status. Successors need a reasonable amount of time to prove their status and apply for a loan modification before they face loss of the family home.

### 3. Co-owners who signed the security instrument, while not included in the definition of successor in interest, also need protections.

The survey results also reflect instances from around the country of homeowners who were jointly on the title to the home but are having difficulty getting information about the mortgage because they signed only the security instrument, not the note. These co-owners are not covered by the definition of “successor in interest” if there has not been a transfer of title to a spouse or through a divorce or if they were never married to the borrower.

#### Co-owners Struggling

More than three quarters of respondents surveyed had experienced a situation in which 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 struggled to get information about the mortgage or apply for loss mitigation.

*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? (Question 10, 100 Responses)*<sup>10</sup>



Of particular concern, many of these cases involve domestic violence, and the co-owner is an individual who has remained in the home and has not yet been able to obtain a divorce or a quitclaim deed from an abusive ex-partner or spouse who has left the home. Often the servicer will tell the survivor that they cannot get information about the mortgage loan or apply for a loan modification unless the ex-partner participates in the process or signs a quitclaim deed, but communicating with the ex-partner or spouse puts these homeowner-occupants at significant risk.

### Survivors at Risk

Nearly two in five respondents had worked on cases where a co-owner of the property was a survivor of intimate partner violence or emotional, financial, or physical abuse, with nearly 20 percent of respondents experiencing these cases “several” or “many” times:

*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? (Question 11, 95 Responses)*



### Recommendations

The Bureau should include a definition of “borrower” in Regulation X that would include a signatory to the security instrument even if they did not sign the promissory note. This would make sense for the same reasons it made sense to include successors in interest in the definition of borrower: a person is entitled to information and loss mitigation for the mortgage secured by their home.



## Zombie HELOCs

### The Problem

Borrowers with home equity lines of credit (HELOCs) have the same problems—and therefore need the same protections—as closed-end mortgage borrowers. This is particularly true once the home equity line has been fully drawn and the borrower is in the repayment period.

Many long-time homeowners are currently threatened with foreclosure of home equity lines that were originated during the subprime lending boom and were never truly open-end credit. These loans went dormant for many years - with no periodic statements or communication from the servicer to the borrower - only to reemerge and threaten foreclosure. So-called “zombie second mortgages” include a substantial number of HELOCs.<sup>11</sup>

Appendix B includes examples illustrating the broad scope of the problem with zombie HELOCs. One such example is a couple in East Hartford, Connecticut, who took out a HELOC in the early 2000s. They fell behind on their payments in 2010, and shortly after that they stopped receiving statements. Their servicer did not send them any statements for more than 10 years. In 2022, they suddenly began to receive statements again, but from a new servicer, Planet Lending, which they had never heard of before. As a result, they thought the communications were a scam. The couple was then served with a foreclosure notice claiming they owed over \$135,000 at an interest rate of 14.9%, despite only drawing about \$40,000 on the line of credit. The couple has limited income, had to ask their children for support, and are working with a legal services attorney to defend the foreclosure.

As this story and others in the appendix show, the problems faced by homeowners and risks of home loss are the same for open end (HELOC) loans as for closed-end loans. However, the most robust home preservation protections under Regulation X, Subpart C that allow homeowners to seek detailed information about the loan, allege errors with the servicing of the loan, receive notifications of servicing transfers, receive early intervention when they fall behind, and be protected from foreclosure while being evaluated for loss mitigation options are not available to HELOC homeowners.

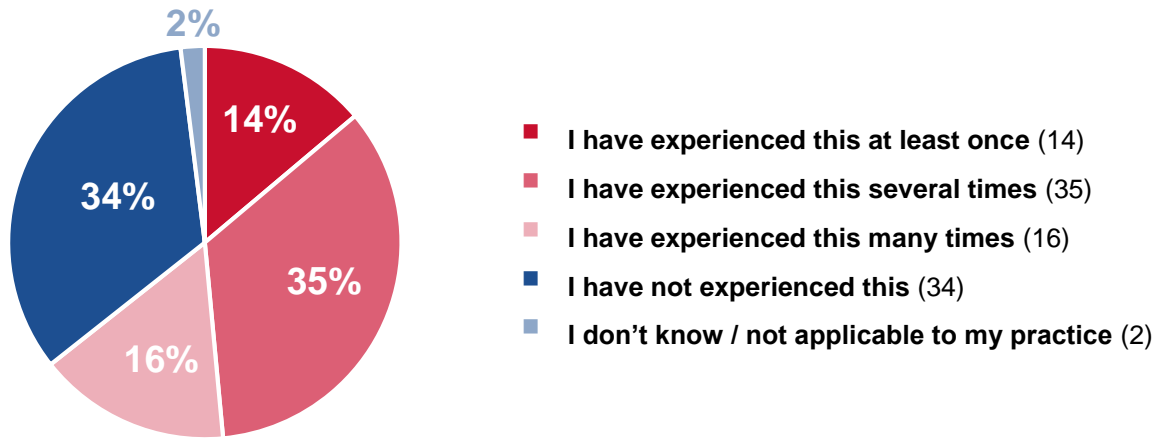
### Survey Results

The NCLC survey demonstrated that servicer collections and foreclosure actions on zombie second mortgages are a major problem, and a significant percentage of zombie second mortgages are HELOCs.

#### Prevalence

Nearly two thirds of survey respondents had been in contact with a homeowner at risk of foreclosure by a second mortgage that was more than 10 years delinquent and for which the homeowner said they were not receiving periodic mortgage statements in recent years, with over one third of respondents having experienced this several times.

