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Housing Advocates, Foreclosure Victims Applaud Coakley Action Against Big Banks

Coalition calls Attorney General's 60-page complaint a 'bold stand' to hold financial institutions and servicers accountable

BOSTON – A statewide coalition of housing advocates and foreclosure victims today applauded Attorney General Martha Coakley's lawsuit against the big banks, calling the action an important first step in holding the predatory lenders and servicers accountable for their role in the economic crisis. The 60-page complaint is the nation's first comprehensive lawsuit regarding the foreclosure crisis, naming major national banks including Bank of America, Wells Fargo, JP Morgan Chase, and Citi, along with the Mortgage Electronic Registration System. The suit alleges the institutions engaged in widespread fraud, use of false documentation, unlawful foreclosures, deceptive conduct, and corrupting the Massachusetts land recording system – amongst other charges.

"The Attorney General's lawsuit is great news for the people of Massachusetts," said Lew Finfer, who has fought illegal foreclosure for years at the Massachusetts Communities Action Network. "This action will help provide restitution for the tens of thousands of Bay State homeowners who have been victimized by the big banks' illegal lending and foreclosure practices – along with the communities who have seen their property values and revenue streams deteriorate as a result."

Last month, a broad coalition of bank-tenant organizations, faith and community groups [called on Coakley to take aggressive action](#) to address the institutions' illegal and deceptive practices throughout Massachusetts and across the country. The statewide effort is led by Brockton Interfaith Committee, Chelsea Citywide Tenants Association, City Life/Vida Urbana, Lynn United for Change, MASSUNITING, Mass Alliance Against Predatory Lending (MAAPL), Massachusetts Communities Action Network (MCAN), Massachusetts Jobs with Justice, 1199 SEIU, Springfield No One Leaves and Worcester Anti-Foreclosure Team.

"Millions of families lost their homes, their jobs, and their life savings because of the foreclosure crisis – and the big banks have tried to push a weak settlement to avoid taking responsibility," said Malcolm Chu of *Springfield No One Leaves*. "Attorney General Coakley is taking a bold stand to hold the big banks accountable for causing the economic collapse, and we hope her colleagues across the country will follow her lead."

Major financial institutions and servicers are pushing an inadequate [\\$20 billion settlement](#) with Attorneys General nationwide that would absolve the banks of responsibility on a host of issues named in Coakley's complaint. By comparison, a [recent report](#) from the financial tracking firm CoreLogic estimates American homeowners have been saddled with more than \$708 billion in negative equity as a result of the bank-created housing crisis.