MEMORANDUM OF REVIEW

OFFICE OF INSPECTOR GENERAL
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

JPMorgan Chase Bank N.A.
Foreclosure and Claims Process Review
Columbus, OH

MEMORANDUM NO. 2012-CH-1801  MARCH 12, 2012
March 12, 2012

MEMORANDUM

FOR: Charles S. Coulter, Deputy Assistant Secretary for Single Family Housing, HU

//signed//

FROM: Kelly Anderson, Regional Inspector General for Audit, 5AGA

SUBJECT: JPMorgan Chase Bank, N.A.
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Columbus, OH

INTRODUCTION AND BACKGROUND

As part of the Office of Inspector General’s (OIG) nationwide effort to review the foreclosure practices of the five largest Federal Housing Administration (FHA) servicers (Bank of America, Wells Fargo Bank, CitiMortgage, Ally Financial, Incorporated, and JPMorgan Chase Bank), we reviewed JPMorgan Chase Bank’s (Chase) foreclosure and claims processes. In addition to this memorandum, OIG issued separate memorandums for each of the other four reviews.\(^1\) We performed these reviews due to reported allegations made in the fall of 2010 that national mortgage servicing lenders were engaged in widespread questionable foreclosure practices involving the use of foreclosure “mills” and a practice known as “robosigning”\(^2\) of sworn documents in thousands of foreclosures throughout the United States. We initially focused our efforts on examining the foreclosure practices of servicers in the judicial States and jurisdictions in which they do business.\(^3\)


\(^2\) We have defined the term “robosigning” as the practice of an employee or agent of the servicer signing documents automatically without performing a due diligence review or verification of the facts.

\(^3\) With respect to foreclosure procedures, there are three variations: those States that require a complete judicial proceeding, which are referred to as “judicial jurisdictions”; those that do not require a judicial proceeding; and those that are a hybrid. For the purposes of this review, we determined that there were 23 judicial States and jurisdictions.
Chase is a supervised FHA direct endorsement lender that can originate, sponsor, and service FHA-insured loans. Chase’s foreclosure operations are conducted by its servicing branch, Chase Home Finance, LLC (Chase Home), which is located in Westerville, OH. As of October 1, 2010, Chase Home serviced more than 580,000 FHA-insured loans. In addition, Chase acquired EMC Mortgage Corporation and Washington Mutual Bank in March and September 2008, respectively, and obtained their loan servicing portfolios.

During Federal fiscal years 2009 and 2010, Chase submitted 16,223 FHA insurance claims totaling more than $2 billion.\textsuperscript{4} It also submitted 385 FHA insurance claims totaling $46 million using EMC’s or Washington Mutual FHA servicing identification numbers during the review period;\textsuperscript{5} thus, approximately 2.3 percent of its claims were for loans previously serviced by EMC or Washington Mutual. In September 2010, Chase stated that it had temporarily halted judicial foreclosures while it reviewed its foreclosure process. Because we identified potential False Claims Act\textsuperscript{6} violations, we provided the U.S. Department of Justice (DOJ) with our analyses and preliminary conclusions as to whether Chase engaged in the reported foreclosure practices.

DOJ used our review and analysis in negotiating a settlement agreement with Chase. On February 9, 2012, DOJ and 49 State attorneys general announced their proposed settlement of $25 billion with Chase and the four other mortgage servicers for their reported violations of foreclosure requirements. As part of the proposed settlement agreement, each of the five servicers will pay a portion of its settlement to the United States and also must undertake certain consumer relief activities. The proposed settlement agreement described tentative credits that each mortgage servicer would receive for modifying loans, including principal reductions and refinancing, and established a monitoring committee\textsuperscript{7} and a monitor to ensure compliance with agreed-upon servicing standards and consumer relief provisions. Once the final settlement agreement has been approved by the courts, OIG will issue a separate summary report detailing each of the five servicers’ allocated share of payment due as a result of the settlement agreement.

