

Mother Jones

EXCLUSIVE: Fannie and Freddie's Foreclosure Barons

How the housing agencies are helping shady lawyers make millions by pushing families out of their homes.

By [Andy Kroll](#) | Wed Aug. 4, 2010 12:01 AM PDT

LATE ONE NIGHT IN February 2009, Ariane Ice sat poring over records on the website of Florida's Palm Beach County. She'd been at it for weeks, forsaking sleep to sift through thousands of legal documents. She and her husband, Tom, an attorney, ran a boutique foreclosure defense firm called [Ice Legal](#) ^[1]. (Slogan: "Your home is your castle. Defend it.") Now they were up against one of Florida's [biggest foreclosure law firms](#) ^[2]: Founded by multimillionaire attorney David J. Stern, it controlled one-fifth of the state's booming market in foreclosure-related services. Ice had a strong hunch that Stern's operation was up to something, and that night she found her smoking gun.

It involved something called an "assignment of mortgage," the document that certifies who owns the property and is thus entitled to foreclose on it. Especially these days, the [assignment](#) ^[3] is key evidence in a foreclosure case: With so many loans having been bought, sold, [securitized](#) ^[4], and traded, establishing who owns the mortgage is hardly a trivial matter. It frequently requires months of sleuthing in order to untangle the web of banks, brokers, and investors, among others. By law, a firm must execute (complete, sign, and notarize) an assignment before attempting to seize somebody's home.

A Florida notary's stamp is valid for four years, and its expiration date is visible on the imprint. But here in front of Ice were dozens of assignments notarized with stamps that hadn't even existed until months—in some cases nearly a year—after the foreclosures were filed. Which meant Stern's people were foreclosing first and doing their legal paperwork later. In effect, it also meant they were lying to the court—an act that could get a lawyer disbarred or even prosecuted. "There's no question that it's pervasive," says Tom Ice of the backdated documents—nearly two dozen of which were verified by *Mother Jones*. "We've found tons of them."

This all might seem like a legal technicality, but it's not. The faster a foreclosure moves, the more difficult it is for a homeowner to fight it—even if the case was filed in error. In March, upon discovering that Stern's firm had fudged an assignment of mortgage in another case, a judge in central Florida's Pasco County [dismissed the case with prejudice](#) ^[5]—an unusually harsh ruling that means it can never again be refiled. "The execution date and notarial date," she wrote in a blunt ruling, "were fraudulently backdated, in a purposeful, intentional effort to mislead the defendant and this court."

Stern has made a fortune foreclosing on homeowners. He owns a \$15 million mansion, four Ferraris, and a 130-foot yacht.

More often than not in uncontested cases, missing or problematic documents simply go overlooked. In Florida, where foreclosure cases must go before a judge (some states handle them as a bureaucratic matter), dwindling budgets and soaring caseloads have overwhelmed ^[6] local courts. Last year, the foreclosure dockets of Lee County in southwest Florida became so clogged that the court initiated rapid-fire hearings lasting less than 20 seconds per case—"the rocket docket" ^[7], attorneys called it. In Broward County, the epicenter of America's housing bust ^[8], the courthouse recently began holding foreclosure hearings in a hallway, a scene that local attorneys call the "new Broward Zoo." "The judges are so swamped with this stuff that they just don't pay attention," says Margery Golant ^[9], a veteran Florida foreclosure defense lawyer. "They just rubber-stamp them."

But the Ices had uncovered what looked like a pattern, so Tom booked a deposition with Stern's top deputy, Cheryl Samons, and confronted her with the backdated documents—including two from cases her firm had filed against Ice Legal's clients. Samons, whose counsel was present, insisted that the filings were just a mistake. She refused to elaborate, so the Ices moved to depose the notaries and other Stern employees whose names were on the evidence. On the eve of those depositions, however, the firm dropped foreclosure proceedings against the Ices' clients.

It was a bittersweet victory: The Ices had won their cases, but Stern's practices remained under wraps. "This was done to cover up fraud," Tom fumes. "It was done precisely so they could try to hit a reset button and keep us from getting the real goods."

Backdated documents, according to a chorus of foreclosure experts, are typical of the sort of shenanigans practiced by a breed of law firms known as "foreclosure mills." While far less scrutinized than subprime lenders or Wall Street banks, these firms undermine efforts by government and the mortgage industry to put struggling homeowners back on track at a time of record foreclosures. (There were 2.8 million foreclosures ^[10] in 2009, and 3.8 million ^[11] are projected for this year.) The mills think "they can just change things and make it up to get to the end result they want, because there's no one holding them accountable," says Prentiss Cox, a foreclosure expert at the University of Minnesota Law School. "We've got these people with incentives to go ahead with foreclosures and flood the real estate market."

