

# Illinois AG Kwame Raoul, asked to investigate continuing foreclosure fraud by Wells Fargo Bank, N.A. in Kane County, IL

*Illinois Leads the nation in Foreclosures for the fifth month in a row, Kane County Foreclosures are up 525% over the previous year*

CHICAGO, ILLINOIS, UNITED STATES, February 23, 2023 /EINPresswire.com/ -- Chicago, IL- Geneva, IL

[Kwame Raoul](#), the Illinois Attorney General, received a petition/request to stop and investigate continuing violations of the National Mortgage Settlement by Wells Fargo Bank, N.A., and its Trustee business in Kane County as well as Illinois titled: CONTINUED DOCUMENT FALSIFICATION AND FABRICATION RELATING TO MORTGAGE FORECLOSURES BY WELLS FARGO BANK, N.A. IN SPITE OF BILLIONS PAID IN SETTLEMENTS AND AGREEMENTS TO STOP FORECLOSURE FRAUD.



Kwame Raoul Illinois Attorney General

Kane County foreclosures are adjudicated by Associate Judge Divya Sarang; she has had a petition lodged to not reappoint her to another term.

Wells Fargo Bank has announced that it sold its Trustee business to Computershare Corporate Trust, which handled over a thousand so called "securitized" trusts that are now foreclosing on homeowners, and also reported that it will exit entirely new mortgage business except for existing customers and targeted minority borrowers.

Analysts opined that Wells Fargo's exit from the new mortgage and Trustee business was the result of billions in fines, homeowner settlements and penalties related to fraudulent mortgage activities, which have depressed the bank's earnings.

Wells Fargo was part of a group of banks who paid over the last decade, an estimated \$160 billion in fines and penalties, and homeowner settlements related to foreclosure fraud, mortgage servicing issues and lending violations.

Lisa Madigan, Kwame Raoul's predecessor as Illinois Attorney General from 2003 to 2019, negotiated on behalf of Illinois, and was the lead negotiator in the historic \$25 billion National Mortgage Settlement Agreement. Kwame Raoul, succeeded Lisa Madigan as Attorney General.

Raoul was recently re-elected for a term that expires in 2027, but has not taken any action regarding compliance with the National Mortgage Settlement Agreement's consent order which was agreed by Wells Fargo or any of the other banks which included Bank of America, J.P. Morgan Chase, Citigroup and Ally Financial, who were the other parties to the historic agreement.

Raoul in 2021 along with other Attorney Generals filed an amicus brief in a case against PHH MORTGAGE of New Jersey, a Wells Fargo Servicer. He also led a coalition of Attorneys General, to announce an \$86.3 million settlement with Nationstar Mortgage for allegations that Nationstar, violated consumer protection laws during its servicing of mortgage loans and provides relief to the thousands of borrowers whose loans were mishandled or lead to foreclosure.

The consent order which was signed by then Illinois Attorney General Madigan relating to the National Mortgage Settlement Agreement, also provided detailed new servicing standards that the banks and its mortgage servicers, such as PHH MORTGAGE SERVICES are required to implement.

These standards were to prevent foreclosure abuses of the past, such as robo-signing, improper



Lisa Madigan Former Illinois Attorney General



Kane County Courthouse, Geneva, IL

documentation and lost paperwork, and create new consumer protections. But, they are not being enforced or monitored for compliance in Illinois, thus the reason for the request for investigation.

The new standards provided for strict oversight of foreclosure processing, making sure that the foreclosing party has the right to foreclose and has proper documentation that it legally owns the notes and mortgages, and reviews the documentation of third party vendors. The new servicing standards make foreclosure a last resort by requiring servicers to evaluate homeowners for other loss mitigation options first and require proof of ownership of the loans they are foreclosing.

Kane County is one of the few Illinois counties that has a mandatory foreclosure mediation program, which compels lenders to work with homeowners to mitigate their loans allowing a variety of means to help them keep their homes such as reduced interest, payments deferred and possible adjustment of mortgage debt.

If a servicer, such as PHH MORTGAGE SERVICES, a well known Wells Fargo servicer, violates the requirements of the consent judgment it will be subject to penalties of up to \$1 million per violation or up to \$5 million for certain repeat violations.

In addition to the \$20 billion in financial relief for borrowers, the National Mortgage Settlement consent judgment required the servicers to pay \$5 billion in cash to the federal and state governments, including Illinois.

Madigan as Illinois Attorney General also got a \$968 million settlement with Sun Trust Mortgage related to mortgage servicing and foreclosure abuses; \$470 million with HSBC and \$2.1 billion settlement with Ocwen Financial Corp, a former servicer of Wells Fargo's securitized mortgage loan trust relating to continuing robo-signing foreclosure documents.

Just last December, the Consumer Financial Protection Bureau, "CFPB" order required Wells Fargo to provide more than \$2 billion in redress to consumers: Wells Fargo will be required to pay redress totaling more than \$2 billion to harmed customers. These payments represent refunds of wrongful fees and other charges and compensation for a variety of harms such as frozen bank accounts, illegally repossessed vehicles, and wrongfully foreclosed homes.

Specifically, Wells Fargo will have to pay: More than \$1.3 billion in consumer redress for affected auto lending accounts. More than \$500 million in consumer redress for affected deposit accounts, including \$205 million for illegal surprise overdraft fees. Nearly \$200 million in consumer redress for affected mortgage servicing accounts.

"Wells Fargo's rinse-repeat cycle of violating the law has harmed millions of American families," said CFPB Director Rohit Chopra. "The CFPB is ordering Wells Fargo to refund billions of dollars to consumers across the country.

The request also asks to investigate two of the largest Chicago area foreclosure law firms, so called “foreclosure mills”, who file hundreds of foreclosures annually: [LOGS LEGAL GROUP LLP](#) of Bannockburn, IL, formerly known as Fisher and Shapiro LLC.

Fisher and Shapiro, was the law firm that admitted to Cook County Circuit Court that some of the mortgage foreclosures it handled contained altered documents and the Chancery division temporarily halted more than 2,127 mortgage foreclosure cases as a result of the law firm’s admission.

The other was attorney [Ira T. Nevel](#), of the Law offices of Ira T. Nevel, LLC, in Chicago, IL, who allegedly fabricated documents in a foreclosure case now pending in Kane County: No. 19-CH-745.

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