

WRONGFUL FORECLOSURE

David and Barbara McCrae, and Class, PLAINTIFFS

vs.

PHH Mortgage Corporation (46 States, inc. Texas)

Barrett Burke Daffin Frappier Turner & Engel

(Texas and California)

JOHN DOE 1-100, DEFENDANTS

CIVIL PROCESS

-3000 MEMBERS OF CLASS IN TEXAS

\$20,000 DAMAGES PER MEMBER

\$60 MILLION RESTITUTION

\$25 MILLION COSTS OF ACTION

\$5 BILLION PUNITIVE

\$10 BILLION EXEMPLARY

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PAYMENT RECORD

16371056

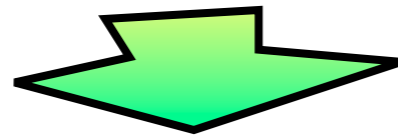
OF 2,998,000

YEAR	SCHED	ACTUAL
•	2001	72500
•	2002	69324 69486
•	2003	66184 66521
•	2004	62829 63100
•	2005	59246 58727
•	2006	55418 53816
•	2007	51328 49770
•	2008	46959 41206
•	2009	42291 33999
•	2010	37305 27066
•	2011	31978 20997
•	2012	26287 7758
•	2013	20208 -0-
•	2014	13713
•	2015	6775
•	2016	-0-

MORTGAGE ORIGINATED WITH USAA FSB

MORTGAGE IMMEDIATELY SOLD TO PHH MORTGAGE

MORTGAGE SYNDICATED AND SOLD TO FNMA



PERIODIC EARLY PAYMENTS MADE TO REDUCE PRINCIPAL

NOV/DEC 2012 SKIPPED PAYMENTS

DAVE MCCRAE ENTERS CHI3 IN DEFENSE OF WRONGFUL FORECLOSURE

DAVE MCCRAE PAYS FRAUDULENT POC AND ALL FEES THROUGH CHI3 TRUSTEE AND ACTS TO RECOVER COSTS

DECEMBER PARTIAL PAYMENT RETURNED

PHH ENTERS DUAL TRACKING TO SHED MORTGAGE TO HAMP OR FORECLOSE PROPERTY

PHH ASSIGNS NONJUDICIAL FORECLOSURE TO BPDFTE

BPDFTE FILES FRAUDULENT POC USING PATENTED PROCESS

OCWEN CONSENT JUDGMENT 3.4B

CITIGROUP CONSENT JUDGMENT 7.0B

JPM/CHASE CONSENT JUDGMENT 13.8B

BAC CONSENT JUDGMENT 17.0B

2013 20208 -0-

Release of Lien 10 March 2014

WRONGFUL FORECLOSURE

Consumer Financial Protection Bureau,
qui tam David and Barbara McCrae, PLAINTIFFS

vs.

PHH Mortgage (in 46 States, exc. Hawaii, Colorado, Nebraska and Illinois)
Barrett Daffin Frappier Turner & Engel
(Texas and California) and Others in Other 45 States
JOHN DOE 1-100, DEFENDANTS

CRIMINAL PROCESS

-30,000 VICTIMS IN USA
\$20,000 DAMAGES PER MEMBER
\$600 MILLION RESTITUTION
\$25 MILLION COSTS OF ACTION
\$50 BILLION PUNITIVE
\$100 BILLION EXEMPLARY

Standards per OCWEN/CHASE/CITI/BAC Consent Judgments

Mortgage in Default

Review Payment Records
Review Owner Circumstances

Negotiate with Owner

- Owner's Economic Situation
- Escrow Funds Available
- Time Extension
- Interest Only Payments
- Payment Sabbath
- Application of Fees
- Force Placed Insurance
- Repurchase Plan
- Title Surrender

Asset Analysis

- Principal Balance
- Sale Proceeds Range
- Time on Market
- Expense of Sale
- Economic Condition and Direction
- Total Portfolio Performance
- Economic Outlook

Third Party Review

Required Shared Information

I.B.6

- Copy of borrower's payment history
- Copy of borrower's note
- Copies of assignments of rights to foreclosure
- Name of investor holding borrower's loan

I.B.10

- Total amount required for reinstatement, and amount of principal obligation remaining
- Date through which obligation is paid
- Current interest rate in effect for loan
- Date on which interest rate may reset
- Amounts of prepayment or late fees
- A telephone number or e-mail address that may be used by obligor to obtain current information
- Contact detail for one or more counseling agencies approved by HUD

I.C.3

- All information establishing the party's right to foreclose

IV.B.13

- Statement outlining loss mitigation efforts undertaken with borrower prior to foreclosure referral

