

THE FOLKS WHO RUN OUR ECONOMY BELIEVE IN THE EASTER BUNNY

✖ The folks at the Fed who run our economy apparently believe in the Easter Bunny. And Casper the Friendly Ghost. And Santa Claus.

I mean, I can only conclude the folks over there are completely unhinged from reality given their claim that no people—not a single homeowner—was wrongly foreclosed.

A months-long investigation into abusive mortgage practices by the Federal Reserve found no wrongful foreclosures, members of the Fed's Consumer Advisory Council said Thursday.

Jason Grodensky, who paid cash for his house yet lost it to Bank of America in “foreclosure” nevertheless. The Fed says there were no wrongful foreclosures.

Christopher Marconi, who got foreclosed by Wells Fargo on a house he didn't own and had never seen. The Fed says there were no wrongful foreclosures.

Jonathan Rowles, who never missed a payment, who got foreclosed by Chase while he was away in Iraq, in violation of the Servicemembers Civil Relief Act. The Fed says there were no wrongful foreclosures.

Granted, they came to this conclusion, in part, by defining wrongful foreclosure in a way that totally ignores title problems, failure to serve homeowners, and tack-on charges servicers have used to force people into default so they can foreclose.

During a public meeting attended by Fed chairman Ben Bernanke and other regulators, consumer advocates on the panel criticized federal bank regulators

for narrowly defining what constitutes a
“wrongful foreclosure.”

[snip]

Kirsten Keefe, a member of the Fed
consumer panel and an attorney at the
Empire Justice Center in Albany, New
York, said the Fed’s report defined
“wrongful foreclosures” as repossessions
of borrowers’ homes who were not
significantly behind on their payments.

**And they’re not releasing the report—they’re
keeping it totally secret!** I can only presume
that the logic and data (based on just 500 loan
files) behind it is so laughable that releasing
it would be more damaging than simply issuing
this claim with no proof.

Nevertheless, as my list above makes clear, it
is simply impossible to state that there have
been no wrongful foreclosures and still claim to
have even a shred of grasp on reality.

Which I guess, given the smoke and mirrors that
has constituted our economy in recent years, is
about what we ought to expect from the Fed.