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.



(https://www.consumerfinance.gov/)

◀ All complaints (.)

201016-5579589

CLOSED



Submitted

STATUS

Submitted to the CFPB on 10/15/2020

PRODUCT

Mortgage

ISSUE

Trouble during payment process

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

2013 CHASE/SPS ELEVENTH-HOUR OUTSOURCING MANEUVER TO CONCEAL 171,201 CHASE-ORIGINATED "TOXIC MORTGAGES" THAT WERE SERVICED BY IT CLANDESTINE SUBSIDIARY: CHASE HOME FINANCE, LLC. (CHF). THIS ILLEGAL MANEUVER WAS AN INTEGRAL FEATURE OF THE CHASE RMBS TRUST CERTIFICATE SCAM; AND WAS INTENDED TO "HIDE" ALL CHASE-ORIGINATED "TOXIC MORTGAGE FROM DOJ

INVESTIGATORS. THIS WOULD ALLOW CHASE TO CLAIM THAT IT WAS AN INNOCENT VICTIM OF THIS MULTI-BILLION-DOLLAR MORTGAGE SECURITIZATION SCHEME; AND THUS, THAT CHASE WAS ENTERING INTO THE SETTLEMENT NEGOTIATIONS WITH "CLEANS HANDS." SEPENDITIOUSLY, THE CHASE-PAID MONITOR OF THE \$4-BILLION RELIEF/RESTITUTION AWARDED TO CONSUMERS IN THE SETTLEMENT OF THE \$13-BILLION CHASE RMBS TRUST SCAM, REPORTED THAT CHASE RECEIVED "INCENTIVES ON LOANS IT HELD FOR INVESTMENT AS OPPOSED TO LOANS SERVICED BY OTHERS." In 2013, after numerous federal and state civil claims arising from the sale of Residential Mortgage-Backed Securities (RMBS) by JPMorgan, Bear Stearns, and Washington Mutual prior to Jan. 1, 2009, the Department of Justice (DOJ) filed a landmark lawsuit against JPMorgan Chase and Company for illegal activities related to the packaging, marketing, sale and issuance of RMBS Trust Certificates. On October 16, 2013, just three weeks before the DOJ announced its settlement of the Chase RMBS Lawsuit, Susie and James Barnes received a letter from JPMorgan Chase Bank, National Association (JPMCBNA) notifying them that their mortgage, which at the time was being serviced, by Chase Home Finance, LLC (who from 2005 to 2012 was a hidden, wholly-owned subsidiary of JPMCBNA; and which, in 2012 was merged into JPMCBNA) was being outsourced to Select Portfolio Servicing, Inc. and when they called Chase they were told that they did not have anything to worry about because this mortgage was in good standing and only the servicing rights for their being outsourced. Mr. Barnes was told that Chase would still be responsible for all mortgage loan related issues, including the "unresolved" Racial Discrimination formally filed by Mr. Barnes with Rodney K. Reuscher, Vice President of the Chase Legal and Compliance Department in both 2010 and 2011. The attached copy of "Good-bye and Good-Riddance" letter sent to Susie Barnes and tens of thousands of other holders of Chase-originated "Toxic Mortgages on October 16, 2013, announcing this servicing mortgage agreement, explicitly stated that only the servicing rights were being outsourced, and JPMCBNA would still own the mortgages and would be accountable for any problems resulting from the origination and servicing of these "Toxic Mortgages" prior to November 1, 2013. The DOJ's settlement of the Chase RMBS Trust Lawsuit was announced on November 19, 2013, and \$4-Billion of the fine assessed to JPMorgan was designated as Consumer Relief/Restitution: "JPMorgan will pay out the remaining \$4 billion in the form of relief to aid consumers harmed by the unlawful conduct of JPMorgan, Bear Stearns, and Washington Mutual." JPMorgan Chase and Company, the defendant in this lawsuit, was named the "sole administrator" (without any Oversight or Monitoring from the CFPB, HUD, or the Housing and Enforcement Section of the DOJ) of the \$4-billion Consumer Relief/"Restitution" Settlement. It is unlikely that this unprecedented action would not have occurred, had the DOJ been aware of the role of JPMorgan affiliates: JPMorgan Chase Bank, N. A., Chase Manhattan Bank USA, N. A, and Chase Home Loan Direct® in originating more than one-hundred-and-seventy-five thousand "Toxic Mortgages" included in the Chase RMBS Trust lawsuit. The final report from the Chase-Paid Consumer Relief Monitor, Joseph A. Smith, Jr., shows that 123,737 home mortgage loans received some form of relief (Restitution) from the \$4-Billion Consumer Relief Provision of the settlement of Chase RMBS Trust Lawsuit. This relief/restitution included: a.) Loan Modifications, b.) Principal Reductions, and last but not least, c.) Principal Forgiveness. The September 30, 2015, Consumer Relief Report for the Chase RMBS