Our objective was to determine whether Chase complied with applicable foreclosure procedures when processing foreclosures on FHA-insured loans.

**METHODOLOGY AND SCOPE**

To accomplish our review objective, we

- Obtained an understanding of relevant legislation, program guidance, and criteria related to FHA single-family mortgage insurance.

\textsuperscript{4} Properties located in judicial foreclosure states and jurisdictions accounted for $547 million in claims (26 percent of the total loans with claims). Properties located in nonjudicial foreclosure states and jurisdictions accounted for more than $1.55 billion in claims (74 percent of the total loans with claims). These amounts include all categories of FHA claims.
\textsuperscript{5} October 1, 2008, through September 30, 2010
\textsuperscript{6} 31 U.S.C. § 3729 et. seq.
\textsuperscript{7} Comprised of representatives of the State attorneys general, DOJ, and HUD.
- Obtained and reviewed relevant Chase written policies and procedures regarding its foreclosure process.
- Obtained and reviewed relevant reviews of Chase’s servicing and foreclosure processes.
- Interviewed Chase’s management and staff, including those involved in the document execution, notary, foreclosure, and claims processes, along with representatives from the law firm of Debevoise & Plimpton, LLP.\(^8\)
- Coordinated with Chase’s legal counsel, our Office of Legal Counsel, and DOJ attorneys.
- Identified a random sample of 108 Chase FHA claims processed by the U.S. Department of Housing and Urban Development (HUD) during the review period. Additionally, we randomly selected 30 FHA-insured loans, the borrowers of which were identified by Chase as currently undergoing foreclosure actions.
- Reviewed FHA claims and related documents, including affidavits, for the 108 claims in our sample and foreclosure documentation for 30 FHA-insured loans, the borrowers of which were identified by Chase as currently undergoing foreclosure actions.
- Obtained and analyzed FHA claims data from both Chase and HUD.
- Obtained and analyzed Chase production records\(^9\) which identified documents that were signed and notarized during the review period. However, as described in the following section, the data were incomplete and did not represent our entire review period.
- Analyzed data for Chase FHA claims in the 23 judicial foreclosure States and jurisdictions and prepared an estimate of False Claims Act liability exposure for its FHA insurance claims.
- Issued an Inspector General administrative subpoena for documents and records.

During the course of our review and the drafting of this memorandum, Chase was actively engaged in negotiations with DOJ in an attempt to resolve potential claims under the False Claims Act or other statutes for the conduct we were reviewing. Accordingly, OIG determined that our work product was privileged and not releasable to Chase for any purpose, including the solicitation of written comments on our findings from Chase. For this same reason, we did not provide Chase with a copy of the draft memorandum. Both DOJ and HUD concurred with our determination that the work product was privileged.

OIG also issued memorandums reporting the results of the reviews of four other servicers. The results reported in the five OIG memorandums differ due to various factors. These factors include (1) the level of information made available to the auditors at the time of the onsite reviews or that was obtained later through subpoenas or civil investigative demands\(^10\), (2) variances between review procedures used, including the analysis of the data, that were governed

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\(^8\) The law firm retained by Chase to handle regulatory issues and complete a factual review of Chase’s foreclosure process.

\(^9\) Chase’s production records in a Microsoft Excel format.

\(^10\) Under 31 U.S.C. § 3733, civil investigative demands can be served on a person to give oral testimony whenever the Attorney General has reason to believe that the person may be in control of information relevant to a false claim investigation.
Our review generally covered Chase’s foreclosure and claims processes for its FHA claims initially processed by HUD between October 1, 2008, and September 30, 2010, including its procedures for signing and notarizing sworn judgment affidavits. The review focused on FHA-insured loans for properties located primarily in judicial foreclosure States and jurisdictions, because foreclosures in these States would require the filing of some form of sworn affidavit of indebtedness with a court. We expanded the scope as needed to accomplish our objective. We initiated our review on October 15, 2010, and performed our onsite work at Chase’s Westerville, OH, office.