PAPER TRAIL

View the documents featured in this story:

Federal Securities Fraud Suit, Cooper and Methi v. DJSP Enterprises, David J. Stern, and Kumar Gursahaney ^[12], July 2010

Class Action Racketeering Suit, Figueroa v. MERSCORP, Law Offices of David J. Stern, and David J. Stern ^[13], July 2010

Fair Debt Collection Violation Suit, Hugo San Martin ^[14] **and Melissa San Martin v. Law Offices of David J. Stern** ^[14], July 2010

Class Action Suit for Fair Debt Collecting Violations, Rory Hewitt v. Law Offices of David J. Stern and David J. Stern ^[15], October 2009

Florida Bar, Public Reprimand, Complaint Against David J. Stern ^[16], Sept. 2002

Florida Bar, Public Reprimand, Consent Judgment Against David J. Stern ^[17], Oct. 2002

Freddie Mac Designated Counsel, Retention Agreement with Law Offices of David J. Stern ^[18], April 2003

Freddie Mac Designated Counsel, Memo to Law Offices of David J. Stern ^[19], March 2006

Amended Complaint Alleging Sexual Harassment, Bridgette Balboni v. Law Offices of David J. Stern and David J. Stern ^[20], July 1999

Stern's is hardly the only outfit to attract criticism, but his story is a useful window into the multibillion-dollar "default services" industry, which includes both law firms like Stern's and contract companies that handle paper-pushing tasks for other big foreclosure lawyers. Over the past decade and a half, Stern has built up one of the industry's most powerful operations—a global machine with offices in Florida, Kentucky, Puerto Rico, and the Philippines—squeezing profits from every step in the foreclosure process. Among his loyal clients, who've sent him hundreds of thousands of cases, are some of the nation's biggest (and, thanks to American taxpayers, most handsomely bailed out ^[21]) banks—including Wells Fargo, Bank of America, and Citigroup. "A lot of these mills are doing the same kinds of things," says Linda Fisher ^[22], a professor and mortgage-fraud expert at Seton Hall University's law school. But, she added, "I've heard some pretty bad stories about Stern from people in Florida."

While the mortgage fiasco has so far cost American homeowners an estimated \$7 trillion ^[23] in lost equity, it has made Stern (no relation to NBA commissioner David J. Stern ^[24]) fabulously rich. His \$15 million ^[25], 16,000-square-foot mansion occupies a corner lot in a private island community on the Atlantic Intracoastal Waterway ^[26]. It is featured on a water-taxi tour of the area's grandest estates, along with the abodes of Jay Leno ^[27] and billionaire Blockbuster founder Wayne Huizenga ^[28], as well as the former residence of Desi Arnaz and Lucille Ball. (Last year, Stern snapped up his next-door neighbor's property for \$8 million ^[29] and tore down the house to make way for a tennis court.) Docked outside is Misunderstood ^[30], Stern's 130-foot, jet-propelled Mangusta yacht—a \$20 million-plus replacement for his previous 108-foot Mangusta ^[31]. He also owns four Ferraris, four Porsches, two Mercedes-Benzes, and a Bugatti ^[32]—a high-end Italian brand with models costing north of \$1 million a pop.

Despite his immense wealth and ability to affect the lives of ordinary people, Stern operates out of the public eye. His law firm has no website, he is rarely mentioned in the mainstream business press, and neither he nor several of his top employees responded to repeated interview requests for this story. Stern's personal attorney, Jeffrey Tew ^[33], also declined to comment. But scores of interviews and thousands of pages of legal and financial filings, internal emails, and other documents obtained by *Mother Jones* provided insight into his operation. So did eight of Stern's former employees—attorneys, paralegals, and other staffers who agreed to talk on condition of anonymity. (Most still work in related fields and fear that speaking publicly about their ex-boss could harm their careers.)

FORECLOSURE MILLS OWE their existence to Fannie Mae and Freddie Mac, the federally guaranteed entities that essentially created, beginning in 1968 ^[34], the vast

marketplace where loans are traded. Their mandate was to promote property ownership by making a large pool of credit available at affordable rates. They accomplished this by buying mortgage debt from banks and packaging it into bonds, which allowed investors to get in on the action. The banks responded to the demand by lending more money to their customers, and Fannie and Freddie's combined mortgage portfolio exploded from \$61 billion in 1980 to \$1.2 trillion two decades later, according to the Government Accountability Office. Their dominance gave them the clout to rewrite rules for the mortgage industry—standardizing underwriting guidelines, loan documents, and the like.