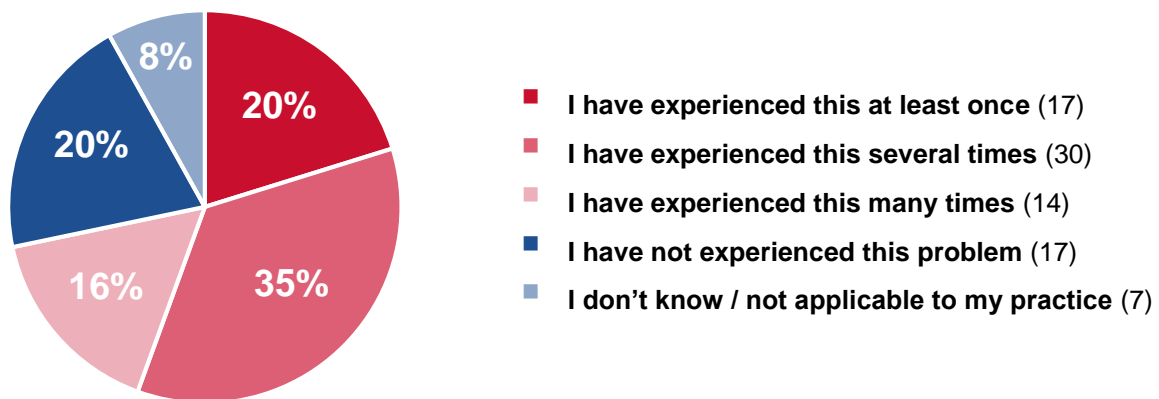
Have you been in contact with a homeowner who is at risk of foreclosure by a second mortgage that is more than ten years delinquent and for which the homeowner says he or she was not receiving periodic mortgage statements in recent years, so-called "zombie second" mortgages? (Question 12, 101 Responses)



### Collecting Interest Retroactively

More than seven in 10 respondents had seen instances where the servicer appeared to be attempting to collect mortgage interest that accrued over a period of time when the homeowner reported they were not receiving periodic mortgage statements, with over half reporting they had experienced this several or many times.

*With 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?* (Question 13, 85 Responses)



### Straight Into Foreclosure

Roughly 70 percent of respondents experienced 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. Nearly half of respondents had seen this several or many times.

*With 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? (Question 15, 86 Responses)*



### HELOC Zombies

Almost two thirds of respondents surveyed had seen instances where a zombie second mortgage was a home equity line of credit (HELOC). Roughly 40 percent of respondents had seen this several or many times.

*Have you seen instances of zombie second mortgages where the zombie mortgage was a home equity line of credit (HELOC)? (Question 14, 86 Responses)*



## Recommendations

- **The CFPB should cover HELOCs in the RESPA servicing rules, especially the rules allowing for Notices of Error, Requests for Information, and loss mitigation protections.** The billing dispute rights that apply to open-end credit are not equivalent to the NOE and RFI rights in Regulation X.
- For too many borrowers, Regulation X's current treatment of HELOCs is a one-way street to foreclosure. The statute contains no HELOC exemption, and we disagreed with the decision to preserve the regulatory HELOC exemption in 2013.<sup>12</sup> Significant shifts in the mortgage lending and servicing markets over the last 10 years have further illuminated the need to give HELOC borrowers these important protections.

## Consumers with Limited English Proficiency

### The Problem

It is impossible to divorce language barriers from other structural issues in our mortgage market. Language barriers in the loss mitigation process block consumers with limited English proficiency from accessing measures that could save their home in a timely manner. Taking the issue of zombie second mortgages as an example, one third of the HELOC stories we compiled in the attached Appendix B involved borrowers who had limited English proficiency (LEP).<sup>13</sup> When the time comes to fight off impending foreclosure, these borrowers do not have the benefit of learning about their rights or options in their preferred language. Mandatory language access is crucial to ensuring that loss mitigation is available to as many consumers as possible when they need it most.

A lack of language assistance in the loss mitigation process can have dire consequences for already vulnerable families facing hardship. While large-scale study of loan performance and loss mitigation outcomes for LEP borrowers has long been difficult due to inconsistent data-gathering and record retention by servicers, a CFPB report on mortgage servicing metrics during the COVID-19 pandemic found that the proportion of delinquent LEP borrowers without a loss mitigation option after forbearance increased, while the proportion of non-LEP borrowers in the same situation decreased over the study period.<sup>14</sup> These findings illustrate that loss mitigation options do not work to help borrowers stay in their homes if those borrowers are not given the opportunity to understand that they have options and to meaningfully communicate with their servicer.

### Survey Results

The NCLC survey revealed that consumers with limited English proficiency face significant barriers in accessing loss mitigation, leading to delays and, sometimes, unnecessary foreclosure.

## Prevalence

Over half (51%) of survey respondents indicated that they had been in contact with LEP homeowners who, because all relevant notices were sent in English, struggled to obtain loss mitigation options. Nearly one third of respondents had experienced this with their clients several or many times.