**Scope Limitation**

Our review was hindered by Chase’s reluctance to allow us to interview employees outside the presence or involvement of its management staff or attorneys; therefore, the effectiveness of those interviews was limited. On a number of occasions during the interviews, Chase’s management or attorneys clarified statements provided by staff. In addition, Chase did not provide read-only access to its mortgage servicing systems, which would have allowed us to independently verify the amounts on the affidavits and assess the reliability of the data to facilitate a better understanding of Chase’s internal controls.

Chase was unable to provide electronic production records for all operations specialists during our review period. Chase’s production records, prepared using Microsoft Excel, identified the persons who prepared each foreclosure package and signed the affidavits. However, for the records provided, all of the data fields were not always complete, and Chase did not provide a point of contact, who could explain and clarify the data. Further, Chase provided the production reports nearly 4 months after our initial request. As a result, it was not possible to know whether Chase omitted from the records information that was relevant to our review.

**RESULTS OF REVIEW**

Chase did not establish effective control over its foreclosure process. This failure permitted a control environment in which

- Affiants\(^{11}\) (Chase’s operations supervisors) routinely signed foreclosure documents, including affidavits, certifying that they had personal knowledge of the facts when they did not. Specifically, affiants signed foreclosure documents without reviewing the supporting or source documentation referenced in them. They also consistently failed to verify the accuracy of the foreclosure documents they signed.

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\(^{11}\) An affiant is a person who signs an affidavit and attests to its truthfulness before a notary public.
Notaries public routinely notarized documents without witnessing affiant signatures. They also failed to maintain required records of the documents they notarized. Occasionally, Chase’s operations specialists obtained affidavits from foreclosure counsels that already contained the amounts of the borrowers’ indebtedness, since foreclosure counsels had read-only access to certain data screens in Chase’s mortgage servicing system.

This flawed control environment resulted in Chase filing improper legal documents, thereby misrepresenting its claims to HUD and may have exposed it to liability under the False Claims Act.

**Questionable Affidavit and Foreclosure Document Processes**

Chase failed to follow HUD requirements for properties it foreclosed upon in judicial foreclosure States and jurisdictions. These provisions required Chase to obtain and convey to the Secretary of HUD good and marketable title to properties. Chase may have conveyed flawed or improper titles to HUD because it did not establish a control environment which ensured that affiants performed a due diligence review of the facts submitted to courts and that employees properly notarized documents.

Judicial foreclosures were processed through the court system beginning with Chase’s filing a complaint or petition regarding a mortgage purportedly in default. The formal legal document stated what the debt was and why the default should allow Chase to foreclose on the property. In many judicial foreclosures, an affidavit was part of the foreclosure documentation. Generally, a representative of Chase swore in a notarized affidavit that it owned or held the mortgage in question and that the borrower’s mortgage payments were in arrears. As judicial States and jurisdictions routinely resolved foreclosures through summary judgment, the accuracy and propriety of the documents were essential to ensure the integrity of the foreclosure process. Chase used a flawed process to submit FHA conveyance claims for judicially foreclosed-upon properties during the review period and received FHA claim payments of more than $547 million.