Fannie and Freddie also reshaped the foreclosure industry. Their huge holdings meant they had to deal with thousands of foreclosures annually—even during periods when only a small percentage of loans were going bad. In the 1990s, the market expanded into subprime territory to feed the securitization beast, and borrowers began defaulting at increasingly higher rates. Hiring lawyers on a case-by-case basis was burdensome, so Fannie and Freddie put together a stable of law firms, prime contractors prepared to litigate large bundles of foreclosures quickly and cheaply. They urged these handpicked firms to bring in-house all of the related services—inspections, eviction notices, sales of repossessed properties, and so forth—or at least to retain a suitable subcontractor to handle the tasks. Thus emerged the foreclosure supermarket.

In a recent speech, Stern noted the administration's homeowner-relief program. "Fortunately, it is failing," he told prospective investors.

Stern's company is one of dozens of mills ^[35] that now churn through more than a million cases a year for Fannie and Freddie, big banks, and private lenders. Built like industrial assembly lines, the mills employ small armies of paralegals and other low-level employees who mass-produce court filings, run title searches, and schedule scores of hearings and property auctions daily. Meanwhile, staff attorneys appear for dozens of court hearings in rapid succession, pulling plastic filing cabinets on wheels behind them as they dash from one courtroom to the next. Stern and his ilk typically create in-house subsidiaries, which then bill the parent law firm for the various services. "All sorts of crap is loaded on," notes Irv Ackelsberg ^[36], a Philadelphia consumer-law attorney.

The business model is simple: to tear through cases as quickly as possible. (Stern's company handled 70,382 foreclosures ^[37] in 2009 alone.) This breakneck pace stems from how the mills get paid. Rather than billing hourly, they receive a predetermined flat fee for the foreclosure—typically around \$1,000—plus add-ons for each of the related services. The more they foreclose, the more they make. As a result, consumer attorneys and legal experts say, even families who have been foreclosed upon illegally—and who can afford to make good on their mortgages—end up getting steamrolled. "It's 'How fast can I turn this file?'" says Ira Rheingold ^[38], executive director of the National Association of Consumer Advocates in Washington, DC. "For these guys, the law is irrelevant, the process is irrelevant, the substance is irrelevant."

In 2006, for instance, a federal bankruptcy judge blasted New Jersey law firm Shapiro & Diaz ^[39] for filing 250 home-seizure motions presigned by an employee who had left the firm more than a year earlier. Calling it "the blithe implementation of a renegade practice," the judge slapped Shapiro & Diaz with \$125,000 in fines ^[40]. The following year, a federal judge in Texas fined Barrett Burke Wilson Castle Daffin & Frappier ^[41]—a powerful foreclosure firm—\$65,000 for filing computer-generated documents the judge called "grossly erroneous" and "gibberish." Likewise, Wells Fargo was fined \$95,000 thanks to

shoddy paperwork by Florida Default Law Group [42]—a Wells [43] contractor that clearly believed, according to the judge, that "filing any old pleading without undertaking any investigation into its accuracy is perfectly acceptable practice." (In April, the state attorney general's office began probing [44] Florida Default for allegedly "fabricating and/or presenting false and misleading documents in foreclosure cases.")

TERMS OF FORECLOSURE

Assignment of mortgage Legal document certifying who owns the property.

Fannie Mae and Freddie Mac These federally backed private entities created the marketplace where loans are securitized and traded; helped give birth to foreclosure mills.

Foreclosure mills Law firms that process foreclosures on a massive scale, quick and dirty.

Lender Financial institution that sells you a loan.

Mortgage servicer Firm the lender or mortgage investor hires to collect your monthly payments.

Securitize To package thousands of loans into bonds that can be sold to investors.

Workout Deal a defaulting borrower cuts with lender or servicer to adjust interest rates, principal, or loan period.

For a homeowner in default, the best option is a loan modification or "workout [45]" agreement, in which the borrower and mortgage servicer [46]—the firm that collects monthly payments on a lender's behalf—renegotiate the details of a loan. When successful, it allows families to keep their homes, banks and bondholders to maintain their cash flow, and neighborhoods to escape the collateral damage of yet another blighted property. That's why the Obama administration is pushing this strategy.

