

RICHARD BLUMENTHAL ASKS ERIC HOLDER WHERE THE FORECLOSURE PROSECUTIONS ARE

It took until Richard Blumenthal's turn in Eric Holder's appearance before the Senate Judiciary Committee today before Holder got asked about foreclosure fraud. Blumenthal generously suggested that, "I know the foreclosure crisis is on your agenda," and then asked if we'll ever see a prosecution on robo-signing and other fraud.

Holder responded, at first, by pointing to states Attorney Generals, claiming they are conducting investigations. I do hope he's thinking of Eric Schneiderman, Beau Biden, and Catherine Cortez Masto, because the ones working on the settlement are pointedly avoiding any real investigation. Holder then further dodged, suggesting DOJ might find other ways—like civil suits—to hold these banks accountable.

Finally, and perhaps most interesting, Blumenthal asked why DOJ had not intervened in the Bibby, Donnelly v. Wells Fargo suit, a whistleblower suit against Wells Fargo, BoA, Chase, Ally, and others for the illegal legal fees the banks charged homeowners, including veterans.

Holder hedged in response to that question, promising he'd find out who had made the decision not to intervene and the basis for the decision.

Unfortunately, Blumenthal pointedly avoided asking for a 30 day response to that request. So an explanation for why DOJ isn't helping to sue banks for the illegal fees they've charged will probably come long after DOJ settles for those illegal fees.