Foreclosure Standards

- All filings are accurate and complete
- All facts are supported by competent and reliable evidence
- All sworn statements based on personal knowledge and review of accurate records
- All supporting records meet evidentiary requirements of federal and state law
- Substantiation of loan ownership and right to foreclose
- Servicer has standards for qualifications, training, and supervision of employees
- Servicer has adequate number of qualified employees
- Servicer maintains written records of employee training
- Standardized forms used by servicer are compliant with Ocwen consent agreement
- Servicer shall not pay volume based incentives that encourage undue haste over quality
- Except for electronic filings, signature stamps or electro-mechanical signing is prohibited
- Servicer shall not file a POC containing materially inaccurate information
- Affiants shall be individuals, not entities
- Signatures shall be dated, and notarized contemporaneously
- Statement of intent to foreclose must contain information required in I.B.6, I.B.10, I.C.3, IV.B.13

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CRIMINAL ACTIVITY

BUSINESS ORGANIZED FOR PRIMARILY FRAUDULENT PURPOSE

VIOLATIONS OF SERVICING STANDARDS PER OCWEN

VIOLATIONS OF SERVICING STANDARDS PER JPM/CHASE

FAILURE TO REVIEW PAYMENT RECORDS

FAILURE TO FOLLOW BILLING DISPUTE PROCEDURES

VIOLATION OF FAIR DEBT COLLECTION PRACTICES

PRETENSE OF DEBT COLLECTION ACTIVITY

FAILURE TO PROVIDE SINGLE POINT OF CONTACT

FAILURE TO PROVIDE PROCEDURE FOR DISPUTE ESCALATION

FAILURE TO VERIFY PROOF OF CLAIM

WILLFUL AND FRAUDULENT CRIMINAL ACTION

WILLFUL AND INTENTIONAL VIOLATION OF DUTY OF SUBSTITUTE TRUSTEE

USE OF DUAL TRACKING TO MASK INTENTION

PREPARATION AND FILING OF FALSE AFFIDAVITS

PREPARATION AND SUBMISSION OF FRAUDULENT FEES TO CH13 TRUSTEE

EMPLOYMENT OF UNQUALIFIED AND UNTRAINED PERSONNEL

SERVICER MUST HAVE ADEQUATE NUMBER OF EMPLOYEES

USE OF COMPUTERS TO COMMIT CRIMINAL ACTION

CONSPIRACY TO COMMIT CRIMINAL ACTION

OBSTRUCTION OF JUSTICE

★ **WILLFUL AND INTENTIONAL FORCE PLACED INSURANCE PRACTICES**

FAILURE TO PROPERLY MANAGE ESCROW FUNDS

FAILURE TO MAINTAIN QUALITY ASSURANCE SYSTEM

FAILURE OF THIRD PARTY TO PROVIDE DUE DILIGENCE

FAILURE OF THIRD PARTY TO PROVIDE COMPETENT PERSONNEL

FAILURE TO REVIEW PERFORMANCE OF THIRD PARTY

FAILURE OF THIRD PARTY TO DISCLOSE SANCTIONS FOR MISCONDUCT

FAILURE TO INVESTIGATE THIRD PARTY PROVIDER FOR PRIOR SANCTIONS

FAILURE TO PROVIDE CERTIFICATION PROCESS FOR THIRD PARTY

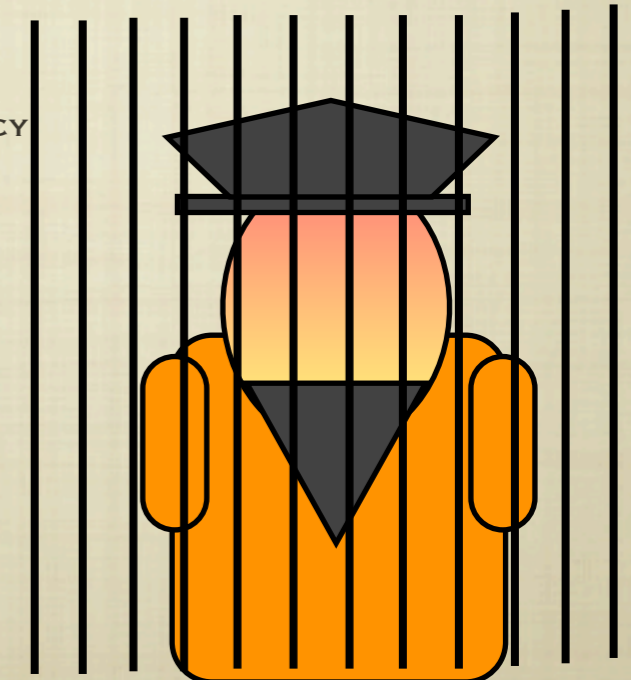
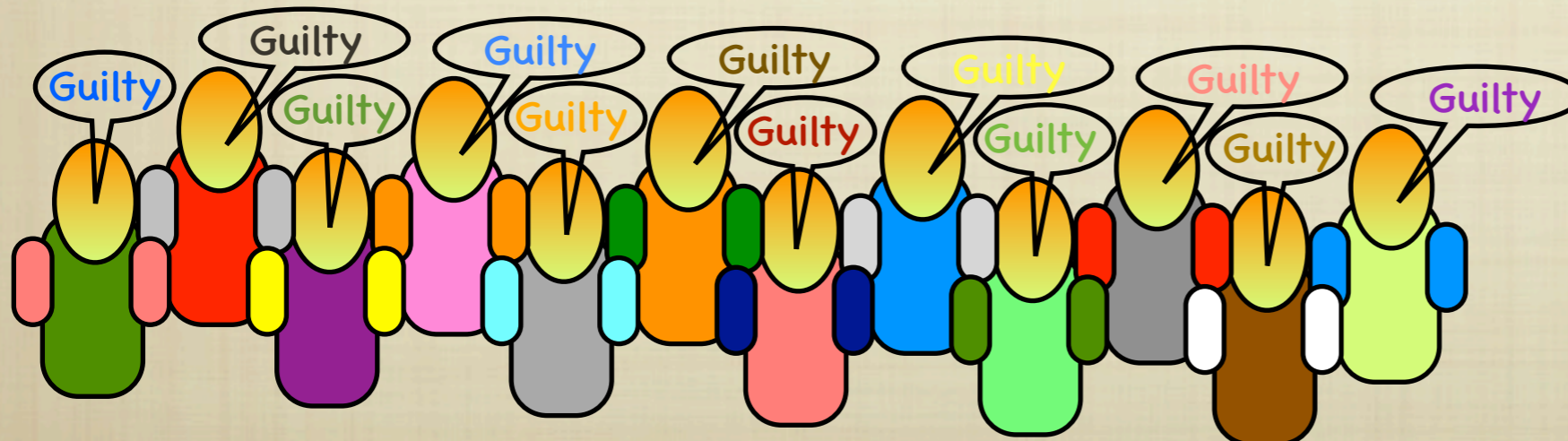
FAILURE TO COMMUNICATE EFFECTIVELY WITH ADVERSE PARTIES

SUPPLY OF INACCURATE INFORMATION TO CONSUMER CREDIT REPORTING AGENCY

FAILURE TO SUPPLY CORRECTED INFORMATION TO CONSUMER CREDIT REPORTING AGENCY

EXCLUDED FROM
THIS INDICTMENT;
ALREADY UNDER
PROSECUTION BY
CFPB

WHO?
WHAT?
WHY?
WHERE?
WHEN?
HOW?



Trial by Jury

