

veterans, gold gloves, and an MVP candidate to the division title. I congratulate their owner, Mr. Bob Castellini, and his ownership group for bringing winning baseball back to my hometown in Cincinnati.

Go Reds.

**FORECLOSURE FRAUD! BANK  
RATES VERSUS RULES FOR EVERYONE ELSE**

**HON. ALAN GRAYSON**

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 29, 2010*

Mr. GRAYSON. Madam Speaker, foreclosure fraud can affect anyone, whether you have a mortgage, are paying on time, have income, or not. The average foreclosure hearing in a Florida court is 90 seconds. Mistakes are common, and fraud is rampant. Everyone is familiar with dealing with a big bureaucratic institution. What is happening is that these big bureaucratic loan servicers are charging fees inappropriately, refusing to talk to homeowners by putting calls through to call centers in India, and then foreclosing with forged documents once the homeowner has been drained of all assets and the will to fight.

There is one set of rules for banks, and another set of laws for everyone else. A servicer can ask for fees, it can demand payment, it can send you to call centers in India, and it doesn't have to negotiate. And you now have virtually no rights as a homeowner.

Here are four bizarre examples:

(1) Last summer, Fort Lauderdale resident Jason Grodensky experienced what has tragically become an increasingly familiar process all across America: his house was sold at a foreclosure sale after a bank notified the Florida courts that Grodensky had defaulted on his mortgage. The foreclosure came as a surprise to Grodensky, according to reports from the Sun-Sentinel. Not only did Grodensky not have a mortgage with the bank that sued to foreclose against his house, he had never had a mortgage at all. Grodensky had paid cash for his home.

(2) One house in Pinellas County, Florida saw two foreclosure suits brought against it because the banks didn't know who had title to the mortgage.

(3) One victim with a perfect payment record of all interest and principal was foreclosed on because of a \$75 contested late fee.

(4) Tim and Nicole West were victims of a predatory loan. In 2005, a bank threatened to sue the couple if they didn't sign a refinancing offer. Their loan servicer subsequently raised their payments from \$1900 to \$5300 a month, with regular forbearance fees required in the tens of thousands of dollars. Finally, the servicer refused to accept payments from the family in the name of negotiating for a mortgage modification. Instead of modifying the loan, their servicer began foreclosure proceedings. The servicer used fraudulent documents to prove that it had the right to foreclose.

Here's how it happened.

Securitizing mortgages was originally a way to take the cost of a mortgage of a bank's books. From 2005 onward, the securitization chain went out of control, and Wall Street

wanted as many mortgages as it could get, as quickly as possible, and as cheaply as possible. In order to allow it to pull out more fees at every link in the chain, subprime lenders, trusts, and banks decided to cut as many costs as possible, including record-keeping. They didn't keep good records, and violated the laws mandating that they had to file records with county clerks on who owned what mortgage title.

Instead, banks simply digitized mortgage titles into a privatized system called the Mortgage Electronic Registry System (MERS) and did the transfers by trading Excel spreadsheets among banks and trusts rather than by endorsing the notes as required by their own contracts, state real estate law, and IRS rules. Today, MERS is the registered owner of a security interest in 60 million properties or about 60% of the mortgages in the United States. 97% of the loans originated between 2005–2008 are in MERS.

It appears that on a widespread, probably pervasive basis, they did not take the steps necessary for them to own the note (a borrower IOU), which means that in 45 of 50 states, they lack the legal right to foreclose. Thus, every trust now has questionable legal standing in foreclosures in the overwhelming majority of states. In addition, the records were poorly kept, so servicers are basically guessing that they have the right to foreclose when they foreclose.

Obviously, the banks do not want to grapple with the consequence of trillions of dollars of securitized mortgages having no legal standing to foreclose. So, they have simply created a system whereby servicers hire 'foreclosure mill' law firms whose business is to forge documents showing that they have a legal right to foreclose. Some of these mills have been featured in the New York Times, and so-called 'robo-signers', people whose names show up on thousands of affidavits, despite obvious forgeries and overt admissions that these people had no knowledge of what they were signing.

The system is so organized that there is a company, Lender Processing Services, who allegedly has created the means to systemize fraud. Lawyers use the LPS system to request which affidavits and documents they need. LPS then has 'document mills' where they can magically make an authorized Vice President of Whoever You Need, and send you backdated signed documents saying you have the right to foreclose. Courts at first refused to believe that this level of rampant fraud exists, but more recently, they have started to sanction fraud against loan servicers.

Servicers don't make money through routine servicing; it's a break-even business. They make it at foreclosure, with a \$6,000 foreclosure fee. When you combine the incentive to foreclose with systemized fraud, it's lawlessness.

Fraud is now big business. And it's sanctioned in part through the government, as both Fannie and Freddie are shareholders in MERS.

We're approaching the point where the easiest way to make a buck is to steal it. The only way to end this plague of foreclosure fraud is to make sure that crime does pay.

**CHILDHOOD CANCER SUMMIT**

**HON. MICHAEL T. McCAUL**

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 29, 2010*

Mr. McCAUL. Madam Speaker, I am honored to take this opportunity to discuss a recent event in DC on an issue that has always been of particular significance to me. On September 16, 2010, I hosted a Childhood Cancer Summit with Congressman JOE SESTAK on behalf of the Pediatric Cancer Caucus. We held the Summit in September to honor Childhood Cancer Awareness Month. Our goal was to raise awareness among Members of Congress and to advance policies to better treat and prevent this disease.

Pediatric cancer is the leading killer by disease of our nation's children. Thirty-five children, or the equivalent of an entire school classroom, are diagnosed every day.

However, pediatric cancer research remains woefully underfunded. To compound this problem, the small patient population creates no market incentive for pharmaceutical companies to develop pediatric cancer drugs. Therefore, there exists a lack of available treatments and drugs tailored specifically to childhood cancer. Only one drug has been manufactured particularly for pediatric cancer since the 1980s. In addition, three out of every five survivors face devastating long-term effects from their disease or their treatments. Pediatric cancer is a chronic disease, and we have much to learn before diagnosed children are guaranteed to lead full and normal lives.

It is the goal of the Pediatric Cancer Caucus to raise awareness for these issues, as well as to advocate in support of measure which will improve the lives of patients, and work toward eliminating this disease as a threat to all children. The Caucus now has about 80 members, and is steadily growing.

The Childhood Cancer Summit included a panel discussion between childhood cancer experts from around the nation. Participants came from many of the premier pediatric cancer centers, including MD Anders Cancer Center, Texas Children's Hospital, Children's Hospital of Philadelphia, Memorial Sloan-Kettering, and St. Jude Children's Research Hospital. The panelists discussed the unique challenges facing childhood cancer patients and their families compared with adult cancers, including the development of better treatments for kids with cancer and initiatives to improve the quality of survivorship.

It is my goal to use the recommendations from these panelists to shape an effective legislative agenda, and garner the support of my fellow policymakers. As policymakers, we have a responsibility to the many children and families suffering from this devastating disease.

**IN RECOGNITION OF THE PASSING  
OF GEORGE IRELAND, JR.**

**HON. JEFF MILLER**

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 29, 2010*

Mr. MILLER of Florida. Madam Speaker, on behalf of the United States Congress, it is an