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Subject: Breaking News: Seattle PI, Los Angeles Times, American Banker, TheStreet.com
Date: Wed Jun 11 2008 10:59:19 EDT
Attachments:

WaMu Focused News

1. Ex-WaMu workers tapped for their mortgage expertise
June 10, 2008
By BILL VIRGIN
Seattle Post-Intelligencer

Rising defaults and delinquencies on loans, houses staying on the market longer and fetching less-than-hoped-for prices when they do sell, a weakening economy -- sounds like a great time for banks to get into or expand their presence in the mortgage business.

Yet several banks in this region are doing just that.

And they've got just the place to go to recruit people they need to increase the number of home loans they write: former Washington Mutual employees.

KeyBank became the latest to tap the pool of former WaMu home-loan personnel when it named Michael Taylor as its vice president and sales manager for its Northwest region; he had been regional manager for Washington Mutual's Eastern Washington, Idaho and Utah markets.

Taylor, in turn, has hired Ed Sauriol, a 16-year WaMu veteran, as producing sales manager for Key's South Puget Sound region.

That's just the start. Although Key started the year with 13 employees on its mortgage lending staff in Washington, Taylor says the bank is at 30 now and could be up to 50 by the end of the year "as long as I find the right talent."

Taylor and Key are hoping to generate home-loan business not only from its existing customers, but also from the contacts with real estate agents, builders and others in the community those recruits bring with them. Key wants to double its mortgage lending in the 13 states it operates in nationally, and triple its mortgage writing in Washington state.

Key's not alone, either in expanding home lending or recruiting former WaMu employees to accomplish that.

Wells Fargo & Co. opened a new downtown Seattle home-loan office with 31 employees, all from the same WaMu home-loan center.

Wells Fargo has also added 10 former WaMu employees on the Eastside, five in Bellingham, four in Mount Vernon and a couple in the South Sound area, according to spokeswoman Lara Underhill.

JPMorgan Chase, meanwhile, has hired former WaMu mortgage staffers in Seattle, California and Utah.

Those employees are available because of WaMu's decision, announced in April, to close all of its free-standing home-loan centers -- 186 nationally, 23 in Washington -- and lay off 3,000 employees. WaMu plans to make home loans through its retail bank branches.

"These are experienced mortgage officers," Wells Fargo's Underhill says. "They're familiar with the market."

Less obvious is why Key, Wells and others would want to expand in home lending just now.

KeyBank's Taylor says that for all the bad news about the housing sector -- "the consumer has a feeling the mortgage business has shut down" -- there's still business to be done. Maybe even more business, he adds, with WaMu and others pulling back not just from retail lending, but also the wholesale business (loans written by brokers and other lenders).

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"It's creating some opportunity for us," Taylor said. "Even though the mortgage pie has shrunk, the number of hands in that pie has shrunk even further."

"We're still writing mortgages; we're still in business," adds JPMorgan Chase spokeswoman Christine Holevas. "People still want the American dream. They want to own their own home. We're helping them do so in a prudent manner."

Those banks say prudent lending in the past -- not loading up on the sorts of exotic and risky mortgages now going sour -- puts them in a position to expand now. Taylor says FHA lending programs are regaining favor. "It's old-school stuff," he says. Interest rates that are still attractive are driving business for new loans and refinancing activity.

Lenders are expanding in the Seattle area, he adds, because "we were never down as far as the national market. That doesn't mean we were without pain. But inventory is moving. ... We could potentially see a rebound this summer," although he's not predicting it will be substantial.

WaMu Related News

2. In an "extremely unusual" move, WaMu goes to bat for Rep. Richardson
June 10, 2008
Los Angeles Times

Just when you thought you were safe from news about U.S. Rep. Laura Richardson, Democrat of Long Beach: The Daily Breeze reports that her lender, Washington Mutual, is trying to help her get her foreclosed house back (That's the house at right, located in Sacramento).

The Breeze's Gene Maddaus: "The real estate broker who bought Rep. Laura Richardson's house at a foreclosure sale last month is accusing her of receiving preferential treatment because her lender has issued a notice to rescind the sale.

Neither Richardson nor WaMu would talk to Maddaus about the situation. Richardson has yet to answer L.A. Land's questions, posed in writing on May 22, about the Sacramento mortgage, and the modification to the mortgage she says she received from WaMu.