**Affiants Robosigned Foreclosure Documents**

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12 This procedure changed in September 2009, when Chase implemented the use of signing tables.
13 Chase employees who prepared legal documents, including affidavits.
14 24 C.F.R. § 203.366(a) and HUD Handbook 4330.4, paragraphs 2-6 and 2-23.
15 A decision made on the basis of statements and evidence presented for the record without a trial. It is used when there is no dispute as to the facts of the case and one party is entitled to judgment as a matter of law.
16 Excludes claims for deeds in lieu of foreclosure.
17 According to Chase’s management, affiants’ executing foreclosure documentation without knowledge occurred only at Chase Heritage (the prior entity before its merger with JPMorgan & Co). This practice did not occur in its divisions that executed documentation for EMC’s and Washington Mutual’s servicing loan portfolios. OIG did not validate this statement.
Chase provided policies and procedures explaining the foreclosure process; however, the documents did not provide details regarding the preparation and execution of legal documents, including affidavits. Therefore, we relied on interviews with Chase’s management and staff and legal representation from the law firm of Debevoise & Plimpton to obtain an understanding of Chase’s foreclosure process. During the interviews, Chase’s operations supervisors acknowledged that they routinely signed and certified that they had personal knowledge of the contents of documents, including affidavits, without reviewing the source documents referred to in the affidavits. Additionally, they acknowledged that they did not reverify the accuracy of the foreclosure information stated in the affidavits. The operations supervisors reviewed the affidavits only for completeness and to ensure that they had the authority to sign on behalf (power of attorney) of that particular investor. However, they did not reverify the amounts on the affidavits or the accuracy of the borrowers’ indebtedness computations.

According to interviews with Chase’s management and representatives from the law firm, before September 2009, Chase’s document execution process was outsourced to First American. First-level supervisors over operations did not fully review the affidavits before executing them. Chase established its own Foreclosure Document Management Division and hired the First American staff members who were reviewing and executing affidavits on its behalf. However, it continued the policies and procedures that First American had implemented for processing foreclosure documents, with the exception of notarizing affidavits.

Affidavits require an affirmation that the person executing the legal document had personally reviewed borrowers’ accounts and applicable records and had personal knowledge of the amounts due on those accounts. Since the operations supervisors did not review the borrowers’ account information or reverify the amounts of the borrowers’ indebtedness, they did not have personal knowledge. One operations supervisor stated that he was not familiar with the legal documents that he was signing on behalf of Chase and did not receive training on how to execute the affidavits. Therefore, the process that Chase used for processing foreclosures did not ensure that required foreclosure documents were properly executed or that it conveyed good and marketable titles to HUD.

Further, Chase’s operations supervisors signed the affidavits as assistant secretary or vice president of Chase Home when these were not their official titles. Moreover, the interviews disclosed that the titles were given by Chase for the sole purpose of allowing the individuals to sign documents and came with no other duties or authority.

In interviews with Chase’s specialists, who prepared the affidavits, they stated that Chase’s production goal was to manually prepare 40 affidavits daily. However, five of Chase’s

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18 Chase contractor that prepared and executed legal foreclosure documentation on its behalf. At the time of our review, Chase’s management was uncertain about when the contract with First American was initially executed. First American is no longer in business.

19 To complete the affidavits, specialists obtained from Chase’s mortgage servicing system the borrowers’ mortgage payment histories, outstanding principal balances, accumulated interest payments, escrow amounts, and other pertinent information and then manually completed the information on the affidavits to determine the total
specialists said they prepared 70 or more affidavits per day. According to the specialists, they sometimes would have 100 to 700 affidavits in their in-box for processing daily that were required to be completed and executed within 7 days. Consequently, due to the volume of the affidavits and time constraints, they had to review more affidavits than the required 40 per day. Therefore, one specialist mentioned that she pursued the operations supervisors who would execute the affidavits the “quickest” to meet Chase’s production goal and 7-day turnaround requirement.

In 2008, Chase eliminated its Quality Control Division. Therefore, once the specialists manually prepared the legal documents, including affidavits, they were not independently reviewed for accuracy or validity. According to Chase, it reinstituted the division in July 2010. However, one of Chase’s quality control supervisors stated that the division’s operations had been temporarily discontinued at the time of our review. According to Chase, it was in the process of changing its procedures.

**Notaries Did Not Witness Signatures or Maintain Required Records**

Chase did not establish a control environment which ensured that its notaries\(^{21}\) met their responsibilities under State laws, which required them to witness affiants’ signatures on documents they notarized.\(^{22}\) When Chase’s operations supervisors executed the affidavits, a designated employee would collect the folders containing the affidavits. The specialists or other Chase employees would extract the executed affidavits from the folders and then send them to be notarized. Thus, the affidavits were not always executed in the presence of notary publics. Ohio State law\(^{23}\) requires that notary publics who certify to the affidavit of a person administer the appropriate oath or affirmation to the person. According to Chase, in September 2009, it implemented a process in which operations supervisors and notaries would sit at a table to execute and notarize affidavits. Therefore, the affidavits were being executed in the “presence” of notary publics.

