



## Frequently Asked Questions

### **Question: Why the lawsuit?**

Answer: Your lender gave you a loan that may be predatory in nature. In some instances your lender agreed in a stipulated judgment that certain loans were predatory. We believe that your lender acted in bad faith by doing little to restructure these “bad” loans. We are using past judgments as a guide to relief of these and other predatory lending loans. These settlements allowed homeowners to get principal reductions as low as 95% of current market value. We are using these judgments as our guide to remedy before the court.

### **Question: What relief are you seeking in the lawsuit?**

Answer: We will be seeking the following on behalf of the homeowners:

- Principal reduction at/or below current market value
- Up to 80% reduction in payment dependent upon current market value and interest rate
- Conversion of adjustable payment to fixed payment
- Monetary Damages
- Clean credit report of mortgage late payments

### **Question: Am I a good candidate for the litigation process?**

Answer: If your mortgage situation fits any of the following then you may be a potential litigant:

- a. interest only product
- b. high interest rate
- c. option ARM (adjustable rate mortgage) loan
- d. pick a payment or negative amortization
- e. has penalty for prepayment
- f. has balloon payments
- g. an 80/20 loan
- h. loan based on stated income
- i. subprime qualified loan
- j. income or the value of the property was inflated to obtain the loan
- k. denial of loan modification or termination from the existing trial program
- l. you had an aggressive broker who charged excessive fees
- m. wrongful foreclosure
- n. other lender malfeasance not stated

To further check your qualification, you must go through a lawsuit qualification questionnaire by phone or mail.



**Question: Will this lawsuit do anything to restore my credit rating?**

Answer: If we prevail, the lender may be required to remove all late payment entries concerning plaintiff's mortgage on your credit report with all 3 bureaus. This removal should significantly improve your credit score if you are behind on your mortgage payments.

**Question: Does a loan that was originated with different lender and later sold to the lender being sued qualify?**

Answer: Yes.

**Question: My loan was originated with the lender being sued but was sold to another lender, does it qualify?**

Answer: Possibly, you must call to find out.

**Question: If a client has applied for or is under review or has previously received a loan modification, are they still eligible for the lawsuit process?**

Answer: You may qualify, however litigation may affect any pending modification application. We still need you to answer a lawsuit qualification questionnaire.

**Question: Can I join the lawsuit even if my house already was foreclosed on?**

Answer: Yes, we will seek the return of title to your name and/or monetary damages for wrongful foreclosure.

**Question: Can I participate if I sold my property?**

Answer: Yes, though your damages and recovery may be limited.

**Question: If I have an investment property or multiple properties, does this lawsuit still apply to me?**

Answer: Yes, lawsuit applies to residential properties whether investment or owner occupied.

**Question: Can I receive a mortgage/lien strip where I will not have to pay any mortgage?**

Answer: This form of relief almost never occurs. This kind of remedy would only occur when extreme fraud, illegality, or bad faith was perpetrated against the homeowner by the lender.

**Question: Where will the case be filed?**



Answer: The case will be filed in California which requires a CA licensed attorney. It will be filed as a complex civil case in the Unlimited Superior Court in Los Angeles.

**Question: Can I be a part of the suit even if I do not live in California or my property is not located in California?**

Answer: Yes. Since the defendant had a California headquarters and significant ties to California, potential plaintiffs from states other than California could be added.

**Question: Who is the legal counsel litigating our case?**

Answer: There are many skilled attorneys involved in the Real Estate Law Center. The lead attorney who oversees the litigation is Attorney Chad Pratt. Attorney Pratt is a California attorney who has over 20 years of experience in litigation and in the last 3 years has litigated over 100 cases against lenders. His legal skill in analyzing litigation cases for predatory lending, bad faith and other lender violations is excellent.

**Question: Are you applying a loan modification for me?**

Answer: No. We are suing your lender on your behalf to try and get you a new loan and the damages we feel you deserve and best meet your needs.

**Question: Can I stop paying mortgage after becoming a client or plaintiff?**

Answer: Client should continue paying mortgage if they are able to unless a stay of payments is issued by the court. We will be seeking such a stay early in the case.

**Question: Will this lawsuit stop foreclosure?**

Answer: Lead Counsel believes that this is a basis to seek a stay of foreclosure for all those participating in the lawsuit. Counsel will seek specific orders from the court to prevent foreclosure while the case is pending. However, until this is confirmed, plaintiffs should continue to pay their mortgage if they have the ability to do so. Occasionally, when lenders are sued they normally do not foreclose until the case has concluded. This is due to the potential liability should they foreclose and then lose the case. However again we cannot unequivocally state or guarantee that lender being sued will not foreclose.

**Question: Is there a difference between litigation and loan modification process?**

Answer: Yes. They are 2 completely different processes.

Loan modification process is one where you follow lenders rules and regulations and submit information directly to the lender according to their guidelines. If you ever have dealt with loan modification process, you constantly send documents over and over again and most of the times never get any results.

Litigation on the other hand is suing the lender. The lender in litigation is no longer playing by its own rules but instead by laws and statutes overseen by a judge and potentially decided by a jury of your peers and not the bank.

**Question: Why do I have to pay a fee for a Mass Tort case while Class Action lawsuits are usually free?**

Answer: Class Action lawsuits are funded by attorneys so attorneys themselves can benefit. If you were ever involved in a Class Action lawsuit you know that plaintiffs rarely benefit. They will get a check for \$20.00 or a nominal amount or get free service for a year while the attorneys collect millions of dollars.

Tort lawsuits are suits where each plaintiff has individual claim that is joined together with numerous other similarly situated litigants. It is basically your own lawsuit joined together with other individual lawsuits. Moreover, Tort litigation permits individual plaintiffs to join together to share the cost of the litigation where each plaintiff maintains the autonomy to accept or reject pre-trial settlement terms and their respective case results according to their individual award and/or damages.

**Question: Why can I not just individually sue my lender?**

Answer: You can but it will cost you potentially 3 to 10 times more because you are alone. Mass Torts allow you to pool the resources from several clients to keep cost down for each person.

**Question: What are the necessary documents that I need to provide to sign up for the Mass Tort?**

Answer: You need to provide the following if you intend to sign up:

- completely filled out client questionnaire
- copy of loan documents if available; if loan documents are not available, any proof of the violation listed such as trust deed, mortgage note, mortgage statement, loan modification documents, loan modification correspondence and/or any lender correspondence.
- Executed retainer agreement

**Question: What is the litigation process after a client signs up?**

Answer: The following is an outline of the litigation process:

- i. complaint is filed
- ii. client name is added as a plaintiff to the lawsuit against the lender, if the complaints was already filed
- iii. lender is served
- iv. 998 settlement offer and compromise
- v. application for TRO (Temporary Restraining Order)/Injunctive Relief concerning foreclosure
- vi. discovery including depositions and interrogatories
- vii. settlement conference
- viii. case resolution/settlement by jury trial

**Question: How long do you foresee this case lasting?**

Answer: Estimating duration of litigation is always uncertain. Cases could settle early in the process or may last a year or more. We believe our case is strong so we anticipate an early settlement.

This will be a “complex” civil case and per Fast Track Trial Rules, the case must go to trial within strict time limits.

Complex means multiple plaintiffs, multiple defendants and/or multiple causes of action.