Catching up: I must confess I failed to post a story about Richardson's car troubles. Here's how the Long Beach Press-Telegram told it: "In 2005, when she was still on the Long Beach City Council, she left one mechanic in a lurch with an unpaid bill, then later had her badly damaged BMW towed to an auto body shop but didn't pay for any work and abandoned the car there, owners of the businesses said this week. The next day, Richardson began using a city-owned vehicle -- putting almost 31,000 miles on it in about a year -- and continued driving the car five days after she had left the council to serve in the state Assembly, city records show."

In a terrific example of public service journalism, though, the Press-Telegram did manage to get some money for the mechanic. It reports that Richardson paid the 2-year-old, \$735 bill after the newspaper called seeking an interview about the unpaid debt.

More: "James York, owner of Red Rock Mortgage, said he would file a lawsuit against Richardson and her lender, Washington Mutual, by the end of the week, and has every intention of keeping the house. 'I'm just amazed they've done this,' York said. 'They never would have done this for anybody else.' " Maddaus seeks out analysis from foreclosure expert Leo Nordine, who opines that a bank going to bat for a former homeowner in a situation such as this is "extremely unusual." "Unless [the borrower] filed bankruptcy beforehand, they'd never do it."

3. Overdraft and ATM Fees Rise, As Economy Slumps
June 2008
By Anthony Malakian
American Banker

Consumers are always wary of being nickel-and-dimed to death, and thanks to the current economic malaise, more banks are heading in that direction. Many of the biggest banks are raising fees for ATM usage and overdrafts, which analysts say isn't such a bad idea.

Bank of America recently raised its overdraft fee (also called NSF for non-sufficient funds) to \$25 from \$20 for the first day, and \$35 for each subsequent day. First Horizon raised its NSF fee to \$35 from \$32. Washington Mutual upped its overdraft to \$34 from \$32 in most states. Citibank now also is charging a \$3 ATM fee for non-customers, as is BofA, which raised its surcharge last July. Bank of the Sierra, a \$1.3-billion-asset bank in Porterville, CA, hasn't joined the wave of increased fees, but bank president and CEO James Holly acknowledges the changing attitude. "Years ago, if you overdrew your account, we couldn't wait to close your account and throw you out," says Holly, joking. "Now we have to go find those people and bring them in, because they are really valuable folks to have."

Robert Hammer, chairman and CEO of Thousand Oaks, CA-based bank advisory firm R.K. Hammer Investment Bankers, says banks should be mandated to raise fees. "Without a doubt, bank fees are rising, but you have to understand that rising risk in our industry today is indisputable," Hammer says. "In an environment of rising risk, you would expect fees of those risks to rise, too. It would be an abdication of responsibility for bank management to not have fees rising as well."

While some argue this promotes customer dissatisfaction, it doesn't seem to lead to attrition, says Greg Lowell, senior manager in the financial-services strategy group for research company Accenture. In a report to be released this month, Accenture found a 23 percent difference in customer satisfaction between banks that charged fees and those that didn't. Yet, 61 percent of customers said that if their bank charged a fee, they would continue to do business with it, only 12 percent less than those banks that wouldn't charge a fee for the service. "Our research does bear out that customers in retail banking do tend to stay with the bank, not necessarily out of a strong sense of loyalty, but out of a reluctance to make the move to another bank because of all the time and cost in making that happen," says Lowell. Certain fees really aggravate customers, such as customer-service fees, monthly service fees and product-purchase fees. Overdraft fees, on the other hand, were found to be somewhat accepted, because "people, for the most part, understand it's a fee related to a specific error on their part," Lowell says. Consumers also understand a fee for use of an ATM not connected to their bank. Lowell says banks need to understand how their customers view certain fees and not just make a "knee-jerk increase in fees" because BofA did.

Ed Woods, a senior analyst at Boston-based consultant Celent, agrees that not all fees are greeted with anger. "There are segments of the population that aren't adverse to paying late fees," he says. "What seems to be most important to them is to have the flexibility to get [the payment or take out money] when they want."

Ron Shevlin, senior analyst at Boston-based consultant Aite Group, says, though, banks do need to worry about silent attrition. While higher fees may not provoke a customer to leave his bank, he may not keep depositing money or buying new products, either. "In the short term, it seems like a great business move. The problem is that it leaves such a bad taste in the consumer's mouth," Shevlin says. "These are the kinds of things that over time build up dissatisfaction, but the bank won't see that in terms of a hit for at least a couple of quarters."

