

Transcript - Countrywide Home Loans Settlement Podcast

This is Carol Kando-Pineda. I'm an attorney at the Federal Trade Commission, the nation's consumer protection agency. One focus of my work is outreach to the military community, giving you tips and tools to avoid scams, watch your wallet, and protect yourself in the marketplace.

I want to let you know today about an FTC case that's putting money back in the pockets of hundreds of thousands of homeowners who got taken. The FTC is mailing checks to more than 450,000 cheated homeowners - checks worth almost \$108 million. This money is to repay homeowners that the FTC says were overcharged by Countrywide Home Loans Inc. FTC settled this case against Countrywide last year. Countrywide is now owned by Bank of America.

So, the settlement required Countrywide to repay borrowers who were taken advantage of when they fell behind on their mortgage payments. If your loan was serviced by Countrywide between January 1, 2005 and July 1, 2008 and you were subject to the company's allegedly unlawful practices, you may be getting a check.

So, what were these practices? Well, according to the FTC, homeowners who were in default on their loans were charged excessive fees for services such as property inspections, lawn mowing, and other services that were meant to protect the lender's interest in the property. So, rather than simply hire third-party vendors to perform the services, Countrywide used their own subsidiaries to hire the vendors, and those subsidiaries marked up the prices charged by the vendors, sometimes by more than 100 percent.

Also, there were some customers trying to save their home in Chapter 13 bankruptcy proceedings. So the FTC says that Countrywide either lied or made claims that they couldn't support when they communicated with these borrowers about either how much they owed or the status of their loans. Countrywide also added fees and escrow charges to their mortgage accounts without notice. So, if you experienced these practices, you might get a check. If you do, be sure to cash it by September 19, 2011. The amount of each check will vary from less than \$500 to as much as several thousand dollars. And remember, the FTC never requires consumers to pay money or to give out information before redress checks can be cashed.

So, if you were a Countrywide customer and you have questions, call the redress administrator that's working for the FTC. The name is Gilardi and Company. You can reach them at 1-888-230-3196. You can also visit the FTC's page about the case, which is FTC.gov/countrywide.

And if you think you've been ripped off, let us know. File a complaint with the Federal Trade Commission at ftc.gov/sentinel/military. And as always you can go to Military OneSource for help. This free 24-hour service is available to all active duty, Guard, and Reserve members (regardless of activation status) and their families. Consultants provide information and make referrals on a wide range of issues. Call 1-800-342-9647 or go to www.MilitaryOneSource.com to learn more.