But in their rush to foreclose, mills frequently charge ahead even after a servicer has agreed to modify a troubled a loan. What's more, in a November 2009 [47] survey of 113 consumer advocates in 23 states and the District of Columbia, nearly all said they'd represented homeowners in cases where lenders and their attorneys—usually from a mill—tried to foreclose without bothering to check whether the homeowner qualified for federal mortgage relief. Borrowers "receive confusing, seemingly contradictory correspondence from the servicer and the foreclosure attorney, and in too many instances find that their home has been sold before the modification analysis has been completed," Alys Cohen [48], a staff attorney with the National Consumer Law Center, told Congress in April.

The mills have little incentive to cooperate with efforts to keep people in their homes. Indeed, notes foreclosure-defense attorney Golant, once these high-volume firms run through the current backlog of subprime defaults, some of them may find themselves with little to do. "They have an interest in this going on as long as possible," she says.

Even Stern admits as much. In a March speech to prospective investors, he made note of the administration's embattled \$75 billion homeowner-relief program [49]. "Fortunately, it is failing," he said [50].

"It's completely screwed up," laments Ira Rheingold. "The machine can't be stopped, because the people who are making money operating the machine don't want it to stop."

DAVID STERN WAS WELL POSITIONED to cash in on the business opportunity offered by Fannie Mae and Freddie Mac. After graduating from law school in the mid-'80s, he took a job with the firm of Gerald M. Shapiro, one of the first lawyers to automate the foreclosure process—and a partner in Shapiro & Diaz. In 1993, having mastered the ins and outs of foreclosures, he left to open his own shop in a North Miami Beach office with, in his words, "ugly blue carpet and pink walls." Stern shared the space, according to state business records [51], with his wife's short-lived beauty consulting company, Your Personal Best [52].

He put in his applications, and by 1997, when Fannie and Freddie [53] rolled out their most-favored-attorney program in Florida, Stern was on the list [54]. He relocated the firm to the nearby city of Plantation [55]—taking over a strip-mall space once occupied by a Stein Mart discount clothing store. He then hired a slew of rookie attorneys whose job was primarily to rubber-stamp legal documents. One attorney Stern brought on in 2007, fresh from law school, told me she was ordered to sign legal filings that were dumped on her desk before she had a chance to read them. She eventually quit. "Ethics are thrown out the door," she said. Another lawyer, who deals with the firm regularly, told me that Stern's seasoned employees belittled the newbies, referring to them simply as "bar licenses."

Reducing the foreclosure process to data entry wasn't an entirely novel idea, but Stern set out to perfect the model. His minions created a master database dubbed "the Bible," with information on anything that could possibly relate to a foreclosure case in Florida—the things specific judges required, how many file copies they wanted, clerks' phone numbers, names of judicial assistants, even warnings about when a certain judge was cranky and having a bad day. According to one former paralegal, supervisors said they would be fired if they didn't complete at least 15 daily "casesums"—information summaries for new cases referred to the firm. Another paralegal, who spent three years at Stern's firm, said there were unofficial contests to see who could jam a case through the fastest. "Somebody would get a 76-day foreclosure," she said, "and then someone else would say, 'Oh, I can beat that!'" (An uncontested foreclosure in Florida typically lasts 135 days [56], according to industry analyst RealtyTrac.)

While rushing foreclosures isn't illegal, Stern's fledgling firm was promptly accused of something that is: gouging people who are trying to get out of default. In October 1998, Tallahassee attorney Claude Walker filed a class-action lawsuit involving tens of thousands of claimants, alleging that Stern had piled excessive fees on families fighting to keep their homes. (Walker, who visited Stern's offices in 1999 to collect depositions, described the place as "a big warehouse" where hordes of attorneys holed up in tiny, crowded offices "like hamsters in a cage.") After several years of battling in court, Stern settled for \$2.2 million [57]. Based on that case, the Florida Supreme Court [58] and state bar association later reprimanded [17] him for "professional misconduct [59]."

A few months after Walker filed his class action, former paralegal Bridgette Balboni sued ^[20] Stern personally for sexual harassment. The case details read like something out of *Animal House*: Balboni said Stern grabbed female employees from behind and faked sex with them, stuck his tongue in one woman's ear, and joked that another woman used her pager as a vibrator. Balboni, who settled for an undisclosed sum, declined to discuss the case. But five other women who have worked for Stern told me of similar behavior by the boss. Several used the word "pig" in their descriptions.