Shevlin adds that there is no reason to believe that fees will go back down, either. "If they were to spend the next year maintaining their retention rates in the face of increasing fees, the business will look at it and say, 'Why would we want to reduce the fees now?'" Shevlin says.

4. Lessons for Small Biz in Bank Blowups

Elizabeth Blackwell

June 10, 2008

TheStreet.com

No one pities CEOs these days, what with their stratospheric compensation, company-paid perks and golden parachutes. Even when they do get fired, they don't have to join the line at the local unemployment office.

Still, most of us wouldn't want to be running a major financial institution these days, when bank CEOs seem to be dropping left and right. Citigroup (C - Cramer's Take - Stockpickr) and Merrill Lynch (MER - Cramer's Take - Stockpickr) both gave their CEOs the boot late last year; this week, Wachovia (WAC - Cramer's Take - Stockpickr) did the same. Washington Mutual's (WAMU - Cramer's Take - Stockpickr) CEO got to keep his job -- barely -- but was forced to give up his chairman title, a move that was the

result of pressure from shareholders.

All this fallout from the subprime mortgage mess may seem far removed from the average small business owner (unless your small business happens to be a title company or mortgage lender). But the lack of confidence in Wachovia's and Washington Mutual's leadership serves as a cautionary tale for anyone who runs a business, no matter what size.

It's not as if Wachovia's CEO was trolling suburban subdivisions, hustling no-interest loans to unqualified buyers. But the current mortgage meltdown is partially the result of incentives put in place by high-ranking executives. Those top dogs are now realizing that any shady dealings within their companies -- no matter how far removed from their corner offices -- can bring them down, too.

The lesson here is clear: If you give your employees incentives to cut corners, however unintentionally, their shoddy tactics can eventually be pinned on you. You need to know how your subordinates operate, because you may ultimately be the fall guy for their mistakes.

At Wachovia and other major banks, "Everyone had a cash incentive to approve loans, and that started at the top," says Tomas Norton of The Norton Group, which provides banking-related consulting and litigation support services. "A mindset based on volume went from the absolute top to the very bottom of the food chain."

Troubled Mentality

The repeal of the Glass-Steagall Act in 1999, which allowed commercial and investment banks to merge, was the beginning of what Norton points to as a change in mentality in the lending business. "It put an investment banker mentality into a commercial banking operation," he says. Mortgages became commodities that were packaged into securities. The more mortgages were approved, the more executive compensation soared.

CEOs, in search of the short-term profits that could boost stock prices, demanded more and more loans. And they didn't ask too many questions about how those mortgages were being approved. For banks like Washington Mutual and Wachovia, the result was a disconnect between public perception and real-world tactics. To the general public, banks remained traditional, even conservative institutions. Bank branches continued to spring up in suburban subdivisions and big-city downtowns, creating the illusion that these banks were a part of the community.

But behind the scenes, banks were indulging in speculative, risky financial behavior. "They created the impression of community banking by having a branch on every corner," says Norton. "But they had no relationship with the customer. They wanted to get your loan, keep it for five minutes, then sell it off for short-term profits."

And they were willing to overlook all the warning signs, such as home buyers who didn't have enough income to pay off their loans. For a while it worked -- until the whole system fell apart.

Bank CEOs had a few great years, where they took credit for soaring stock prices and were compensated accordingly. And you could do the same, by overlooking red flags and making some short-term profits. But if you want your business to last, you'd better take a close look at how your employees are operating on your behalf.

Do you reward results, regardless of how they were obtained? Do you send the message -- overt or implied -- that you're always thinking short-term? For the banks, says Norton, "Compensation was based on approval. No one wanted to say no to loans." Are you willing to say no?

It's easy to think -- as the bank CEOs did -- that the folks in charge should focus on the big picture. But if they don't know exactly how the people at the bottom are operating, they won't stay on top very long.

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To: Thorn, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>; Elias, Alan
</o=wamu/ou=sea/cn=recipients/cn=u62181494974884>; Owen, Jan L.
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FYI - it appears that Congresswoman Richardson has now engaged a spokesperson -- William Marshall. Among other things, he states that Ms. Richardson is awaiting clarification from WaMu as to whether she had secured new loan terms in time, but that she is still in fact the owner of her Sacramento home (though public records state otherwise).

I'll continue to let you know of any other new developments as reported by the media.

