



COOK COUNTY RECORDER OF DEEDS KAREN A. YARBROUGH

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FOR MORE INFORMATION

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Recorder Yarbrough Pleased that Victims Will be Compensated, Disappointed that Foreclosure Settlement Won't Restore Public Record

(CHICAGO) – While Cook County Recorder of Deeds Karen Yarbrough is pleased that some families will receive deserved compensation, she is disappointed that the latest settlement reached with 11 large mortgage lenders does not order the lenders to publicly restore an accurate chain of title from an internal system they used to skirt public accountability.

“Though it is good news that some families will be compensated for being wronged, I am disappointed that this and previous settlements have not asked these lenders and their subsidiaries to correct the damage they’ve done by not publicly recording documents that transfer lender interest in properties,” Yarbrough said. “It is my duty to safeguard the integrity of property records, and I will be pursuing aggressive action to help remediate the damage and ensure accurate recordkeeping going forward.”

Yarbrough is opposed to the lenders’ continued use of Mortgage Electronic Registration System (MERS) to internally track servicing agreements and ownership of loans and to avoid the transparency provided by our system of public recording of property documents. She is currently examining legislative and legal action to force MERS and their bank shareholders to open their records and use them to rebuild an accurate chain of title with the appropriate recorders and registrars.

On January 7, the federal Office of the Comptroller of the Currency announced an agreement in principle with 11 large lenders (Aurora Bank, Bank of America, Citibank, JPMorgan Chase, MetLife Bank, PNC, Sovereign, SunTrust, U.S. Bank, and Wells Fargo), to pay more than \$8.5 billion in cash and other assistance to borrowers. This amount includes \$3.3 billion in direct payments to eligible borrowers and \$5.2 billion in other assistance such as loan modifications and forgiveness.

The agreement was reached as part of a federal review that scrutinized foreclosure practices and found many foreclosures to be sloppy, rife with errors and fraud, and sometimes completely incorrect. This settlement is separate from the \$25 billion “robosigning” settlement reached in February of 2012 that provided Illinois with over \$1 billion to help struggling homeowners.

A payment agent will soon be appointed to contact eligible borrowers and instruct them on claiming their settlement funds. No action is required, but Yarbrough is urging those potentially eligible homeowners (part of a foreclosure action from the above banks between Jan. 1, 2009 and Dec. 31, 2010) to keep an eye on their mailbox, and will be using her website to post new developments.

“Many in the community look to the Recorder’s office as a source of information, and I’m happy to do what I can to keep families abreast of housing issues that directly affect their lives,” Yarbrough said.