

“Cooking the Financial Books”: Mortgages Were Fraudulently Pledged to Multiple Buyers at the Same Time

By [Washington's Blog](#)

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Bank of America alleged in a court filing this June:

“It appears as though many loans and other mortgage-related assets have been double and even triple-pledged to various constituencies. “

For details of court filing click link below

[Boa Answer to Freddie Objection in Re Taylor Bean & Whitaker Mortgage Corp.](#)

April Charney – a consumer lawyer with Jacksonville Area Legal Aid – and CNBC’s Dennis Kneale noted in February 2009 that courts have found that some mortgages have been sold again and again to different trusts, when they should have only been sold once.

Kneale explained that that is the reason that two different banks sometimes try to simultaneously foreclose on the same home:

And today, Chris Whalen told CNBC’s Larry Kudlow that Bear Stearns will be exposed as having sold the same loan to different investors on numerous occasions:

As I have repeatedly pointed out, the failure of the mortgage originators and banks to prepare and record proper documentation has led to an epidemic of fraud. The pledging of the same mortgage again and again to different trusts related to mortgage backed securities is just one result.

And as long-time foreclosure investigator Nye Lavalley [writes](#):

On thousands of occasions I stated to regulators, CEOs, banks, Fannie and Freddie that the practices of the banks were that they were double and multi-pledging assets and pledging paid off and refinance notes to securitizations. This is something April, Max and I have discussed for years now. Now, they come and admit that each of my allegations were true Without analyzing the deal, as complex as they are, you WILL NEVER KNOW IF THE FORECLOSING PARTY HAS “ANY” RIGHT TO FORECLOSE!!!

The motives I identified for the “Blank Endorsements” and missing

assignments and “pre-notarized” “Blank Assignments” and “Blank Allonges” that “were placed into the “custodial/collateral” files were to be able to:

Multi-pledge collateral (Notes) so as to cook the books

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