

Due to the nationwide impacts of the coronavirus (COVID-19), it may take us longer than usual to answer your call.

We are still processing complaints and you can check the status of an existing complaint online.



◀ All complaints (.)

170401-000090

OPEN

✓ Submitted

STATUS

Submitted to the CFPB on 2017-04-01

PRODUCT

Other mortgage

ISSUE

Application, originator, mortgage broker

We received your complaint. Thank you.

We will review your complaint. Depending on what we find, we will typically:

- Send your complaint to the company for a response; or
- Send your complaint to another state or federal agency, or help you get in touch with your state or local consumer protection office; or
- Let you know if we need more information to continue our work.

YOUR COMPLAINT

HMDA-LAR Public Raw Data Disclosures obtained from the National Archives and Records Administration (NARA) show that between 2004 and 2008, JPMorgan Chase and Company operated a clandestine Subprime Lending Origination Boiler Room, referred to as the Chase Non-Prime Lending Center at the Fort Washington, PA branch office of Chase Manhattan Mortgage Corporation (CMMC) aka: Chase Home Finance, LLC. The purpose of

this center was to originate subprime and Alt-A home mortgage loans, that could be sold to other JPMorgan Chase and Company affiliates; who would then, 1.) service some of these loans, 2.) sell some of these loans to GSEs, private investors, and other financial institutions, or 3.) securitize the remainder of these loans into Residential Mortgage Backed Securities (RMBS) Certificates that could be sold to financial institutions, government insured institutions, and private investors. During this four-plus year period, this direct origination center "processed" created approximate 506,067 Conventional home mortgage applications, 5, FHA home mortgage loan applications, and 2 VA home mortgage loan applications; and of these 506,072 home mortgage loan applications, 195,072 Conventional home mortgage loans, 3 FHA home mortgage loans, and 2 VA home mortgage loans were originated. The Chase Non-Prime Lending Center was manned by teams of Chase Lending Specialist that performed home mortgage loan origination tasks such as; 1.) soliciting prospective home market applicants from "leads" purchased from third-party applicant lead generation companies, and 2.) contacting prospective applicants that were referred by other JPMorgan affiliates. Chase Lending Specialist gather all personal and credit history information from applicants, and then for those that met the minimum qualifications created HUD Uniform Residential Loan Applications for all prospective applicant; and then performed all tasks related to qualifying applicants, property appraisals, obtaining the approval of the Chase underwriting department, and then finally closing the home mortgage loan. Chase Lending Specialist employed at this center were empowered to "close the home mortgage loan with the subprime and/or Alt-A customers by any means possible; and because many of these non-prime applicants had a marginal credit history and questionable employment histories, these unscrupulous lending specialist was able negotiate the high subprime interest rates and discount points possible with the lending center management and the was able to use "bait-and-switch" tactics obtain concessions and concurrence from these financial-distressed applicants. We believe that most of the compensation earned by Chase Lending Specialist was via Yield Spread Premium (YSP) bonuses that were based upon the negotiated interest rate, discount points, and discretionary closing fees. Shamefully, HMDA-LAR Public Raw Data Disclosures show that as many as thirty percent of the loan applications and subprime and Alt-A home mortgage loans originated by the Chase Non-Prime Lending Center were African American consumers residing in 20 urban MSAs/MDs; and even more shocking, that more than forty-six percent of these African Americans were female borrowers, without co-borrowers. 2004-2008 HMDA-LAR public disclosures show that both the total percentage of African Americans, and the percentage of African American borrowers without co-borrowers, are 300% higher than for the Chase Non-Prime Lending Center, then those of JPMorgan Chase Bank, N. A. for the same MSAs/MDs.

ATTACHMENTS

<Y:\rightnow\Incident\2425347\Chase Two-Tier Subprime Mortgage Origination Scheme.pdf>
(1.5 MB)

<Y:\rightnow\Incident\2425347\1999-2015 HMDA-Regulation C Compliance of JPM Institutions-and-Subsidiaries-and-JVPs.pdf> (1 MB)

[View full complaint](#) 

 **Sent to company**

STATUS

Sent to company on 2017-04-03

We've sent your complaint to the company, and we will let you know when they respond.

Their response should include the steps they took, or will take, to address your complaint.

Companies generally respond in 15 days. In some cases, the company will let you know their response is in progress and provide a final response in 60 days.

Privacy Act Statement

OMB #3170-0011

Note on user experience

Have a question? ¿Preguntas?
(855) 411-2372



An official website of the United States Government