- Sara

>Rep. Richardson defaulted on three Calif. home loans – The Hill

>By Jared Allen

>05/27/08

>

>The tale of Rep. Laura Richardson's (D) personal housing crisis got even more captivating Tuesday as her office said the freshman lawmaker defaulted on loans she took out for not just one, but three, California homes.

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>The news of one of Richardson's properties recently being sold at auction captured widespread attention last week in the wake of the nation's housing crisis. But that was only part of the story.

>

>Richardson's office said Tuesday she has caught up on her payments and renegotiated the terms of loans she took out to purchase homes in San Pedro and Long Beach, Calif. Her office confirmed that the lawmaker defaulted on both of these homes and was risking foreclosure when she went months without making payments.

>

>A third home that Richardson borrowed heavily to move into in Sacramento was sold at auction earlier this month — at a \$150,000 loss to the bank that issued her the \$535,000 loan.

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>William Marshall, a spokesman for Richardson, said on Tuesday that she was still awaiting clarification from her lender, Washington Mutual, as to whether she had secured new loan terms in time and was still, in fact, the owner of the home.

>

>Richardson told The Associated Press on Friday that she was surprised to learn that the home was sold at the May 7 auction. She claimed that the sale never should have happened because she had

renegotiated her loan to pay it off.

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>Even as that was happening, ethics watchdogs were crying foul over Richardson's personal finances and questioning how she was able to lend her campaign to Congress \$77,500 in the midst of multiple home loan defaults.

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>Federal Election Commission (FEC) reports show that Richardson loaned her campaign a total of \$77,500 — in three installments — between June and July of 2007.

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>Richardson's year-end FEC filing showed that her campaign still had \$331,000 worth of debt but \$116,000 cash-on-hand.

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>Marshall was unable to immediately answer questions about whether Richardson borrowed against any of her home equity — from homes she defaulted on — to finance her House campaign.

>

>But he did not dispute reports that Richardson had done the very same thing the year prior when she borrowed \$100,000 against her Long Beach home — whose mortgage she later defaulted on — to loan to her campaign for the California General Assembly. She repaid that personal loan in its entirety, according to Los Angeles media outlets.

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>Melanie Sloan, executive director of the Citizens for Responsibility and Ethics in Washington, criticized Richardson for falling deeper into debt while choosing to spend more than \$77,500 of her own money on her campaign. She suggested that Richardson's actions only demonstrated her belief that winning a seat in Congress is more important than practicing personal fiscal responsibility.

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>Sloan added Richardson should not be in the situation she is while making a congressional salary when homeowners around the country making \$50,000 or less are struggling to pay their debts.>

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>"Truthfully, it's appalling," Sloan said.

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>Meredith McGehee, policy director for the Campaign Legal Center, said it would be reasonable for the FEC to look into the timing of the loan against the timeline of Richardson's home loan defaults.

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>"In situations like this it's very important for whoever loaned her the money to demonstrate that they treated her equitably, not favorably," McGehee said. "Otherwise, you're getting into a situation of a corporate underwriting of a campaign."

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>Richardson's FEC reports do not spell out the terms of her personal loans to her campaign.

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>Richardson originally came under scrutiny last week when it was learned that a home she owned in Sacramento was sold at auction after it went into foreclosure.

>

>As well as her \$535,000 home in Sacramento, a home that Richardson owned in San Pedro >— which she borrowed \$359,000 to obtain — went into default in September 2007 when she became more than \$12,000 behind in her payments.

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>In addition, Richardson's primary residence in Long Beach went into default just two months ago after she failed to make a payment for four months and owed nearly \$20,000 on the property.

>Marshall declined to give details of the new loans that he said Richardson was able to secure.

>

>Richardson last week told reporters in California that her experience makes her particularly well-suited to help Congress legislate a solution to the nation's housing crisis, saying she hoped to testify before congressional committees on the issue.

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>And when Congress returns following the Memorial Day recess, reconciling the House and Senate versions of the legislation designed to help the housing market rebound will be on the top of the

agenda.

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>Richardson did not vote on the version of the Foreclosure Prevention Act that passed the House, but said she missed the vote only because she was attending her father's funeral.

>

>Richardson was a member of the Long Beach City Council when she won a California General Assembly seat in November 2006, months before she purchased the home in Sacramento. She won the congressional seat the following year in the special election to replace the late Rep. Juanita Millender-McDonald (D).