Great as this eulogium may seem, it is no more than the admirable constitution, when traced to its principles, will be found is sober reason to deserve. The impartial administration of justice, which secures both our persons and our properties, is the great end of civil society. But if that be entirely trusted to the magistracy, a select body of men, and those generally selected by the prince or such as enjoy the highest offices in the state, their decisions, in spite of their own natural integrity, will have frequently an involuntary bias towards those of their own rank and dignity: it is not to be expected from human nature, that the few should always be attentive to the interests and good of the many. On the other hand, if the power of judicature were placed at random in the hands of the multitude, their decisions would be wild and capricious, and a new rule of action would be every day established in our courts. It is wisely therefore ordered, that the principles and axioms of law, flowing from abstracted reason, and not accommodated to times or to men, should be deposited in the breasts of the judges, to be occasionally applied to such facts as come properly ascertained before them. For here partiality can have little scope: the law is well known, and is the same for all ranks and degrees; it follows as a regular conclusion from the premises of fact pre-established. But in settling and adjusting a question of fact, when entrusted to any single magistrate, partiality and injustice have an ample field to range in; either by boldly asserting that to be proved which is not so, or more artfully oppressing some circumstances, stretching and warping others, and distinguishing away the remainder. Here therefore a competent number of sensible and upright jurymen, chosen by lot from among those of the middle rank, will be found the best investigators of truth, and the surest guardians of public justice. For the most powerful individual in the state will be cautious of committing any flagrant invasion of another's right, when he knows that the fact of his oppression must be examined and decided by twelve indifferent men, not appointed until the hour of trial; and that when once that fact is ascertained, the law must of course redress it. This therefore preserves in the hands of the people that share which they ought to have in the administration of public justice, and prevents the encroachments of the more powerful and wealthy citizens. Every new tribunal, erected for the decision of facts, without the intervention of a jury (whether composed of justices of the peace, commissioners of the revenue, judges of a court of conscience, or any other standing magistrates), is a step towards establishing aristocracy, the most oppressive of absolute governments.

-Blackstone's Commentaries on the Laws of England, Book 3, Chapter 23



The System

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The Spinning Wheels of Justice