Despite his legal setbacks, Stern remained on a roll. Two years running, in 1998 and 1999, Fannie Mae named him "Attorney of the Year." (A Fannie spokeswoman did not respond to requests for comment.) After settling Walker's case, Stern and other foreclosure attorneys teamed up, hiring lobbyists to urge state lawmakers to cap class-action damages in consumer lawsuits; the Republican-controlled legislature obliged in May 2001. (The prior year, Stern had donated ^[60] \$5,000 to the Florida GOP. His previous state-level candidate contributions were in the hundreds, and he'd never given a cent to the party before.)

Stern continued cramming more employees, documents, and computers into his strip-mall headquarters. From 2005 through 2007, city inspectors repeatedly cited the firm for code violations such as blocking exits and fire sprinklers with storage, and for creating a hazard by stringing extension cords between departments.

The cases kept coming. From 2006 to 2008, as the number of Americans losing their homes doubled ^[61], Stern's case referrals nearly quintupled, and lenders sent him 12 times as many repossessed properties to sell off. Gross revenues just for Stern's administrative operations—titles, home sales, and default processing—leaped from \$40 million to \$200 million, and his payroll swelled from 400 to nearly 1,000 employees. (Orientations for new hires were a near-weekly affair, said a former secretary.) In 2008, flush with cash, the firm left its strip-mall digs for a luxurious building down the street overlooking a small lake.

"I don't have any confidence that any of the documents the court is receiving on these mass foreclosures are valid," said the judge.

Amid its meteoric rise, interviews and court records show, Stern's operation began to cut corners. Beyond the backdated assignments, employees told me that the firm routinely doctored its legal filings. Case chronologies—the timeline of important events in a foreclosure—were changed "all day long" to create the appearance of propriety, notes a former Stern paralegal. And internal documents show that the firm attempted to push cases through the courts even when key documents like the assignment of mortgage—or the mortgage contract itself—were missing from the file. "Need to re-set. No original loan docs," a Stern attorney wrote in a July 2008 memo after being rebuffed at a Tampa court hearing. At a Stern hearing in April, Pinellas County Judge Anthony Rondolino became fed up with the mills in general, declaring, "I don't have any confidence that any of the documents the court is receiving on these mass foreclosures are valid."

Since then, Stern's legal headaches have only worsened. In July, a Fort Lauderdale attorney filed a class-action lawsuit ^[13] against Stern and his firm, accusing them of racketeering and fraudulently foreclosing on Florida homeowners. The suit claims Stern's firm hid the true ownership on mortgages for "tens of thousands" of homeowners in order to "illegally obtain final judgments of foreclosure." A few days later, on July 29, another suit was filed ^[14] alleging that Stern's firm blithely refused to stop a foreclosure on a couple in

Port St. Lucie even though the homeowners hadn't missed or been late on their monthly payments.

Despite civil allegations past and present, banks and lenders continue to funnel Stern more than 5,000 new cases a month—and Fannie and Freddie have kept him as a designated counsel. A Freddie Mac spokesman cites Stern's "good standing" in Florida, but adds, "We certainly want all of our vendors to follow federal and state law." (Neither Wells Fargo ^[62] nor Bank of America ^[63]—which work with Stern while publicly cheering Obama's housing-relief programs and rolling out their own—would comment directly on their relationships with Stern. In an email, a Wells spokeswoman noted that the bank monitors all of its attorneys and adjusts its referrals accordingly.)

The problems at Stern's firm weren't confined to the courthouse. Supervisors would instruct their staffs to ignore or hang up on homeowners who called in with complaints, according to several people who worked there in the past five years. The rule applied even if the homeowner called with a legitimate issue. "You would get calls from people saying, 'We are going to be evicted today, and I just got out of the hospital. I just had a baby,'" a secretary told me. "I'd go into my boss' office, and she'd say, 'That's their problem.'"

An employee from Stern's reinstatement unit—which is supposed to help borrowers get out of default—also spoke of a culture of indifference. "I've had people call and tell me the locks were changed because their house had been sold at auction" without them knowing, she said. "But you would get in trouble if you were on the phone for a long time with the borrower."

Consider the case of Holly and Rory Hewitt, who for years faithfully made monthly payments on their modest one-story house on what was once an orange grove in Loxahatchee, Florida. In October 2007 their lender, Countrywide, erroneously informed the couple that they were in default. The Hewitts, who had the money, immediately called and asked how much they owed so that they might get things straightened out. Soon after, a reinstatement letter arrived on the letterhead of Countrywide's legal counsel—the Law Offices of David J. Stern.