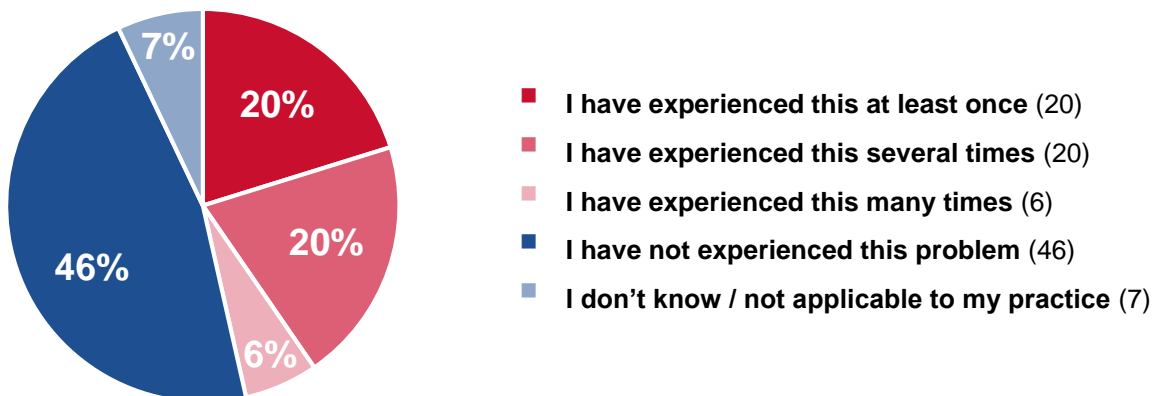
*Have you been in contact with a homeowner with limited English proficiency who struggled to obtain loss mitigation options due to the fact that all loss mitigation notices were sent in English? (Question 16, 101 Responses)*



## Causing Delays

Nearly half (46 percent) of respondents surveyed had worked 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, with one quarter of respondents experiencing this several or many times.

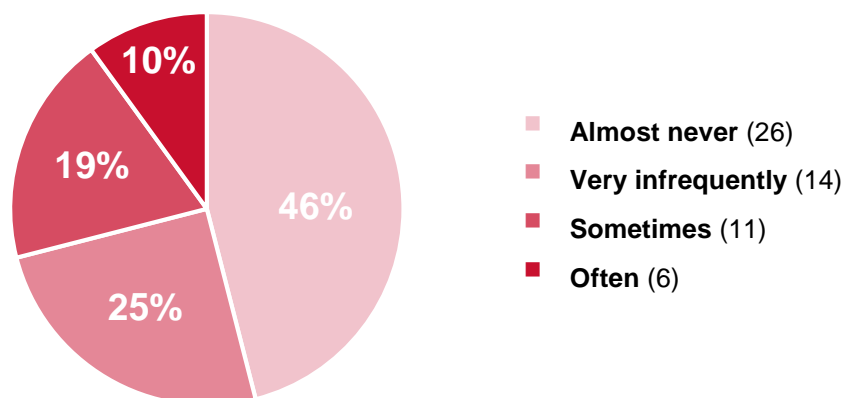
*Have you been in contact with a homeowner with limited English proficiency who was delayed in the process of seeking loss mitigation assistance due to the fact that all loss mitigation notices were sent in English? (Question 17, 99 Responses)*



## English-only Notices

Of respondents who indicated they frequently represent homeowners with limited English proficiency, only 10 percent indicated that servicers often sent loss mitigation notices in non-English languages. Nearly half of respondents working with LEP homeowners expressed that servicers “almost never” or “very infrequently” send such notices.

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



## Recommendations

- **The CFPB should act on its knowledge of the unique challenges that LEP mortgage borrowers face in loss mitigation by requiring that servicers provide the most important loss mitigation notices in-language.** These documents should always be provided bilingually in English/Spanish.
- **These key loss mitigation notices should also include a tag line disclosure directing consumers to a page on the servicer’s website to obtain the notice in other top languages for which the CFPB has provided a model translation.**
- Finally, the CFPB should **require that all servicers provide qualified oral interpretation services to consumers in a range of languages, and that these services be provided without unreasonable delay in a range of languages**, including languages of lesser dispersion.

## Conclusion

The Bureau has wisely undertaken to update Regulation X to allow for permanent streamlining in the loss mitigation process while still providing key protections for homeowners. This important work would be incomplete if the Bureau did not simultaneously act to protect successors in interest, HELOC borrowers, and consumers with limited English proficiency from unnecessary foreclosures.

For more information about these issues, contact Sarah Mancini, [smancini@nclc.org](mailto:smancini@nclc.org), Nketiah Berko, [nberko@nclc.org](mailto:nberko@nclc.org), or Nicole Cabañez, [ncabañez@nclc.org](mailto:ncabañez@nclc.org).

## Endnotes

<sup>1</sup> Consumer Financial Protection Bureau, Unified Agenda, Fall 2023, RIN: 3170-AB04.

<sup>2</sup> Since 1969, the nonprofit National Consumer Law Center® (NCLC®) has used its expertise in consumer law and energy policy to work for consumer justice and economic security for low-income and other disadvantaged people, including older adults, in the United States. NCLC's expertise includes policy analysis and advocacy; consumer law and energy publications; litigation; expert witness services, and training and advice for advocates. NCLC works with nonprofit and legal services organizations, private attorneys, policymakers, and federal and state government and courts across the nation to stop exploitative practices, help financially stressed families build and retain wealth, and advance economic fairness. [www.nclc.org](http://www.nclc.org).

<sup>3</sup> See Section-by-Section Analysis, § 1024.41, 78 Fed. Reg. 10,696, 10,822 (Feb. 14, 2013) (relying on the Bureau's authority under 12 U.S.C. §§ 2605(k)(1)(C), 2605(k)(1)(E), and 2617(a)).

<sup>4</sup> As shown in Appendix A, the survey included respondents assisting homeowners in Alabama, Arizona, California, Washington, DC, Florida, Georgia, Hawaii, Illinois, Maryland, Maine, Michigan, Minnesota, North Carolina, New Jersey, New Mexico, New York, Ohio, Oregon, Pennsylvania, Tennessee, Texas, Virginia, Vermont, Washington, Wisconsin, and West Virginia.