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>Sara Gaugl

>Home Loans Public Relations

>

>WaMu

>1301 Second Avenue | WMC40 | Seattle WA 98101

>206.500.2822 direct | 206.228.1111 cell

>sara.gaugl@wamu.net

>

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Subject: Out of Office AutoReply: Richardson Coverage: Calculated Risk Blog
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Thank you for contacting me. I am presently out of office 5/22 - 5/27 so if this is an urgent matter or an emergency please contact my assistant Susan Samuel at 904-886- or susan.samuel@wamu.net, otherwise I will respond once I've returned. Thank you and have a WaMu day!

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14. Government's Housing Price Index Records Largest Decline in 17 Years –BNA, p.27
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16. Drastic action may be needed if housing slump worsens —Financial Times, Commentary, p.30
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23. FASB Issues Standard Clarifying Accounting For Financial Guarantee Insurance Contracts —BNA, p.42

24. Muni-Bond Bidders A Rarer Commodity—Wall St. Journal, p.44
25. FGIC Posts Loss on Exposure To Asset-Backed CDOs—Wall St. Journal, p.46
26. Auction-Rate Securities Give Firms Grief—Wall St. Journal, p.47
27. Gauging the Big Bets of a Hot Hand —New York Times, p.49
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29. Moody's fiasco: The cover-up?—Fortune's Daily Briefing Blog, p.54
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31. Lost Opportunities Haunt Final Days of Bear Stearns—Wall St. Journal, p.56
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33. Freddie Mac's Triad Split May Snag Start-Up Insurer—American Banker, p.66
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35. Contractors Are Kept Busy Maintaining Abandoned Homes —New York Times, p.69
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37. Education Department Commits to Buy Student Loans From Worried Lenders—BNA, p. 76

38. Loan Programs Will Leave Some Students Behind--Washington Post, Commentary, p.77

39. Washington People --American Banker, p.79

Erin Frederick

Senior Legislative Assistant

Consumer Mortgage Coalition

101 Constitution Ave., NW, 9th Floor West

Washington, DC 20001

CMC Main Phone: 202.742.4366

Direct Dial: 202.742.4366

Fax: 202.403.4366

erin.frederick@cmccoll.org

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May 27, 2008

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4. Senate and House Mortgage Bills Compared—CQ Weekly, p.10
5. Sources To Pay For FHA Financing Bill –CongressDaily, p.12
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101 Constitution Ave., NW; 9th Floor West; Washington, DC 20001
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Wall St. Journal—5/24/08

Partisan Feud Stalls HUD Chief Confirmation

By HENRY J. PULIZZI
May 24, 2008; Page A2

WASHINGTON -- As lawmakers look to piece together a housing-rescue package that President Bush can sign, a partisan feud has delayed the Senate confirmation of Steven Preston to be housing secretary.

The White House and Senate Majority Leader Harry Reid (D., Nev.) are accusing each other of renegeing on a deal that would have seen Mr. Preston confirmed Thursday as head of the Department of Housing and Urban Development.

With lawmakers now in recess, the earliest Mr. Preston could be confirmed is in early June.

"This is pretty appalling given the situation we're in with housing," White House spokesman Tony Fratto said Friday. "We had a deal."

But Sen. Reid's office said the White House's failure to keep a Republican senator in line is to blame for the collapse of an agreement under which the Senate was to confirm Mr. Preston and 79 others. "This is what we get for trying to act with unusual speed and haste," Reid spokesman Jim Manley said, noting that Democrats agreed to move forward on Mr. Preston without a vote by the Senate Banking Committee.

The dispute, which emerged late Thursday, has an unlikely source: the Tennessee Valley Authority. Sen. Lamar Alexander (R., Tenn.), angry that Sen. Reid is blocking the reappointment of William H. Graves to the TVA board, put a hold Mr. Reid's choice for the board of the Institute of Peace, Ikram U. Khan. That brought down the Reid-White House agreement. The institute is an independent, nonpartisan organization funded by Congress.

"There's only one senator holding up the housing secretary in the midst of a housing slump and that's the Democratic leader," Mr. Alexander said. "I have tried to be as polite as possible about this."

Mr. Preston, head of the Small Business Administration, was expected to breeze through the Senate confirmation process. Mr. Bush nominated him to succeed Alphonso Jackson, who stepped down in April amid controversy over the agency's awarding of contracts.

Write to Henry J. Pulizzi at henry.pulizzi@dowjones.com¹

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DailyBreeze.com (Los Angeles)

Housing woes mount for Rep. Laura Richardson

FORECLOSURE: South Bay Rep. Laura Richardson has three homes that have gone into default.

