

Vermont Joins Other States in Foreclosure Investigation

By Sam Hemingway, October 14, 2010

Vermont banking regulators and the Attorney General's Office have joined officials from 48 other states investigating claims that several large mortgage [loan](#) servicing entities engaged in the "robo-signing" of documents to initiate thousands of foreclosure actions around the country.

"It's fair to assume that if a large national banking institution engaged in this practice of robo-signing elsewhere that there is some likelihood that it occurred here as well," Assistant [Attorney General](#) Elliot Burg said Wednesday.

Several large lenders, including Bank of America, [JPMorgan Chase](#) and Ally Financial, put a hold on their foreclosure litigation following recent media reports alleging some foreclosures were based on flawed affidavits signed by people who did not have personal knowledge of the facts in the cases.

Thomas Candon, banking commissioner at the state Department of Banking, Insurance, Securities and [Health](#) Care Administration, said Wednesday some of the mortgage-service entities in question are active in Vermont, but he is unaware of any instances of robo-signing.

"We have not received any complaints at this office about that, and we get calls and complaints all the time," Candon said. "We're looking into the issue."

Candon said he is aware of two foreclosure cases in [Vermont](#) that were "put aside" because the documents needed to support the foreclosure action had not been filed with the court.

Burg said his office has asked state banking regulators to check both the accuracy of facts in foreclosure documents filed in state courts and whether the person signing the papers had personal knowledge of the facts supporting the foreclosure petitions.

Vermont's foreclosure rate ranks among the lowest in the country, Candon said. According to state figures, 1,353 foreclosure actions have been filed in 2010 in the state through Sept. 30, down from 1,453 for the same period in 2009.