Settlement included the following caveat: "Chase receives incentives for certain relief conducted in the first year, in the hardest-hit areas, AND ON LOANS HELD FOR INVESTMENT AS OPPOSED TO LOANS SERVICED BY OTHERS." When the above caveat is viewed in the context of the timing of the 2013 Chase/SPS Eleventh-Hour Outsourcing Maneuver, it leads to the conclusion that the "serviced by other" phraseology was specifically used to exclude the tens of thousands of chase-originated "Toxic Mortgages" which were outsourced to SPS less than three weeks before the Chase RMBS Settlement Agreement was announced. Some of this \$4-billion consumer relief/restitution may have been diverted to mortgages held by JPMCBNA for investment purposes. In 2015 and 2016, when Mr. Barnes repeatedly requested additional information regarding the requirement of mortgagors to qualify for the \$4-Billion Consumer Relief/Restitution, multiple SPS employees from both the SPS Ombudsman's Office and the SPS Customer Advocate Office claim to have no knowledge of this restitution, and refused to forward his formal written requests to JPMCBNA.

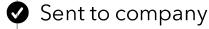
ATTACHMENTS

JPMorgan Chase Bank Good-bye Letter Sent to Susie Barnes_October-16-2013.pdf (99.5 KB)

AZDFI Complaint Form.pdf (253.6 KB)

REBUKE OF SPS FOR DISCLOSING PRIVATE NON-PERTINENT INFORMATION TO AZDFI AND CFPB.pdf (267.6 KB)

View full complaint •



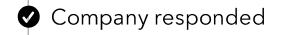
STATUS

Sent to company on 10/15/2020

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.



STATUS

Company responded on 10/30/2020

RESPONSE TYPE

Closed with explanation

Company's Response

Fraudulent Activity / Payments In the inquiry, you stated there was fraudulent activity on the account. Please be advised, SPS has received and responded to these same or similar disputes from you, and the current inquiry does not present any new concerns or documentation. We feel these issues raised have been addressed through our previous communications. On March 20, 2020, SPS responded to your concerns. A copy of that Response Letter is enclosed. Additionally, you raised several claims regarding fraudulent activity. We have reviewed your claims and find no merit to your allegations of fraudulent activity. SPS is confident that the servicing of the account by SPS has been compliant with all applicable state and federal regulations. We remain unclear regarding certain portions of the inquiry and the action you wish to be taken regarding this account. We ask that you clarify your request by calling us toll-free at the number listed below. Representatives are available Monday through Thursday, from 8:00 a.m. to 11:00 p.m., Friday 8:00 a.m. to 9:00 p.m. and Saturday from 8:00 a.m. to 2:00 p.m., Eastern Time. Please be advised, you filed a Chapter 13 Bankruptcy (Case No. 20-02682) on March 13, 2020. This is a 'trustee pay all account' and the account is post-petition current for the October 1, 2020, monthly mortgage payment.

ATTACHMENTS

0016066243-AD999_0067085447.pdf (5 MB)

Feedback provided

STATUS

Feedback provided on 10/30/2020

Your feedback

THE COMPANY'S RESPONSE ADDRESSED ALL OF MY ISSUES

No

ADDITIONAL COMMENTS

2013 CHASE/SPS ELEVENTH-HOUR OUTSOURCING MANEUVER TO CONCEAL 171,201 CHASE-ORIGINATED "TOXIC MORTGAGES" FROM DEPARTMENT OF JUSTICE (DOJ) INVESTIGATORS DURING THE DISCOVERY PHASE OF THE CHASE RMBS TRUST LAWSUIT

