

Foreclosure Mills Continue to Sweep Up America's Homes Despite Evidence of Fraud

Last week, Yves Smith caused a stir with this post, "[Fannie and Freddie Continue to Rely on Foreclosure Mills Despite Evidence of Fraud](#)." The 64 comments are worth a read, if anything to ferret out the boys from the men in terms of skill level in dealing with the legal issues. Smith gives acknowledgment to [O. Max Gardner](#), who is the nation's go-to bankruptcy litigation attorney and, I am proud to say that, I am a [Lieutenant in his army](#). So, what's all the scuttle butt about?

Smith's post referred to another piece published by Mother Jones, "[Fannie and Freddie's Foreclosure Barons](#)," which provides a peek inside the shady document fabrication operations to cover up past mistakes in the mortgage industry and post foreclosure clean-up. What a mess.



Looking at the securitization issues from a California standpoint, we have both federal and state law to contend with. From a bankruptcy position, here in the Central District we have the [In re Foreclosure cases](#), [In re Hwang](#), In re Walker, and In re Vargas. Since the mortgage follows the note, we need a complete, and unbroken chain of custody of the note and adherence to the California Commercial Code. We are arguing the Creditor has no standing and even if they did, there are major computation errors in their claims. The fight goes on for now. Results may vary in California. Side effects include general frustration; nausea; possible foreclosure; and guilt for not paying your mortgage.