**Affidavits Were Prepared by Law Firms**

In interviews with Chase’s management and staff, they acknowledged that on occasion, the specialists obtained affidavits from their foreclosure counsel that already contained the amounts of the borrowers’ indebtedness, since the foreclosure counsel had read-only access to certain data screens in Chase’s mortgage servicing system. Additionally, in some cases, before the foreclosure counsel filed the complaints with the court, he or she sometimes added verbiage and

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\(^{20}\) Chase’s production goals were eliminated in September 2010, when Chase ceased foreclosing on properties located in judicial States and jurisdictions.  
\(^{21}\) The notaries had additional job duties and responsibilities.  
\(^{22}\) Every State’s notary laws require that the notary personally administer an oath and personally verify the identity of the document signer.  
\(^{23}\) Chapter 147.14
clauses to the affidavits regarding borrowers or the subject properties. In these instances, the information on the affidavits was not verified or validated by Chase.

On November 16, 2010, the Congressional Oversight Panel released an in-depth report analyzing the robo-signing allegations. Its report concluded that “[t]he foreclosure documentation irregularities unquestionably show a system riddled with errors” and emphasized “that mortgage lenders and securitization servicers should not undertake to foreclose on any homeowner unless they are able to do so in full compliance with applicable laws and their contractual agreements.”

Affidavits Contained Inconsistencies and Errors

We reviewed 36 affidavits for foreclosures in judicial States to determine whether the amounts of borrowers’ indebtedness were supported. Chase was unable to provide documentation for the amounts of borrowers’ indebtedness listed on the affidavits for all except four. When we reviewed the four affidavits, three were inaccurate. Specifically, the amounts of the borrowers’ late charges and accumulated interest did not reconcile with the information in Chase’s mortgage servicing system. In discussions with Chase’s assistant vice president for default support services, he indicated that he did not know why the amounts did not agree. Further, Chase’s vice president and assistant general counsel mentioned that when Chase reverified selected affidavits for the Office of the Comptroller of the Currency, the amounts on the selected affidavits agreed with the information in its system.

CONCLUSION

Chase did not establish an effective control environment to ensure the integrity of its foreclosure process. Because it failed to establish proper policies and procedures that fostered compliance with laws and regulations, its affiants signed foreclosure documents automatically without performing a due diligence review or verification of the facts, its notaries failed to authenticate signatures, and it used law firms that may have included inaccurate information on foreclosure documents. As a result, Chase engaged in improper practices by not fully complying with applicable foreclosure procedures when processing foreclosures on FHA-insured loans. This flawed control environment resulted in Chase’s filing improper legal documents, thereby misrepresenting its claims to HUD.

During the review period, Chase submitted 4,437 conveyance claims totaling more than $547 million in the 23 judicial foreclosure States and jurisdictions. DOJ used our review and analysis in negotiating the proposed settlement agreement.

25 Chase’s foreclosure processing software overrode account histories when applying claim payments which caused the principal and interest records necessary for verifying the affidavits to display as zeros.
26 The selected affidavits were prepared within the past 6 months of our review.
27 Excludes deeds in lieu of foreclosure
Once the settlement agreements are approved by the court, OIG will issue a separate summary memorandum to HUD containing recommendations to correct weaknesses discussed in this and the other four memorandums. Accordingly, this memorandum contains no recommendations.