SETTLEMENT. In October 2013, Select Portfolio Servicing, Inc. (SPS) and JPMorgan Chase Bank, National Association (JPMCBNA) entered into a Servicing Rights Outsourcing Agreement referred to as the 2013 Chase/SPS Eleventh Hour Outsourcing Maneuver. The purpose of this clandestine maneuver was to conceal the existence of 171,201 subprime mortgages that had been originated by JPMCBNA and its affiliates: Chase Manhattan Bank USA, N. A.; and JPMCBNA's wholly-owned subsidiaries: Chase Manhattan Mortgage Corporation (CMMC) and Chase Home Finance, LLC. HMDA-LAR Public Disclosure shows that most, if not all, of the home mortgage loan originated at this boiler room was originated to financially-distressed consumers, many of which were African Americans residing in twenty urban MSAs/MDs located in fourteen states. These "Toxic Mortgages" had been originated at a Direct-marketing, Subprime Home Mortgage Origination Boiler-Room located in Fort Washington, Pennsylvania between 2004 and 2007, and the conspiracy to conceal these loans via this clandestine outsourcing maneuver was an integral part of the DOJ's \$13-Billion Chase RMBS Trust Lawsuit Settlement. To obtain the most favorable settlement terms possible, JPMorgan Chase and Company, the parent of JPMCBNA and its affiliates, would have to enter the settlement negotiation with what appeared to be "Clean" Hands" and claim that the "Toxic Mortgages" that it had securitized into more than one hundred bogus RMBS Trust Certificates had been purchased in "good faith" from third-party home mortgage lenders such as now-defunct: WMC Mortgage Corp, Country Financial, and Greenpoint Mortgage. It is believed that JPMCBNA chose to "quietly" outsource the servicing rights to these Chase-originated Toxic Mortgages" to SPS rather than selling then selling them because it would still "Own" these mortgages and could sell or dispose of them at a more favorable time the future. In the meantime, SPS would significantly expand its servicing portfolio and, at a future date, could sell the servicing rights to these Toxic Mortgages back to JPMCBNA. The proverbial "fly-in-the-ointment" was that the DOJ Settlement included a \$4-billion Consumer Relief Restitution Provision, which was to be distributed as follows: "JPMorgan will pay out the remaining \$4 billion in the form of relief to aid consumers harmed by the unlawful conduct of JPMorgan, Bear Stearns, and Washington Mutual." As far as can be determined, 123,737 mortgagors received some form of restitution; however, none of the tens of thousands of the Chase-originated "Toxic Mortgages" outsourced to SPS received relief/restitution of any kind.

I UNDERSTAND THE COMPANY'S RESPONSE TO MY COMPLAINT

No

ADDITIONAL COMMENTS

The final report from the Chase-Paid Consumer Relief Monitor, Joseph A. Smith, Jr., shows that 123,737 home mortgage loans received some form of relief (Restitution) from the \$4-Billion Consumer Relief Provision of the settlement of Chase RMBS Trust Lawsuit. This relief/restitution included: a.) Loan Modifications, b.) Principal Reductions, and last but not least, c.) Principal Forgiveness. The September 30, 2015 Consumer Relief report for the Chase RMBS Settlement included the following caveat: "Chase receives incentives for certain relief conducted in the first year, in the hardest-hit areas AND ON LOANS HELD FOR INVESTMENT AS OPPOSED TO LOANS SERVICED BY OTHERS." When the above caveat is

viewed in the context of the timing of the 2013 Chase/SPS Eleventh-Hour Outsourcing Maneuver, it leads to the conclusion that the "serviced by other" phraseology was specifically used to exclude the tens of thousands of chase-originated "Toxic Mortgages" which were outsourced to SPS less than three weeks before the Chase RMBS Settlement Agreement was announced. Some of this \$4-billion consumer relief/restitution may have been diverted to mortgages held by JPMCBNA for investment purposes. On multiple occasions, SPS was requested to obtain the requirements for for a Chase-originated mortgage loan to be included in the CHASE RMBS TRUST SETTLEMENT, and initially, employees from the SPS Ombudsman's Office lied about the existence of the \$4-Billion Settlement Agreement, and when they were provided with the published settlement terms; their response was that if a consumer had been eligible for restitution, she (or he) would have been notified by JPMorgan Chase Bank, N. A. "the Guilty Perpetrator in the Crime!" It seems that SPS forgot the old adage that: "You Can Fool Some Of The People Some Of The Time, But You Cannot Fool All Of The People All Of The Time!"

THE COMPANY DID WHAT THEY SAID THEY WOULD DO WITH MY COMPLAINT No

ADDITIONAL COMMENTS

Select Portfolio Servicing and JPMorgan Chase Bank, N. A. (and its affiliates) are guilty of defrauding hundreds of thousands of consumers, many of which were African American, of a share of the \$4-Billion Restitution Settlement in the "Greatest Mortgage Fraud Crime" in history. For more details, please see http://www.diy-carp.com.

What happens now?

The complaint process is complete and your complaint is now closed.

We have taken the following additional actions on your complaint:

- We added your complaint to the <u>CFPB's Consumer Complaint Database</u> (http://www.consumerfinance.gov/data-research/consumer-complaints).
- Your feedback, and feedback from others, helps us understand how companies are addressing concerns raised by consumers in their complaints. We will also share your feedback with the company.
- We have also shared your complaint with the Federal Trade Commission, which will add your complaint to its database for state and federal law enforcement agencies.

We appreciate your participation in the complaint process and your feedback on the company's response. Both are important to us and consumers who may have similar issues and concerns.



The CFPB has closed your complaint.

An official website of the United States Government