By Gene Maddaus, Staff Writer

Daily Breeze.com [LA]

Article Launched: 05/23/2008 11:02:16 PM PDT

Rep. Laura Richardson says the foreclosure on her Sacramento house was due to a miscommunication. (Scott Smeltzer / Staff Photographer)

Rep. Laura Richardson, who lost her Sacramento home in a recent foreclosure auction, has also defaulted on properties in Long Beach and San Pedro, records show.

Richardson, D-Long Beach, was able to bring her payments up to date on the Long Beach home relatively quickly, but the San Pedro property lingered in the foreclosure process for almost eight months, and still has a pending auction date.

In her first interview since the news broke Tuesday that her Sacramento home had been foreclosed, Richardson blamed the foreclosure on a miscommunication by her lender. She offered no apologies for failing to make payments on three separate homes and expressed no regret for failing to pay nearly \$9,000 in property taxes.

In her only admission of fault, she said she could have acted more quickly to correct the situation.

"I should have moved forward in an earlier fashion," she said. "I acknowledge that. I intend never to conduct business in that fashion again."

Asked how she planned to reimburse the state for her unpaid property taxes, Richardson said, "I have financial obligations, and I will fulfill those financial obligations. - There will be no debts to the state of California."

In an hour-and-a-half interview in the offices of the Press-Telegram, Richardson declined to answer numerous detailed questions about her finances. For example, she refused to discuss the mortgage terms on the Sacramento house, refused to say how many payments she had made, and refused to say when she learned that the mortgage was in default.

A notice of default was issued in December, but Richardson offered no evidence that she had taken any remedial action before April. By then, the auction had already been scheduled for one month.

The home, which Richardson bought in January 2007 for \$535,000, sold at auction on May 7 to a real estate investor for \$388,000. The lender, Washington Mutual Bank, took a loss of nearly \$200,000 on the deal, and

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The Long Beach home of former City Councilwoman and now 37th district Rep. Laura Richardson went into default on March 28. She had not made a payment on it since November. (Stephen Carr / Staff Photographer)
the buyer, James York, agreed to pay her property tax bill.

Richardson said that she was not aware the home had sold until she was contacted by reporters this week. She produced correspondence from Washington Mutual Home Loans, dated April 17, that indicated her loan was reinstated and the auction would be put on hold until June 4.

She produced an e-mail, dated Thursday, indicating that she was trying to work with the lender to have the foreclosure rescinded.

A spokeswoman for Washington Mutual Bank, Sara Gaugl, declined to comment on the matter.

"We have not received consent from Ms. Richardson that would allow us to discuss her loan situation," Gaugl said.

County records indicate that the San Pedro home
A San Pedro home on Parker Street, reportedly owned by Rep. Richardson, went into default in September 2007, at which point she was \$12,410.71 behind in payments on the property. (Brad Graverson / Staff Photographer)
went into default in September 2007, at which point Richardson was behind on her payments by \$12,410.71, and had made no payments since June.

A notice of trustee sale was issued on April 17, and an auction was scheduled for May 14 on the courthouse steps in Norwalk. The outstanding loan balance was \$367,436, on an original 2005 loan of \$359,000.

However, the auction was put on hold.

Richardson produced records from Wells Fargo Bank, which holds the note on her San Pedro home. That document, dated March 21, indicated that Richardson had qualified for a loan modification that would prevent the foreclosure from going forward.

Cal Western Reconveyance Corp., which was responsible for collecting the debt, confirmed This Sacramento home owned by Rep. Richardson was sold at auction. The buyer agreed to pay her property tax bill, and her lender lost \$200,000 on the deal. She is trying to rescind the foreclosure. (Rich Pedroncelli / The Associated Press)
that a hold had been placed on the auction, and the auction date had been postponed to July 14, pending a workout of the loan.

Again, Richardson produced no document to confirm that she took any remedial action on the San Pedro property before March.

The Long Beach home, which is Richardson's primary address, went into default on March 28. Richardson had not made a payment on the house since November, and owed \$19,921.74 on the

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property. Three days later, the default was rescinded, indicating that Richardson had arranged to make the payments.

While Richardson did not apologize for her actions, she did attempt to explain them.