Appendixes:
Appendix A  Affiant Narratives
APPENDIX

Appendix A

AFFIANT AND NOTARY NARRATIVES

The affiant narratives in this appendix disclose the number of affidavits the most active staff in our sample signed. We selected excerpts from affidavits and interviews to include in this memorandum from the 16 staff persons interviewed. As Chase did not provide separate records for FHA foreclosures and conventional foreclosures and the completeness of the production sheets could not be verified, we were unable to present figures that would be complete, reliable, or accurate (see Methodology and Scope section).
Operations Supervisor 1 – Affiant

Operations supervisor 1 signed 25 amount due affidavits attesting to her personal knowledge of the facts and matters present in the affidavit and to having reviewed records in our sample of 108 files that were for judicial foreclosure proceedings.

Interview Excerpts

Operations supervisor 1 signed multiple documents but was uncertain about the number or amount of documents she had signed. She stated that she did not have personal knowledge of the content of the affidavits or the affidavit process and did not review the affidavits she was signing. However, she signed foreclosure documents, including affidavits certifying that she had personal knowledge of the facts when she did not. She acknowledged that she consistently failed to reverify the accuracy of the amounts or information on the foreclosure documents she executed.

Based on an employee signing authority listing provided by Chase, operations supervisor 1 obtained her signing authority in May of 2007 as vice president of Chase Home, and her job responsibilities included monitoring production, compiling information, and executing documents.

Affidavit Excerpts

The typical contents of one of the affidavits this staff member signed included

- “Affiant has the custody of and has personal knowledge of the accounts of said company, and specifically with the account of the borrower, defendant herein.”

- “Affiant stated that the account was in default and that plaintiff had elected to call the entire balance of said account due and payable in accordance with the terms of the note and mortgage attached to the complaint. Affiant stated that that principal balance was due on the account. The borrower’s principal balance together with interest thereon from the date of default at the rate specified in the note, late charges and advances for taxes, insurance or otherwise expended to protect the property.”
Operations Supervisor 2 – Affiant

Operations supervisor 2 signed 17 amount due affidavits attesting to her personal knowledge of the facts and matters present in the affidavit and to having reviewed records in our sample of 108 that were all for judicial foreclosure proceedings.

Affiant’s Deposition

According to a deposition filed in circuit court, operations supervisor 2 was among eight managers who together signed about 18,000 documents per month and did not have personal knowledge of the facts and assertions in the affidavits. She admitted to signing documents without review unless an operations specialist brought them to her with a question, and she stated that her personal knowledge of the affidavits was based on what the operations specialists had entered into the affidavits. She stated that she did not review additional information to verify that there were no issues of material fact.

Interview Excerpts

Operations supervisor 2 was given the authority to sign as assistant secretary and later as a vice president. Employees were not given training concerning affidavits and signature authority. When employees would sign affidavits, they would not review the document or supporting documents; therefore, the employees had nothing to reference. She signed about three times a day. She stated that supervisors signed the most. She did not know how many documents she signed per day. She stated that signing was not a performance criterion in employee reviews. When operations supervisor 2 received the affidavits, they were usually open to the signature page. She did not complete any procedures apart from checking the signature page, and she did not confirm that each was an actual default. She did not review the book and records for the affidavit or personally confirm that each was a defaulted loan. She also did not receive any training or an explanation that the executed documents were admissible in a court.

Affidavit Excerpts

- “This affidavit is submitted in support of Plaintiff’s Motion for Final Judgment for the purpose of showing: that there is not genuine issue as to any material fact, that plaintiff is entitled to enforce the note and mortgage and plaintiff is entitled to judgment as a matter of law.”

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28 Fifteenth Judicial Circuit, case number 50-2008-CA-016857
“I am Assistant Secretary (title), of Chase Home Finance. Chase Home Finance is the servicer of the loan…I am familiar with the books of account and have examined all books, records, and documents kept by Chase concerning the transactions alleged in the complaint…The books, records, and documents which affiant has examined are managed by employees or agents whose duty it is to keep the books accurately and completely. Furthermore, affiant has a personal knowledge of the matters contained in the books, records and documents kept by Chase Home Finance.”