<sup>5</sup> Comments of the National Consumer Law Center and other organizations on the Notice of Assessment of 2013 RESPA Servicing Rule and Request for Public Comment (July 10, 2017), <https://www.nclc.org/resources/comments-2013-respa-rule/>; Comments of the National Consumer Law Center and other organizations on the Request for Information Regarding Mortgage Refinances and Forbearances, 87 Fed. Reg. 58487, Docket No. CFPB-2022-0059 (Nov. 28, 2022), [https://www.nclc.org/wp-content/uploads/2022/11/CFPB\\_group\\_mortgage\\_refinance\\_comment.pdf](https://www.nclc.org/wp-content/uploads/2022/11/CFPB_group_mortgage_refinance_comment.pdf).

<sup>6</sup> National Consumer Law Center, Snapshots of Struggle: Saving the Family Home After a Death or Divorce (Mar. 2016), <https://nclc-old.ogoseense.net/issues/snapshots-of-struggle.html>; National Consumer Law Center, NCLC Survey Reveals Ongoing Problems with Mortgage Servicing (May 2015), [https://nclc-old.ogoseense.net/images/pdf/foreclosure\\_mortgage/mortgage\\_servicing/ib-servicing-issues-2015.pdf](https://nclc-old.ogoseense.net/images/pdf/foreclosure_mortgage/mortgage_servicing/ib-servicing-issues-2015.pdf); National Consumer Law Center, Examples of Cases Where Successors in Interest and Similar Parties Faced Challenges Seeking Loan Modifications and Communicating with Mortgage Servicers (July 1, 2014), available at [http://www.nclc.org/images/pdf/foreclosure\\_mortgage/mortgage\\_servicing/successor-stories-2014.pdf](http://www.nclc.org/images/pdf/foreclosure_mortgage/mortgage_servicing/successor-stories-2014.pdf); *Are Mortgage Servicers Following the New Rules? A Snapshot of Compliance with CFPB Servicing Standards*, National Council of La Raza and National Housing Resource Center (Jan. 9, 2015), available at [http://www.nclr.org/images/uploads/publications/mortgageservicesreport\\_11215.pdf](http://www.nclr.org/images/uploads/publications/mortgageservicesreport_11215.pdf); *Chasm Between Words and Deeds X: How Ongoing Mortgage Servicing Problems Hurt California Homeowners and Hardest-Hit Communities*, California Reinvestment Coalition (May 2014), <http://www.calreinvest.org/publications/california-reinvestment-coalition-research>.

<sup>7</sup> See, e.g., American Civil Liberties Union and MFY Legal Services, Inc., *Here We Go Again: Communities of Color, the Foreclosure Crisis, and Loan Servicing Failures* (Apr. 9, 2015), <https://www.aclu.org/documents/here-we-go-again-communities-color-foreclosure-crisis-and-loan-servicing-failures>.

<sup>8</sup> Charts depicting these and all other survey results are found in the attached Appendix A.

<sup>9</sup> Details provided by Rachel Scott, Senior Attorney, Atlanta Legal Aid Society. Fortunately, Ms. Scott was able to get the foreclosure sale rescinded, which would not have been possible without legal representation.

<sup>10</sup> Throughout this report, percentages are reflected in the pie chart and the raw number of responses is in parentheses in the key. The full set of survey results are found in Appendix A.

<sup>11</sup> See Appendix B, Examples of Homeowners Struggling with HELOC Second Mortgages.

<sup>12</sup> National Consumer Law Center and National Association of Consumer Advocates, Comment Letter on the 2012 Real Estate Settlement Procedures Act (Regulation X) Mortgage Servicing Proposal 5–7 (Oct. 9, 2012), <https://www.nclc.org/resources/comments-to-the-cfpb-on-the-2012-real-estate-settlement-procedures-act-mortgage-servicing-proposal/>.

<sup>13</sup> See Appendix B, Examples of Homeowners Struggling with HELOC Second Mortgages.

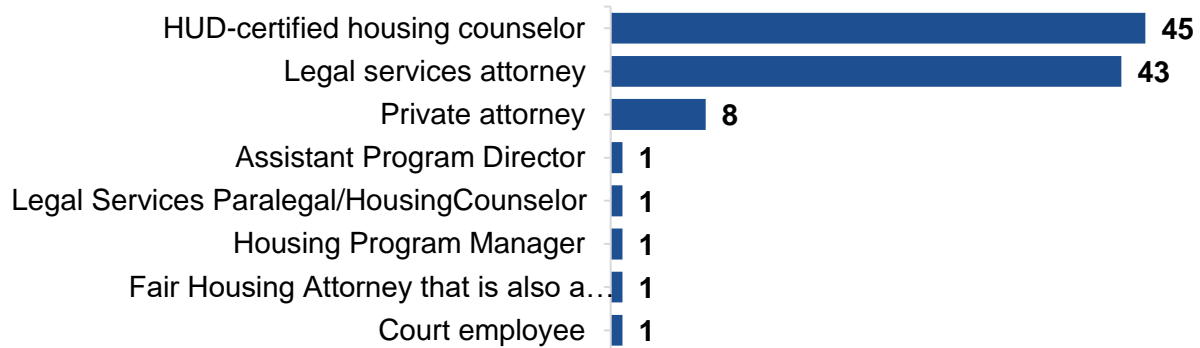
<sup>14</sup> Consumer Financial Protection Bureau, *Mortgage Servicing COVID-19 Pandemic Response Metrics: New Observations from Data Reported by Sixteen Servicers for May- December 2021*, 3 (May 2022), available at [https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/cfpb\\_mortgage-servicing-covid-19-pandemic-response-metrics\\_report\\_2022-05.pdf](https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/cfpb_mortgage-servicing-covid-19-pandemic-response-metrics_report_2022-05.pdf).



