



Ruling could undo thousands of foreclosures

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A real estate judge is refusing to reverse a landmark ruling that opens the door to voiding tens of thousands of Bay State foreclosures dating as far back as 1989, the [Boston Herald](#) is reporting.

"The foreclosure sales (in question are) invalid because they failed to meet the requirements of (Massachusetts law)," Land Court Judge Keith Long wrote yesterday in reaffirming a decision he originally reached in March.

Long denied a request from Wells Fargo and U.S. Bank to reinstate two Springfield foreclosures he invalidated in March because of flawed paperwork.

As the Herald first reported in June, the case centers on documents that banks and big investors must file any time they sell mortgages to each other.

However, some paperwork often gets lost, as mortgages typically change hands over and over again in today's complex market.

Still, Long ruled that banks can't foreclose on homes unless they have complete paperwork covering every time a specific loan changed hands.

The judge found that fixing documents after the fact, as Wells Fargo and U.S. Bank did in the Springfield cases, isn't enough. He ruled that flaws not resolved earlier can depress bids at foreclosure auctions, reducing how much consumers who face home losses get for their places.

"The issues in this case are not merely . . . a matter of dotting i's and crossing t's. Instead, they lie at the heart of the protections given to homeowners and borrowers," Long wrote yesterday.

Experts say the ruling paves the way for thousands of people who've lost houses to foreclosure to challenge their homes' seizures.

"The judge has thrown into question every foreclosure performed in the Commonwealth over the last 20 years," said lawyer Lawrence Scofield, who represents Wells Fargo and U.S. Bank.

Scofield said only foreclosures before 1989 are beyond review, as state law gives people two decades to dispute land ownership.

Market watchers add that the judge's ruling affects far more than just foreclosed homeowners.

For instance, any consumer who owns a house foreclosed on in the past two decades must now worry that a former owner will sue to reclaim the property. Such homeowners could also find it impossible to sell or refinance because of "clouded" titles.

In fact, some consumers who've tried to buy foreclosed homes in recent months haven't been able to get mortgages or title insurance because of Long's initial decision. Bank of America and other firms have even pulled some foreclosed homes off of the resale market.

Read more about the implications of Judge Long's decision at www.bostonherald.com.

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