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Evans is sued over foreclosure plans

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A mortgage company today sued Wayne County Sheriff Warren Evans, saying the sheriff has no legal basis to halt the sale of foreclosed homes.

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The lawsuit, filed in U.S. District Court in Detroit, on behalf of Towne Mortgage Co. in Troy, asks Judge Paul Borman to order Evans to start holding the sales again.

“It is not that this client of mine wants to throw people out of their homes,” said attorney John Jacobs of the Southfield law firm Maddin Hauser, who filed the suit. “They would be happy to work out modifications.”

Evans announced last week that he believes the federal Troubled Asset Relief Program, approved by Congress last fall, trumps state law and preempts him from selling foreclosed homes.

The program requires the secretary of the Treasury Department to implement a plan to settle foreclosures and to encourage lenders to modify loans to help owners stay in their homes.

Evans released a statement on the matter today and pointed out that JPMorgan Chase & Co. and Citigroup Inc. are halting home foreclosures while the Obama administration develops its plans to help the U.S. housing market.

“JPMorgan, Chase, Bank of America and Citigroup are to be commended for their decision today to halt home foreclosures until the federal government has finalized its plans to assist homeowners who face the threat of losing their home,” Evans said. “Their enlightened approach stands in marked contrast to Towne Mortgage of Troy, which announced today that it is rushing into federal court to attempt to force an immediate resumption of foreclosure sales in Wayne County.”

Jacobs said Evans, who is running for mayor of Detroit, is playing politics.

“This is really a no-lose situation for him,” Jacobs said. “Whether the court affirms what he’s doing or says he must hold foreclosure sales. He can say he tried to do something for citizens who have financial difficulties.”

Banks and mortgage companies aren’t going to give out any mortgage loans in Wayne County if Evans prevails, Jacobs said.

“They effectively would have no collateral,” he said. “If they can’t foreclose their mortgage to get their debt paid, they aren’t going to lend their money.”

Jacobs is asking Borman to hold a hearing on the matter as soon as possible.

The Associated Press contributed to this report.