

Foreclosure nightmares: 3 families fight for their homes

By Les Christie

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The Pyrons went through a foreclosure nightmare, when they discovered that they didn't "officially" own their home because of a paperwork snafu.

NEW YORK (CNNMoney) -- With more than 200,000 households receiving foreclosure notices each month, there are bound to be a few mistakes. But for some unlucky homeowners, these blunders carry some serious consequences.

Maria and Joseph Perez were threatened with foreclosure and abandoned their home after a routine refinancing of their mortgage turned into a four-year (and counting) battle.

The couple had initially purchased their

Seguin, Texas home in 2007 with a mortgage that was backed by Bank of America and serviced by a firm called Taylor, Bean & Whitaker. In August 2009, the couple refinanced the loan through Quicken in order to get a better rate.

So Jose was puzzled when, a month after refinancing, he received a notice from Bank of America that said he was behind on his payments on the old loan.

It turned out that Taylor, Bean & Whitaker, the mortgage servicer, had ceased operations the same month they had refinanced. And Bank of America hadn't received the funds from the new loan to pay off the old one, said attorney Barry Brown, who is representing the couple.

Since there is pending litigation, Bank of America wouldn't comment on this specific case. But company spokesman Richard Simon said that when Taylor, Bean & Whitaker went bankrupt, the state government froze its deposits, including monthly payments that customers had made to the servicer and recently processed

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payoffs on refinanced loans.

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Adding an even odder twist was that Quicken had sold the servicing rights to the new loan to Bank of America. So while the couple was sending Bank of America payments on the new loan each month, Bank of America was sending them notices demanding payments for the old loan.

After several weeks of talks with the Perezes in late 2009, Bank of America finally acknowledged that they had refinanced their loan and stopped sending the payment notices, said Brown. The couple thought the situation had been cleared up.

But about a year later, the bank started asking for payments again. Somehow, the Perez's loan was again flagged as past due even though the frozen payments on the old loan from Taylor, Bean & Whitaker had been released to Bank of America.

"The Perezes began to get collection calls and threats," said Brown. "They barraged them with foreclosure notices, 16 in one month."

The couple, who have two young children, said they were being driven crazy. Their credit scores suffered. To cope, Jose, who is an electrical technician with Tyson Foods, asked the company to transfer him. They sold the house a year ago and moved to Kansas, far from family and friends.

The move ended the foreclosure fight, but the Perez's are suing Bank of America for unspecified damages for pain and suffering.

They're charging violations of Real Estate Settlement Provisions Act (RESPA) law, which specifies how lenders should offer mortgages and under what terms, and debt collection abuse laws.

"They feel like they're in exile," said Brown.

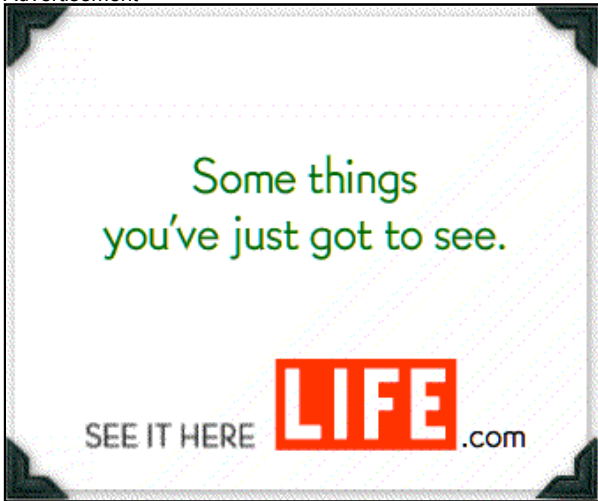
You don't own your home anymore -- we do

Brian and Khanklink Pyron lived happily in their Houston-area home for two years before they realized that they weren't technically the rightful owners -- and the bank that was wanted its property back.

Right after the couple bought their home in 2008, the title company, Esquire, went bankrupt. The problem was that Esquire never transferred the money the Pyrons paid for the home to the seller's mortgage holder, Wells Fargo Bank (**WFC, Fortune 500**), nor did it transfer the title of the home.

The money that was supposed to go to Wells Fargo instead wound up with the state of

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Texas guarantor, which was handling all of Esquire's accounts. Meanwhile, Wells Fargo, which hadn't received a dime from the sale yet, put a lien on the home.

"The title company meant to transfer the funds and the title but it went defunct, so we had no recourse in terms of recouping the loan," said Vickee Adams, a Wells Fargo spokeswoman.