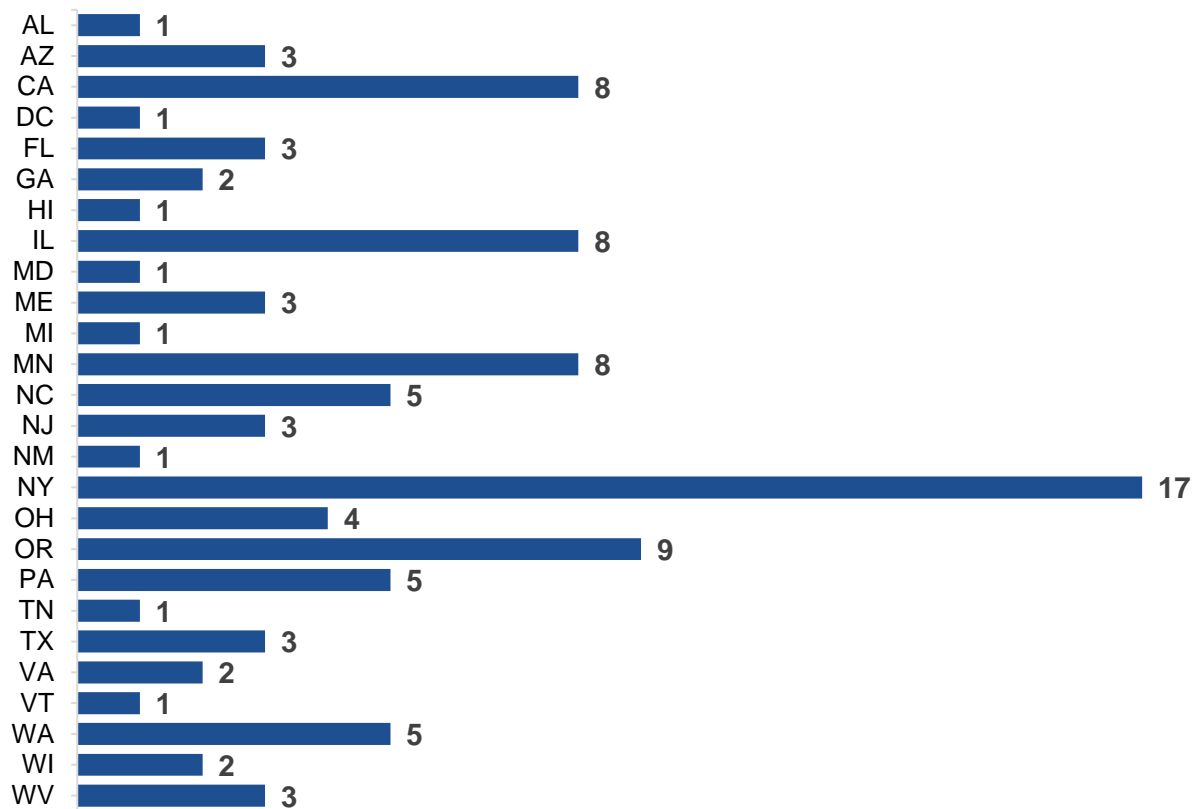


## Appendix A: NCLC Survey Results

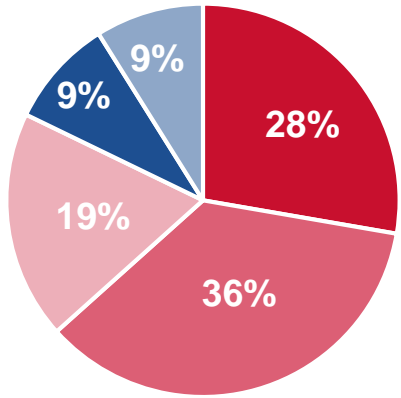
### 1. Which of these best describes your role:



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

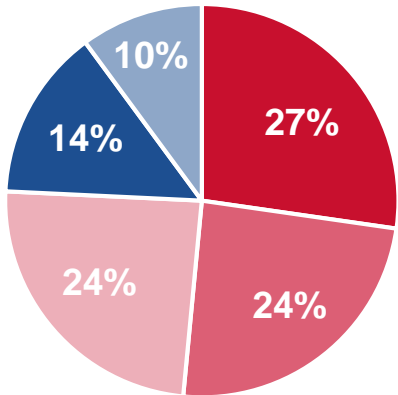


**3. Have you been in contact with a successor in interest who is struggling to get the servicer to agree they are a “confirmed” successor despite the fact that they have sent all the documentation that is reasonably necessary to show their identity and ownership interest? (101 Responses)**