In 2005, Richardson was a Long Beach councilwoman and a staffer for Lt. Gov. Cruz Bustamante. She was elected to the Assembly in 2006 and then to Congress in 2007, to fill a seat vacated by the death of Rep. Juanita Millender-McDonald.

Richardson loaned her Assembly campaign \$100,000 in the summer of 2006, borrowing against the equity in her Long Beach home. After her election, she raised enough money to pay herself back, but immediately had to plow \$77,500 in loans to her congressional campaign.

"I am not financially wealthy," she said. "I am not a millionaire. - Based upon what I was going through, changing four jobs in less than one year, I think any American would understand what that does in terms of a person's financial stability."

As a member of Congress, Richardson makes \$169,300 a year. As a member of the Assembly, she made about \$116,000, plus a per diem for living expenses in Sacramento.

When it was pointed out that the average American makes far less than that, Richardson responded, "The average American is not responsible for maintaining several households."

Richardson said she did not make an effort to sell the Sacramento home, even after she was elected to Congress, and still hoped to rent it out.

Richardson attempted to link her situation to the plight of others facing foreclosure, and said the experience would help make her a better advocate on foreclosure issues.

"I think this is what many Americans are unfortunately facing right now," she said. "I am concerned that I can take what I have learned from this to help somebody else. - Many people are one step away from issues that are life-changing moments. When a person moves across the country, that is a life-changing moment."

Richardson noted that unlike the state Legislature, the U.S. Congress does not provide for living expenses.

"On the federal level, there is no per diem," she said. "They don't pay for you to move."

Richardson is renting an apartment in the Washington, D.C., area. She declined to disclose or discuss her credit score.

She has begun to pay down her congressional campaign debt, and repaid herself \$18,000 of the \$77,500 in personal loans. She still owes \$220,000 to her campaign consultant - which is unusual for a successful campaign - and about \$330,000 overall.

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Richardson said she would advise anyone in her circumstance "to seek assistance immediately" and to maintain contact with their lenders.

She said she ultimately hopes to testify about her situation in front of the Senate, and will write to the president to urge him to sign a package of foreclosure legislation.

"We need to put a better process in place, so a person's home is not being sold up underneath them," she said. "We have to improve the way we respond to this crisis."

gene.maddaus@dailybreeze.com

Staff Writer Sandy Mazza contributed to this article.

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CNNMoney—5/23/08

Housing relief: Help, but for how many?

Sponsors of the Senate's bipartisan mortgage bill say it will help 500,000 people. But an Oct. 1 start date means many homeowners could be out of luck.

By Jeanne Sabadi, CNNMoney.com senior writer
May 23, 2008: 10:39 AM EDT

NEW YORK (CNNMoney.com) -- When the Senate Banking Committee passed a housing bill intended to limit foreclosures, panel Chairman Christopher Dodd, D-Conn., said he expected the measure could help 500,000 borrowers stay in their homes.

While the bill could help a lot of people, it's unlikely to help 500,000.

The bill's key provision would allow the Federal Housing Administration (FHA) to insure up to \$300 billion in new loans for at-risk borrowers if lenders agree to write down loan balances below the appraised value of borrowers' homes.

The Congressional Budget Office has not yet released its official estimates of the bill's FHA proposal.

But in analyzing the potential costs and reach of a similar proposal passed by the House in May, the CBO estimated that 500,000 borrowers may enter the program - and that 35% of them could still default. So the best estimate of the net number of borrowers who will stay in their homes under the program is 325,000.

That would reduce anticipated foreclosure filings by 8% over the next few years, according to an estimate from Goldman Sachs analyst Alec Phillips.

That's not the only factor that could reduce the number of homeowners helped by the Senate bill. In making its estimates, the CBO assumed a June 1 start date for the FHA program. But the Senate version of the legislation - considered more politically viable than the House bill - would start the program on Oct. 1.

That four-month difference is likely to flush from consideration a segment of the bill's immediate target group: the 1.5 million subprime borrowers with adjustable-rate mortgages (ARM) whose loans are scheduled to reset in 2008.

Come Oct. 1, many of those whose ARMs reset between January and May might have already had their homes repossessed or left them during the foreclosure process.

Typically foreclosure proceedings begin after a mortgage payment is 90 days past due. Homeowners who are unable to reach deals with their lenders for more affordable loans may lose their homes within three or four months after the 90-day delinquency period, said Rick Sharga, vice president of marketing for Realty Trac, which publishes foreclosure data.