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The Pyrons found out that the title transfer never took place after they mailed their property tax check and got a letter back from the county clerk's office telling them that the taxes had already been paid by Wells Fargo. When they called the bank to find out why they had paid the taxes, they found out that the bank still owned the home.

"We're going crazy," said Brian Pyron. "We had no idea this was happening. We were never late with payments."

The other shoe dropped when Wells Fargo filed a foreclosure notice. After some wrangling, the bank told the Pyrons they would resell the house to them. But there was a catch: The bank, which had approved the original deal as a short sale for \$130,000, now wanted \$172,000, said Pyron.

The couple hired a lawyer but couldn't afford the fees so they let him go. Their credit scores plunged and they lived in constant fear of losing their home.

Then, last Friday, came a fortunate turn in the case. Wells Fargo met with the Pyrons

and told them they would release the lien on the home. The bank didn't ask for any concessions or extra cash.

Now the Pyrons, who have been making their mortgage payments throughout this whole ordeal, are just waiting for the paperwork. "This is a huge relief for us," said Brian.

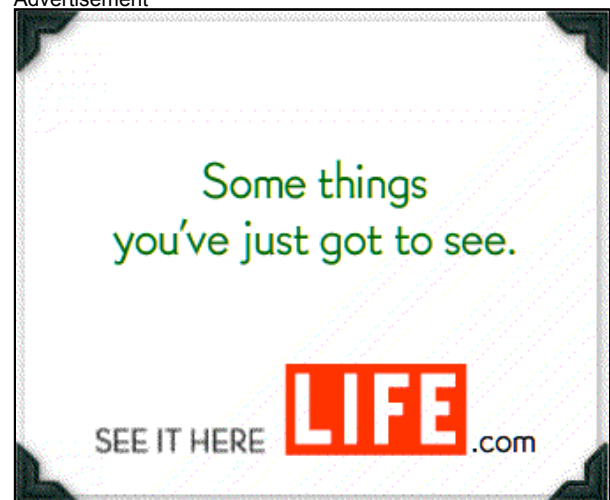
"I'm glad to know that [we] were able to resolve the matter," said Wells Fargo's Adams. "These actions reflect the consistent effort we pursue to help our customers retain home ownership."

You paid too early

Sharon Bullington, 70, and her husband James, a 78-year-old retired General Motors employee, would never have guessed that paying their mortgage bill too early would cause them to almost lose their home.

Initially, medical bills pushed them to default on their mortgage. At the time, the couple owed nearly \$180,000 on their New Port Richey, Fla. home, and their monthly mortgage payments were more than they

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could afford.

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But the couple qualified for a trial modification of their mortgage through the government's **Home Affordable Modification Program**, which offered them a loan with much more manageable monthly payments.

Yet, just a couple months later, Sharon found out that they had been booted from the HAMP program.

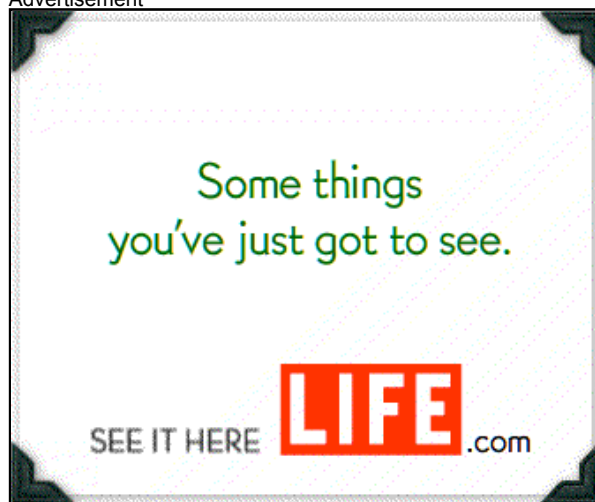
A letter from her lender, Bank of America, stated that the Bullington's were no longer eligible for the HAMP program because they were not able to "to make each payment in the month in which it is due."

Sharon had made the "mistake" of sending the payment for January in December. The couple was being kicked out of the program for paying too early. And since the trial modification fell through, the couple was yet again facing foreclosure.

After making many calls and enlisting a lawyer, the couple got a break. The case, which began with the January, 2011 early payment, was finally resolved in August with the bank admitting its error and refinancing the mortgage for the couple, said Shawn Yesner, the Bullington's attorney.

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