

October 3, 2008

Search Go

Cars | Jobs | Real Estate | Apartments | MORE | LOGIN or REGISTER

Home > Market Place > Chicago Real Estate

Text size:

CONSUMER WATCH

Document review could save home

October 3, 2008

By Lew Sichelman

Troubled homeowners who are having difficulty getting the attention of their lenders might want to obtain a forensic loan review to determine if their lenders made any mistakes when the mortgage was issued.

Even a minor \$30 miscalculation on the lender's part could be an actionable offense, and the threat of a lawsuit is often enough to persuade the lender to deal with you in trying to find a way to help you work through your financial difficulties.

In a forensic loan review, a legal pathologist scours your loan documents looking for errors in, among other things, the truth in-lending (TIL) statement the lender provided shortly after you applied for your mortgage and the lender's annual-percentage-rate (APR) calculation so you could compare loan costs.

If the TIL statement doesn't match up with the HUD-1 closing-cost sheet you received at closing, if the APR is off by just a hair, you might have cause for legal action against the lender.

Typically, forensic loan audits are ordered by mortgage investors to determine what kind of legal liability confronts them in the pools of loans they already own or are considering buying. As a so-called "business-to-business service," they are not generally available to individual borrowers.

But a San Diego firm called You Walk Away (youwalkaway.com) is now offering comprehensive loan-document reviews to consumers as part of its service to help homeowners who are facing foreclosure.

The reviews aren't cheap. The fee could be as high as \$3,000, depending on how much is owed on your mortgage. But if an error is found, it could be the 2-by-4 between the eyes you need to force the lender to move you up to the front of the long, long line of borrowers who are looking for ways to hold on to their homes.

depending on how much is owed on your mortgage. But if an error is found, it could be the 2-by-4 between the eyes you need to force the lender to move you up to the front of the long, long line of borrowers who are looking for ways to hold on to their homes.

"In some cases," says You Walk Away's Jon Maddux, "if people were simply overcharged by \$30 on the final HUD-1, or if the APR was higher by just .125 percent than was originally disclosed, this may give the lawyers leverage when negotiating with the lender to grant a beneficial loan modification and ultimately save their homes."

Maddux and his partner, Chad Ruyle, claim the chances are excellent that, somewhere in your loan papers, Loan Safe Solutions — the Corona, Calif., firm that works with You Walk Away — will find a mistake.

They say well over 80 percent of the recent audits performed by Loan Safe have revealed major truth-in-lending violations, errors in the good-faith estimates required under the Real Estate Settlement and Procedures Act, illegal predatory lending practices or even fraud.

"With 60 pages of loan documents, there's bound to be a mistake in there somewhere," says Ruyle, a real-estate and estate-planning attorney. Intentional or not, mistakes on the part of mortgage brokers and funding lenders are characteristic of the housing boom, when there was a gold rush to approve the mortgage application of practically anyone who could fog a mirror. And now that the boom has gone bust, borrowers can use them to keep their homes, if they so desire.

Forensic reviews "have put a big spotlight on how the average home buyer was abused during the mortgage craze," Ruyle says. And if any kind of violation of the law is found,

Popular stories

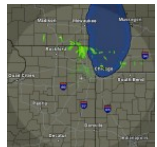
MOST VIEWED	MOST E-MAILED	HOT TOPICS
--------------------	----------------------	-------------------

1. Energy savings start here
2. Decline in FSBOs
3. Ranch model filled with 'green' standards
4. When competition is literally on the block
5. Designing your space virtually

[more most viewed](#)

HOME DELIVERY

ADVERTISE WITH US



CHICAGO WEATHER

TRAFFIC/COMMUTE

LOCAL NEWS

NATION/WORLD

SPORTS

BUSINESS

POLITICS/ELECTIONS

REPORTS & DATA

DEATHS

OPINIONS

BLOGS

COLUMNISTS

ENTERTAINMENT

TRAVEL

LIVING

LIGHTER SIDE

VIDEO/PHOTOS

SHOPPING

CARS

JOBS

REAL ESTATE

APARTMENTS

MORE CLASSIFIEDS

NEWSLETTER/ALERTS

NEWS TOOLS

CONTACT US

ABOUT US

CHICAGO top jobs

DON, RNs, RPTs Home Health Agency

Warehouse Supervisor

- NORTH AURORA BEVERAGE CO.
- Emergency/Gen. Assistance Mgr. Township of Evanston
- Customer Service/Dealer FINANCIAL SERVICE COMPANY
- Scheduling Coordinator ORTHODONTIC PRACTICE
- View all Top Jobs
- Search Chicago jobs
- GO
- All Chicago jobs Post resume Post a job powered by careerbuilder

adds Maddux, it affords the borrower the opportunity to "use their rights to gain some leverage" with their lender.

United Feature Syndicate

E-mail Share Print Reprint

Related topic galleries: Mortgages, Loans, Credit Ratings, San Diego (San Diego, California), Financial and Business Services, Real Estate Buyers

All topics

Get Chicago Tribune home delivery and save big.

Copyright © 2008, Chicago Tribune

Ads by Google

Financial Freedom

Reverse mortgages from Financial Freedom. Visit our official site. FinancialFreedom.com/OfficialSite

Compare Apartment Loans

Lock in an Apartment Loan Rate Now. Easy, No Hidden Fees, Great Rates. www.AmericanCapitalBanc.com

Apply for FHA Home Loans

We offer FHA Loans for home buyers with little or no credit. www.FhaToday.com

FHA Great Rates

Make your mortgage affordable for a lifetime, Bad Credit Ok Contact us www.directmortgageloanservices.com

Mortgage Fraud

Have You Been A Victim Of Fraud? Contact Us For An Audit. www.maplewoodadvantage.com



Advertise your home from \$59 web ads plus

Real estate blogs

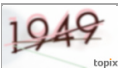
- John Wieland Homes Ranked Highest in Customer Satisfaction [Opening Doors]
- On The Market—Dramatic Contemporary in Humboldt Park [Deal Estate]
- Mortgage rates steady [HomesPlus]
- Burnham Plan centennial events announced, including opening of pavilions by Hadid and Van Berkel in Millennium Park [The Skyline]
- October Kicks Off Open House Month [Opening Doors]

HEADLINES BY FEEDBURNER

Name

Comments

Type the numbers you see in the image on the right:



Post Comment

Please note by clicking on "Post Comment" you acknowledge that you have read the [Terms of Service](#) and the comment you are posting is in compliance with such terms. **Be polite.** Inappropriate posts may be removed by the moderator. [Send us your feedback.](#)

Related News from the Web

Powered by Topix.net

PARTNERS: | Triblocal | metromix.com | ChicagoLive | Chicago Magazine | Hoy Chicago | RedEye | CLTV | WGN-TV | WGN-AM

amNY | Baltimore Sun | Daily Press | Hartford Courant | LA Times | Newsday | Orlando Sentinel | Sun-Sentinel | The Morning Call | The Virginia Gazette

Jobs | Autos | Homes | Apartments | ShopLocal.com | Discount Shopping | Booodle Coupons | FSBO | Open Houses | Houses for Rent | Home Auctions

SITE POLICIES: | Terms of service | Privacy