- 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)**



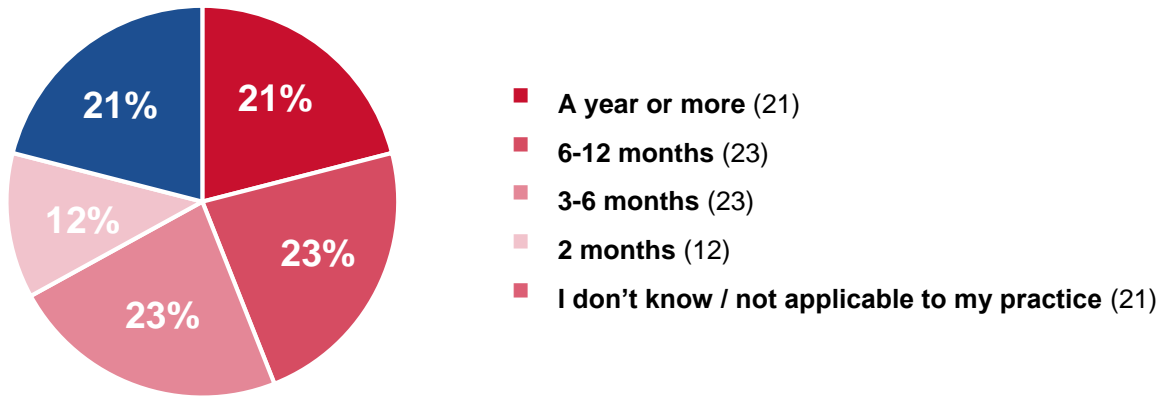
**7. Have you been in contact with a successor in interest who was initially confirmed as a successor in interest by a servicer but, after a servicing transfer, was required to start over and submit documentation to show successor status? (100 Responses)**



**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)**



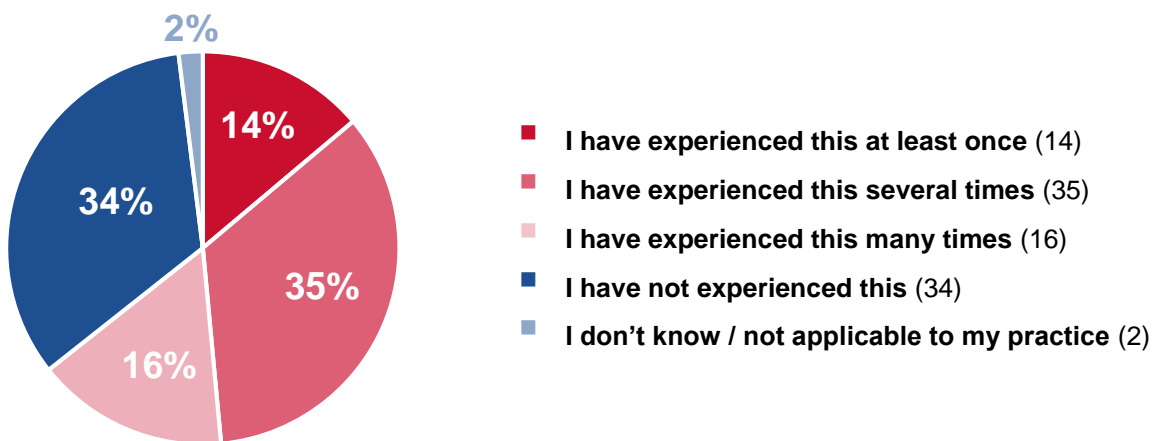
**10. Have you been in contact with a co-owner of the property who signed the security instrument (mortgage or deed of trust) but was not a borrower on the promissory note, and is struggling to get information about the mortgage or apply for loss mitigation? (100 Responses)**



**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)

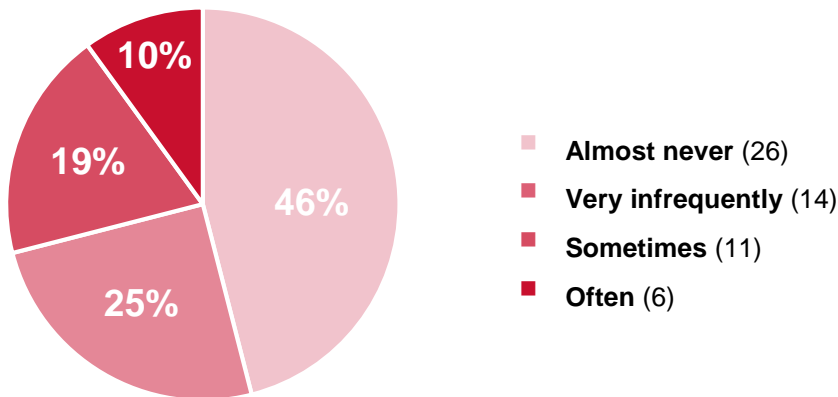




**17. Have you been in contact with a homeowner with limited English proficiency who was delayed in the process of seeking loss mitigation assistance due to the fact that all loss mitigation notices were sent in English? (99 Responses)**



**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.
- Successors 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



## Appendix B: Examples of Homeowners Struggling with HELOC Mortgages

### Zombie Second Mortgage HELOCs

#### *A. East Hartford, Connecticut*

**Example provided by:** Theresa Dudek-Rolon, Connecticut Fair Housing Center

A first-generation American, working-class couple took out a HELOC in the late 2000s. Their business was hit badly by the recession and in 2010 they fell behind on the loan payments. Shortly after that, they stopped receiving statements on their HELOC. They did not receive a statement for over ten years. In 2022, they suddenly began to receive statements again. They had never heard of the servicer, Planet Lending, sending the statements and thought the communications were a scam. They were then served with a foreclosure notice on their home. The servicer claimed that the couple owed over \$135,000 at an interest rate of 14.9% on a loan from which they initially drew about \$40,000. They have limited income as one of the homeowners is retired. The other has had to take time off work to fight this foreclosure, and their entire family has been mired in stress. They are current on their first mortgage and have equity in the home. The couple has had to ask their children for support. They were able to connect a legal aid attorney at the Connecticut Fair Housing Center who will help them defend the foreclosure.

