



## ***Victims Get 6 Percent of Govt Mortgage Settlement; Who Get the Rest?***

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After reading the few [details](#) provided on the mortgage settlement, it could be easy to forget that this whole thing was supposed to be about compensating families who lost their homes to foreclosure due to "[robo-signing](#)" and other foreclosure process abuses.

Out of the \$25 billion settlement, guess how much goes to borrowers who "lost" their homes to foreclosure? \$1.5 billion. That's correct, only **6%** of the settlement actually *could* go to the victims it was all supposed to be about. What's worse is that the settlement does not even require that money to go to parties actually harmed. The money can go to any borrower that had a foreclosure, harmed or not. In fact, as far as I can tell, a borrower could get the money even if he got into the house via fraud, like over-stating his income.

While coverage has been a little loose on details, it appears that about \$3 billion of the settlement is going into the coffers of state governments. You read that right: state governments are looking to get about *twice* what the actual victims might get. But then that doesn't sound too far off from the typical class-action: lawyers make out like bandits and victims get peanuts.

If you're wondering where the rest of the money is going, it is headed to homeowners who are still in their homes, and hence by definition not victims of foreclosure abuse. So much for actually helping victims. But then, since the state AGs apparently never bothered to look for any real victims, it should not be too surprisingly that they completely forgot about them when crafting the settlement.