“I have personal knowledge of the facts contained in this affidavit, specifically I have personal knowledge of the facts regarding the sums of money which are due and owing to Chase Home Finance pursuant to the note and mortgage which is the subject matter of the lawsuit.”
Operations Supervisor 3 – Affiant

Operations supervisor 3 signed three amount due affidavits attesting to her personal knowledge of the facts and matters present on the affidavit and to having reviewed records in our sample of 108 loans that were for judicial foreclosure proceedings.

Interview Excerpts

In July of 2009, operations supervisor 3 became the supervisor of imaging and then was placed on a special project in January of 2010 for EMC. At that point, she started supervising document execution, which included keeping track of human resource requirements, enforcing deadlines, tracking production, and tracking key affidavits in the Access database. The foreclosure document management staff reviewed and verified information for amount due affidavits, military and nonmilitary affidavits, and substitution of trustee. These procedures were initially described on an EMC’s Intranet Web site. Her signing authority was obtained in July of 2009, as she started signing foreclosure documents. As an operations supervisor in default support servicing, she would require her staff to review or verify the information, then she would sign the documents. She did not review or have personal knowledge of the affidavits. Supervisors would confirm that there were no blanks and then execute the documents.

Affidavit Excerpts

- “This affidavit is submitted in support of Plaintiff’s Motion for Final Judgment for the purpose of showing: that there is no genuine issue as to any material fact, that Plaintiff is entitled to enforce the note and mortgage and plaintiff is entitled to a judgment as a matter of law.”

- “I am familiar with the books of account and have examined all books, records, and documents kept by Chase Home Finance concerning the transactions alleged in the Complaint. All of these books, records and documents are kept by Chase Home Finance in the regular course of its business as servicer of the loan transaction and are made at or near the time by, and from information transmitted by, persons with personal knowledge of the facts such as your affiant.”

- “I have personal knowledge of the facts contained in this affidavit. Specifically, I have personal knowledge of the facts regarding the sums of money which are due and owing to Chase Home Finance pursuant to the note and mortgage which is the subject matter of the lawsuit.”
Operations Supervisor 4 – Affiant

Operations supervisor 4 signed three amount due affidavits attesting to her personal knowledge of the facts and matters present on the affidavit and to having reviewed records in our sample of 108 loans that were for judicial foreclosure proceedings.

Interview Excerpts

The affiant stated that she was given authority to sign all types of affidavits in 2005. When she was given this signing authority, she was authorized to sign as assistant vice president or vice president. However, she was not a vice president or assistant vice president of Chase Home Finance. She stated that she was given a letter in 2005 that explained her signing authority and when she was to use it; she was required to sign the letter. She did not receive training on how to properly execute legal documents, in particular affidavits. She stated that she was not informed about what she was signing, nor did she verify the accuracy of the documentation. Further, she did not read the documents or ensure that the foreclosures were valid.

Affidavit Excerpts

- “This Affidavit is submitted in support of Plaintiff’s Motion for Final Judgment for the purpose of showing; that there is no genuine issue as to any material fact, that plaintiff is entitled to enforce the note and mortgage and plaintiff is entitled to a judgment as a matter of law.”

- “I am familiar with the books of account and have examined all books, records, and documents kept by Chase Home Finance concerning the transactions alleged in the Complaint. All of these books, records and documents are kept by Chase Home Finance in the regular course of its business as servicer of the loan transactions and are made at or near by, and from information transmitted by, persons with personal knowledge of the facts such as your affiant…These books, records, and documents which affiant has examined are managed by employees or agents whose duty it is to keep the books accurately and completely. Furthermore, the affiant has personal knowledge of the matters contained in the books, records and document kept by Chase Home Finance.”

- “I have personal knowledge of the facts contained in this affidavit. Specifically, I have personal knowledge of the facts regarding the sums of money which are due and owing to Chase Home Finance pursuant to the note and mortgage which is the subject matter of the lawsuit.”