#### *B. Brooklyn, New York*

**Example provided by:** Arthur Burkle, Neighborhood Economic Justice Project (Brooklyn, NY)

Another homeowner, from a primarily Black neighborhood in Brooklyn took out a HELOC in 2007 to help finance repairs to his home. Similarly affected by the financial crisis, he fell behind on the loan around 2008 and stopped hearing from the lender shortly after. He modified his first mortgage several years ago, and believed the HELOC to have been modified with it. He had not received any notices or statements for over 10 years when a servicer he had never heard of, FCI Lender Services, Inc. filed a foreclosure against him. The servicer claimed an unpaid principal of \$97,000, and claimed to be owed in total almost \$250,000. With an attorney's help from the Neighborhood Economic Justice Project, the homeowner was able to get the foreclosure dismissed based on the statute of limitations.

### *C. West Palm Beach, Florida*

**Example provided by:** Malcolm Harrison, MEH Real Property

A couple with two children took out a HELOC in 2005, for home improvement purposes. They made one withdrawal from the HELOC for about \$50,000, and never made additional draws. They made substantial payments on the HELOC until around 2008 and the couple lost their livelihood. They stopped receiving statements then, for over a decade. In the meantime, they struggled with their first mortgage but managed to modify it and save their home from foreclosure. They assumed the HELOC had been modified along with their first mortgage.

In 2020, the current investor of the loan, 1 Oak Richland LLC, filed a foreclosure lawsuit demanding \$120,000, \$53,000 of which was interest and fees. In conversations, the investor offered an unsustainable loan modification at 10% interest that had to be accepted within 7 days. The investor/debt collector texted the homeowner threatening messages, and after he learned that the couple had sought legal counsel, told the homeowner over the phone that he would “bury him” and take his house. The loan has been transferred between different servicers including Value-add Mortgage Fund and CTF Asset Management four times. The couple and their attorneys are currently fighting the lawsuit.

### *D. Los Angeles, California*

**Example provided by:** Jumana Bambot, Public Counsel, Los Angeles

A 60-year-old Black homeowner took out a HELOC in 2006 as part of an 80/20 mortgage. After the economic crisis, he filed for bankruptcy in 2010, and stopped receiving HELOC statements. In 2020, he unexpectedly heard from a new servicer, who sent him a notice and offered him a loan modification. However, he had just lost his job and was not in a position to take on an additional financial burden. Two years later the servicer recorded a notice of default. The homeowner reached out to the servicer, who offered a loan modification provided that he pay a large deposit and even larger balloon payment. The homeowner was afraid to lose his home and felt he had no other options, so he agreed to the terms and managed to scrape together the deposit. Though he has now modified the loan, he has no idea how he will pay the balloon payment. He has contacted Public Counsel, Los Angeles for help.

### *E. Los Angeles, California*

**Example provided by:** Jumana Bambot, Public Counsel, Los Angeles

A 62-year-old Latinx homeowner, who speaks only Spanish, took out a HELOC for about \$130,000 for an 80/20 mortgage in 2006. She has diligently kept up with her first mortgage, but filed for bankruptcy in 2013 and was informed by her bankruptcy attorney—who is now disbarred—that filing for bankruptcy had discharged her HELOC, among other debts. She did not hear anything from any servicer after she filed for bankruptcy. But in 2022, she received a letter demanding \$223,000 under threat of foreclosing her home. The letter claimed that \$136,000 of that amount was unpaid principal.



The homeowner did not understand the situation, or how she could possibly owe on a debt that an attorney had assured her had been discharged. She was unable to put any money toward this repayment, since most of her income goes toward her first mortgage payments. Her case has not been settled but she has connected with Public Counsel, Los Angeles for help.

### *F. Stockton, California*

**Example provided by:** Johanna Torres, California Rural Legal Assistance

A disabled, elderly homeowner with limited English proficiency took out a HELOC for \$95,000 in 2006 to help pay for home repairs. She remained current on payments for six or seven years, until the interest payments grew so high that she became unable to keep up. She filed for bankruptcy, and believed the loan had been discharged. She stopped hearing from her servicer after she filed for bankruptcy.

She did not hear from the investor for about a decade. She then received a notice of foreclosure on her home in 2022. After contacting the HELOC servicer, Specialized Loan Servicing, the homeowner was offered a loan modification with a \$27,000 down payment and a \$700 monthly payment, plus a final balloon payment of over \$4,000. Afraid to dispute the amount or request more information given the active notice of sale, she borrowed from friends and family to accept the loan modification and save her home.

### *G. Delano, California*

**Example provided by:** Johanna Torres, California Rural Legal Assistance

A limited-English-proficiency homeowner bought a home in 2006 under the terms of an 80/20 mortgage, but was not informed that 20%, \$60,000, of her debt was tied to a HELOC. The broker told her that this was the only way she could get this kind of loan.

She initially fell behind on her mortgage (and HELOC) payments in 2007–08, at the time of the economic crisis. She eventually managed to modify the interest on her first mortgage, and was informed that the secondary loan was no longer a problem.

She had no reason to doubt this until 2022, when Specialized Loan Servicing contacted her demanding over \$100,000, including a non-negotiable down payment of \$29,000, to stop the servicer from filing for foreclosure. Unable to afford \$29,000, the homeowner was forced to contact bankruptcy attorneys.

