

## Second big lender suspends forfeitures

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NEW YORK — JPMorgan Chase has temporarily stopped foreclosing on more than 50,000 homes so it can review documents that might contain errors.

JPMorgan's move Wednesday makes it the second major company to take such action this month, underscoring a growing legal problem. The issue could stall an already overloaded foreclosure process.

GMAC Mortgage LLC last week halted certain evictions and sales of foreclosed homes in 23 states to review those cases. The company said it found procedural errors in some foreclosure affidavits.

Lee County Clerk of Court Charlie Green said that if the trend continues, it could mean a substantial slowdown in the number of foreclosures filed here.

At present, he said, "we're bouncing around at 190 to 215 a week," but if more of the big financial institutions follow suit, "we could go down 60, 80 filings."

Fort Myers-based attorney Kevin Jursinski said it's a sign of the problems being caused by a torrent of foreclosures in the past three years — many for notes sold to Wall Street and split up among several investors.

"I think this should send a chill up the spine of any judge signing a foreclosure judgment," he said. "The problem is this: With all due respect to the judges, they're set up for failure" because so many cases are being pushed through the system.

But Green said the county's judges are doing a good job making sure borrowers' rights are protected and noted that the so-called "rocket docket," in which judges sign hundreds of foreclosure judgments in a day, is only the last step in a long process. Borrowers being sued for foreclosure have plenty of chances to express their concerns before the rocket docket, he said.

Jursinski said he's seen numerous instances in his practice in which foreclosures are riddled with

errors: incorrect property descriptions and false or ambiguous information on who actually owns the note, for example.

Still, analysts don't expect the delays to reduce the number of foreclosures over the long run.

"It will probably slow things down for a couple months while these documents are reviewed," said Rick Sharga, a senior vice president at foreclosure listing service RealtyTrac Inc. "It won't stop things."

But if the problems turn up at more of the largest mortgage companies, a foreclosure crisis that's already likely to drag on for several more years could persist even longer.

After GMAC's announcement, attorneys general in California and Connecticut told the company to stop foreclosures in their states until it proves it's complying with state law. The Ohio attorney general this week asked judges to review GMAC foreclosure cases. And in Florida, the state attorney general is investigating four law firms, two with ties to GMAC, for allegedly providing fraudulent documents in foreclosure cases.

The issue is also gaining attention on Capitol Hill. Last week, Rep. Barney Frank, D-Mass. and two other lawmakers wrote to Fannie Mae, urging the government-controlled mortgage giant to stop working with so-called "foreclosure mill" law firms under investigation for document fraud.

"Why is Fannie Mae using lawyers that are accused of regularly engaging in fraud to kick people out of their homes?" the lawmakers wrote.



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— Staff writer Dick Hogan and The Associated Press contributed to this report.



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