



Wells Fargo ARM Borrowers May Be Owed Billions in Refunds

Class Action Alleges Fraud, Theft, Mail Fraud and Extortion by Wells Fargo

LOS ANGELES, CALIFORNIA, USA, October 10, 2017 /EINPresswire.com/ -- A class action filed in the U.S. District Court of Los Angeles alleges that hundreds of thousands of WELLS FARGO Adjustable Rate Mortgage borrowers across the U.S. may be owed, collectively, billions in refunds for payment increases collected through invalid demands sent by the bank. The lawsuit also seeks to stop and roll-back foreclosures on borrowers who failed or refused to pay such increases.

According to a lawsuit, *Varga v. Wells Fargo Bank, N.A.*, filed by famed class action attorney, Thomas V. Girardi, of Erin Brockovich renown, his firm Girardi/Keese, and Los Angeles attorney, Keith M. Fromm, Wells Fargo promised, in its standard ARM Promissory Note and Adjustable Rate Rider, to provide certain consumer protections contained in a provision known as Section 4(F), before the Bank could validly demand increases in monthly payments. The suit, alleges, however, that Wells Fargo intentionally reneged on providing such consumer protections in its notices of increases, and, therefore, the increases demanded were invalid. The Complaint reasons that, if the increases were invalid, then Wells Fargo collected monies, comprising, collectively, many millions, if not billions, of dollars, which did not belong to Wells Fargo. It is also alleged that Wells Fargo wrongfully foreclosed upon homes owned by borrowers who failed or refused to pay the unlawfully demanded increases.

The lawsuit further alleges, that since Wells Fargo drafted both the ARM loan documents and the payment increase notices, Wells Fargo knew and intended that its notices did not comply with its promises, were invalid and that Wells Fargo knew it was collecting monies which did not belong to Wells Fargo. The suit alleges that Wells Fargo, thereby, "stole" its borrowers' monies, committing theft by false pretenses, mail fraud and receipt of stolen property. The suit also alleges that since Wells Fargo unlawfully threatened such borrowers with late fees, damage to their credit and foreclosure of their homes if they did not pay the invalid increases, Wells Fargo also committed extortion against such borrowers. In California, victims of stolen property or extortion can recover three times the amount of their damages, plus legal fees and costs under a provision known as Penal Code Section 496.

The complaint quotes a letter sent, in 2015, by certified mail, to the C.E.O, and all members of the Board of Directors of Wells Fargo, by an ARM borrower which warned the Bank that the payment increase notices were illegal, fraudulent and constituted mail fraud, and that Wells Fargo had a duty to stop the practice. The lawsuit claims that, notwithstanding such notice and Wells Fargo's alleged actual knowledge, at the highest levels of management, that it was allegedly committing thousands of crimes, Wells Fargo continued the practice anyway, which the lawsuit claims proves criminal intent on the part of the bank and its top management.

This class action is the latest of many lawsuits accusing Wells Fargo of fraudulent conduct towards its customers. Wells Fargo's reputation has recently been tarred by its own admission (and payment of \$185 million in fines and penalties), that it opened up 3.5 million fake accounts in the names of its customers, resulting in illegal fees and charges to such customers. Another lawsuit charges that Wells Fargo cheated over 500,000 of its customers out of millions of dollars in unnecessary insurance

premiums for car loans. Yet another alleges it swindled thousands of its customers out of fees the bank charged to lock in mortgage rates. Wells Fargo has also been the target of the wrath of Senator Elizabeth Warren for what has been termed Wells Fargo's broken and toxic culture of dishonesty and unfairness towards its customers.

The case is LINDA MORAVEC VARGA v. WELLS FARGO BANK, N.A. and Does 2-10, Case No. 2:16-cv-09650-DMG-KS.

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