The \$18,500 bill was larded with charges—property inspection, title, and late fees that seemed exorbitant even in an industry renowned for arbitrary fees, plus monthly loan payments that weren't yet due. In addition, Stern charged the Hewitts for serving legal papers not just on Rory and Holly, but on a nonexistent spouse for each. In all, the couple was being gouged for thousands of dollars. The Hewitts took their story to a local legal aid organization, which passed the case to a private attorney. It would eventually become the core of another class-action suit ^[15]—one of two pending cases alleging that Stern had dumped junk fees on some 3,500 homeowners who were trying to escape default.

Stern's attorney insists publicly that the fees were reasonable and legal. But the lawsuits claim that Stern's firm often tripled the standard title fee, charged for serving papers on fictitious people, and demanded payments and fees that homeowners plainly didn't owe—violating Florida laws against predatory debt collecting and deceptive trade practices. Stern, the filings allege, is personally to blame. "These people are scratching coffee cans to get enough money to reinstate their mortgage," says attorney Claude Walker. "You don't have to go take nickels and dimes from people who are trying to save their houses."

A NICKEL HERE, A DIME THERE, and pretty soon you're talking real money. Stern's back-office operations cleared more than \$44 million ^[64] in profit last year. Last December, a Chinese acquisition fund purchased those departments and spun them off into a company called DJSP (David J. Stern Processing) Enterprises. Incorporated in the British Virgin Islands—a notorious tax haven—the new firm will continue processing Stern foreclosures, and hire itself out to handle other firms' foreclosure paperwork, too.

Stern collected \$53 million in the deal and retained a top role in DJSP. In January, the company's stock debuted on the NASDAQ at \$9.25 ^[65] per share—and with that, the small outfit Stern had launched in 1994 in an ugly North Miami Beach office was worth in the neighborhood of \$300 million ^[66].

The company's stock took a nosedive ^[67] in May, after Stern told investors there would be lower earnings due to a slowdown in referrals by a big client and to the Treasury Department's renewed efforts to bolster homeowner relief. Some of DJSP's investors, angry over the decline in their investment, claimed Stern knowingly misled them. In July, DJSP, Stern, and his CFO were hit with a class-action securities fraud suit ^[12]. More investors have since ^[68] alleged ^[69] fraud by DJSP, pushing the company's share price down to \$3.70 as of August 3.

Nonetheless, Stern has gone out of his way to assure investors that foreclosures would surge in the second half of 2010 as clients processed their backlogs of delinquent loans. In March, he and his chief financial officer flew to Southern California to make the case for why the foreclosure industry is ripe for expansion. The setting was the annual shindig of investment banking firm Roth Capital Partners, a swank conference for hedge-fund managers and institutional investors held at the Ritz-Carlton, Laguna Niguel ^[70]—a luxury hotel perched on a bluff overlooking the Pacific Ocean. Conference perks included private concerts by Social Distortion and Billy Idol ^[58].

In his speech to the money people, Stern explained why the time was right to invest. Historical data, he said, showed that people will continue losing their homes in large numbers through 2012, ensuring plenty of business. The market's shadow inventory—people in default whose homes have not yet gone into foreclosure—numbered between 5 and 7 million. And when those foreclosures go through the pipeline, the properties will need to be sold. Which is to say, the near future looks golden for David Stern. "When people say, 'Oh, my god, the economy is bad,' I'm like, 'Oh, my god, it's great.' I hate to hear people are losing homes, and credit isn't available, and people's credit is such that they can't [refinance]," he told his audience. "But if you are in our niche, it's what we want to do, and it's what we want to see."

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Links:

[1] <http://www.icelegal.com/>

[2] http://www.sec.gov/Archives/edgar/data/1436612/000114420409064305/v168859_ex99-2.htm

[3] <http://www.wilmerhale.com/publications/whPubsDetail.aspx?publication=8133#footnote2>

[4] <http://www.investopedia.com/terms/s/securitize.asp>

[5] <http://online.wsj.com/public/resources/documents/HarpsterCase.pdf>

[6] http://www.floridasupremecourt.org/pub_info/documents/Filed_08-17-2009_Foreclosure_Final_Report.pdf

- [7] <http://online.wsj.com/article/SB123491755140004565.html>
- [8] <http://www.sun-sentinel.com/business/fl-housing-prices-comparison-20100730,0,7907029.story>
- [9] <http://www.golantlaw.com/about.html>
- [10] <http://www.reuters.com/article/idUSTRE60D0LZ20100114>
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