



**OFFICE OF THE ATTORNEY GENERAL  
STATE OF ARIZONA**

**TERRY GODDARD  
ATTORNEY GENERAL**

October 7, 2010

Re: "Robo-signing" of Foreclosure Documents in Arizona

Dear Servicer,

This Office has learned of the practices that have earned certain mortgage servicer employees the title of "robosigner" in the press. These practices include the following:

- Signing thousands of foreclosure documents per month
- Signing notarized foreclosure documents without reading them
- Signing affidavits that falsely claim personal knowledge of facts
- Signing affidavits that falsely claim the affiant reviewed the attached documents
- Notarizing affidavits before the affiant signs them
- Notarizing affidavits when the affiant was not present before the notary
- Filing documents in court with records attached that do not correctly reflect loan payments, charges and advances.

We are aware that after the above-described practices came to light, several of the country's largest servicers voluntarily suspended foreclosures in the twenty-three states where foreclosures must be conducted through a judicial process. While Arizona is not one of those states because it permits foreclosure outside of judicial process, we are nonetheless concerned that the practices described above may have been used in connection with foreclosures in this state.

If your employees or agents utilized any of the above-described practices in connection with conducting a trustee's sale or a foreclosure in Arizona, such use would likely constitute a violation of the Arizona Consumer Fraud Act, A.R.S. §§ 44-1521 *et seq.* In that event, you would be subject to all of the remedies of that Act, including injunction, restitution, and civil penalties. Further, any trustee's sale or foreclosure conducted without the actual right to do so as provided by A.R.S. §§ 33-701 *et seq.* or -801 *et seq.* would constitute a breach of your duties under the trust deed or mortgage and Arizona law. And any trustee's sale continued or conducted after July 29, 2010 without having first attempted to contact the borrower to explore options to avoid foreclosure would constitute a violation of A.R.S. § 33-807.01. It is your responsibility to ensure that your employees and agents comply fully with these and all other applicable laws.

Accordingly, this Office hereby demands that you provide us with the following information, no later than ten business days from the date of this letter:

1. Identify all foreclosures or trustee's sales in connection with which your employees or agents "robosigned" as described above, affidavits, Notices of Trustee's Sale, Notices of Substitution of Trustee or other documents that were recorded or filed in the State of Arizona.
2. Confirm that you are currently conducting a review or audit of affidavits, Notices of Trustee's sales and other documents that have been "robosigned" on your behalf and used in connection with Arizona foreclosures or trustee's sales to determine whether all such documents were legally justified. Explain the process of that review, the current status, and the results to date. Provide assurances that you will immediately rectify all foreclosures or trustee's sales discovered to have been not legally justified. Describe in detail corrective measures you have and will be taking. If you are not currently conducting such a review, we demand that you do so immediately.
3. Confirm that you are currently reviewing your procedures to ensure that all foreclosure and trustee's sale documents recorded or filed in the State of Arizona are legally justified and that you are in full compliance with Arizona law. Explain the process of that review, and identify any policy or procedure revisions resulting therefrom. If you are not currently conducting such a review, we demand that you do so immediately.
4. Describe all measures you have taken to ensure compliance with A.R.S. § 33-807.01, effective July 29, 2010.
5. Provide assurances that you will conduct all future foreclosures of properties in the State of Arizona in accordance with Arizona law.

Given the devastating effect of foreclosures on both Arizona homeowners and our economy, it is imperative that foreclosures that are undertaken are both truly necessary and appropriately carried out. Your prompt response to the demands of this letter will be greatly appreciated.

Sincerely,



Terry Goddard