

FREDDIE REPOSSESSES ITS FILES

Fannie Mae and Freddie Mac had already suspended all their work with David Stern. But now they've officially severed all relations with him and Freddie has taken their files away.

Freddie Mac took the rare step of removing loan files after an internal review raised "concerns about some of the practices at the Stern firm," a Freddie spokeswoman said.

"We have begun taking possession of all files on Freddie Mac mortgages simply to protect our interest in those loans as well as those of the borrowers," the Freddie spokeswoman said. A Fannie spokeswoman declined to elaborate.

Fannie and Freddie said they will move those files to other law firms in the state but that they hadn't yet identified where they would be redistributed. The firms said they had notified Florida's attorney general about the decision to remove the files and that the Stern firm had cooperated with the action.

Let's see. It's November 2. On October 4, 29 days ago, the former assistant of the woman who oversaw Stern's robo-signer division testified that 1) Stern's firm would routinely reclassify Freddie Mac loans as some other firm's loans when Freddie came onsite for an audit to hide those files from the firm, and 2) sometime in August, Stern reportedly packed up an eighteen wheeler full of documents and took them to an unspecified office in Orlando.

I can't imagine why Freddie would want to take possession of its files, can you?

Problem is, it may well be far too late to

prevent Stern from tampering with Freddie's documents. Though it's nice of them to start worrying about protecting the interests of their homeowners.