### *H. Salinas, California*

**Example provided by:** Johanna Torres, California Rural Legal Assistance

An elderly homeowner with limited English proficiency bought a home in 2007 with an 80/20 mortgage. He was not aware that his 20% loan, for \$100,000, had been filed as a HELOC. He never received statements regarding the HELOC, either from the servicer or anyone else, from 2007 through 2021. The original servicer went out of business and dissolved, and the



homeowner had modified his first mortgage successfully, so he assumed that the HELOC had dissolved with the servicer.

In 2021, the homeowner began to receive calls and collection letters from Real Time Resolutions regarding the HELOC. He had never heard of Real Time Resolutions. They claimed he owed \$123,000. He believed it to be a scam until a notice of default was filed against his home. The servicer told him that to save his home, he would need to pay \$14,000 to secure a temporary loan modification. He wanted more information and doubted the legitimacy of the servicer, but they would not provide it. He had no way to know if even the amount claimed was correct or dispute the amounts before having to make a decision on the loan mod.

Afraid to wait and possibly lose his home, the homeowner agreed to the loan modification. He, his wife, and his brother-in-law have been burdened with fighting to save this home and pulling together thousands of dollars without warning. The homeowner is currently making payments to the new servicer. Though he is not in foreclosure now, he is at risk.

### *I. Montgomery County, Maryland*

**Example provided by:** Phillip Robinson, Consumer Law Center, Maryland

Another homeowner originated a HELOC in 2007 with a credit limit of \$140,000. She fell behind on payments in 2011 and did not hear from the owner or servicer of the loan for many years. The loan was transferred between servicers multiple times, but there was no significant activity on the HELOC until 2020, when a foreclosure was filed against the homeowner. By that time, the homeowner had accumulated significant equity in the property. The foreclosure was delayed because of the pandemic. As of 2021, the servicer, SCI was asking for over \$229,000 to satisfy the debt. The homeowner was able to retain an attorney on a contingency basis and the foreclosure action is on appeal.

### *J. Baltimore County, Maryland*

**Example provided by:** Phillip Robinson, Consumer Law Center, Maryland

A homeowner who was very sick took out a HELOC in 2006 for \$88,500 to help pay for his living and medical expenses. He fell behind on payments after two years. Eventually, the creditor sued him personally for nonpayment and obtained a default judgment in 2014. The following year, he passed away.

The homeowner's brother and mother still live in the house subject to the HELOC. Though all creditors should have come forward with claims within six months of the homeowner's death, no one filed for the HELOC debt. The occupants did not know about the debt because they did not receive any communications. Years later, however, the servicer, Specialized Loan Servicing, came forward and attempted to foreclose on the original homeowner's brother and mother. They are claiming \$180,500 is owed. The current occupants were able to retain an attorney and are currently fighting this foreclosure.

## HELOC Successor in Interest/ Loss Mitigation Problems

### *K. Atlanta, Georgia*

**Example provided by:** Rachel Scott, Atlanta Legal Aid Society

A 74-year-old African American homeowner had purchased his home in the 1970s, lived there for more than 40 years, and paid off his mortgage. In 2005, he and his then-wife (who was never on title to the home) took out a Home Equity Line of Credit primarily for payment of some of her debts. The couple divorced later that year, and the court awarded the home to the husband/homeowner, and ordered his ex-wife to pay the HELOC. He did not receive any statements on the loan, because the statements were apparently being sent to his ex-wife. He did not realize the loan was in default until he received notice of foreclosure in 2019 or 2020.

The homeowner filed Chapter 13 bankruptcy to stop the foreclosure sale, and then attempted to apply for a loan modification. Specialized Loan Servicing provided conflicting/confusing information about the application status. Representatives would confirm that they received everything, but then say they still needed a signed application form (which had already been provided). SLS finally provided a letter stating that the ex-wife was required to be included as a co-applicant and provide all of her financial information. The legal services attorney provided the divorce decree and explanation letter as to why her participation was not required, since the homeowner was the sole person on title and had been awarded all interest in the home in the divorce. SLS continued to demand that the ex-wife either had to be on the application, or she needed to sign a quitclaim deed to our client (which should not have been necessary because she had no ownership interest to deed to him). Nonetheless, the ex-wife cooperated in signing a deed and SLS finally confirmed in writing that the application was complete. However, for several months, the homeowner did not receive a decision or any further communication about his application. SLS ultimately denied the application, and still included the ex-wife's information on the decision letter. The homeowner had no other option than to take out a reverse mortgage to pay off the HELOC and save his long-time home.

### *L. Washington County, Minnesota*

**Example provided by:** Sheila Hawthorne, HUD Certified Housing Counselor, Washington County Community Development Agency

A recently divorced woman was awarded the marital home in the property settlement, but her ex-husband failed to make the required payments on the HELOC and US Bank initiated foreclosure. The bank refused to communicate with her because she was not named on the promissory note. She reports that the CFPB also refused to address her complaint for the same reason--the CFPB forwards the complaint to the servicer, who responds that the borrower is not on the loan and the complaint is closed.<sup>1</sup> After getting help from a housing counselor and a state emergency fund, she was able to reinstate the loan and stop the foreclosure.

But, when she tried to contact the servicer to ask what the monthly payment was, so she could keep the loan current, they again refused to talk to her despite accepting the reinstatement

funds in her name along with proof that she is the successor in interest. She and her housing counselor continue to receive conflicting responses and information from the US Bank but are unable to compel cooperation because they have been told that HELOCs are not subject to the successor-in-interest rule.

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<sup>i</sup> This client filed CFPB Complaint # CFPB #221221-9997648 (Dec. 21, 2022).