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So those whose rate reset on Jan. 1 could lose their home by June or July. Likewise, anyone whose rate reset in February, March, and April could lose their homes before the new FHA program would go into effect. Some portion of those whose rates reset in May - one of the peak months for subprime ARM resets - could be in the same boat.

"The people the bill will most likely help are those resetting in the third quarter and beyond," Sharga said. "The people who reset in the first quarter will almost certainly be beyond help."

In some states, however, it takes as long as a year to go through the whole foreclosure process, giving some borrowers whose loans reset early in the year a potential chance to use the Senate-proposed version of the FHA program should it become law.

A congressional plan to limit foreclosures would have been most effective if it caught more subprime borrowers before their rates reset. That's because the repossession rate on homes of borrowers with subprime ARMs rises dramatically after reset, according to First American CoreLogic LoanPerformance data from the past decade. The same holds true when considering foreclosure filings and repossessions combined.

Of course, choosing a start date for the FHA program isn't just a matter of figuring out how to limit the maximum number of foreclosures. "There's upfront planning that needs to occur for this to be successful," said Jaret Seiberg, an analyst with the Stanford Group, a Washington policy research firm.

And then there's the political calculus. The bill has been the source of heated wrangling between Democrats and Republicans, which has delayed its path to enactment.

"At the end of the day you compromise to get legislation enacted. But it's better to start the program later than have it lie dead in the Senate." ■

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CQ WEEKLY – WEEKLY REPORT
BANKING & FINANCIAL SERVICES
May 26, 2008 – Page 1415

Senate and House Mortgage Bills Compared

By CQ Staff

The House passed mortgage relief legislation (HR 3221) on May 8, and the Senate Banking Committee approved its draft May 20. Following is a comparison of the bills.

FHA Expansion

Senate

Loan Guarantees: The Federal Housing Administration would provide up to \$300 billion in new guarantees to help borrowers refinance loans. Lenders would accept a write-down of the current loan amount, receiving payment from the proceeds of the new loan. The loan amount could not exceed 90 percent of the appraised value of the property, and it would be a fixed-rate mortgage of at least 30 years. The FHA would collect an up-front premium of 3 percent of the new FHA loan to be paid from the proceeds of the new mortgage and an annual premium of 1.5 percent on the remaining balance of the loan.

Offset: The costs of the FHA program would be covered by a newly created affordable-housing trust fund. One hundred percent of those funds would go to the FHA program in 2009, 50 percent in 2010 and 25 percent in 2011.

Appreciation: Borrowers would be required to share accumulated equity with the government based on a five-year phased-in schedule, and half of any future appreciation if the home is sold.

Bulk Auctions: The creation of an auction mechanism to refinance eligible mortgages on a bulk basis would be allowed, if feasible.

House

Loan Guarantees: The FHA would provide the same guarantees as in the Senate bill. Existing lenders would have to take write-downs, receiving payment of no more than 85 percent of the property's current value. The new loan would have to have a loan-to-value ratio of no greater than 90 percent of property's current value, and it would have to be a fixed-rate mortgage.

Offsets: No offsets.

Appreciation: Participating borrowers who sell homes would have to pay the government whichever is greater: a fee equal to 3 percent of the original FHA loan balance or a percentage of future sale profits, ranging from 100 percent if the home was sold in the first year after refinancing to 50 percent if sold in the fourth year or later.

Bulk Auctions: The Federal Reserve Board would be required to conduct a study of the need for, and efficacy of, an auction or bulk refinancing mechanism.

Fannie Mae/Freddie Mac Overhaul

Senate

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Regulator: Fannie, Freddie and Federal Home Loan Banks would have a single federal regulator. The regulator could establish minimum capital requirements and temporarily raise their required capital levels. The measure also grants the regulator power to limit the size of the companies' retained mortgage portfolios, including ensuring that they have enough capital to support their holdings.

Trust Fund: An affordable-housing trust fund would be established, to be funded by Fannie, Freddie and Federal Home Loan Banks.

Loan Limits: The maximum conforming loan in high cost areas would be set at \$550,000. It would prohibit the enterprises from holding loans purchased with principal obligations greater than the normal conforming limit on their portfolios, either as whole loans or mortgage-backed securities, except to the extent that such loans are held for the purposes of securitization.

House

Regulator: A single regulator would be established, with broad safety and soundness powers. The regulator could establish minimum capital requirements, require temporary increases in those capital levels and establish limits on the company's portfolios, all in accordance with a safety and soundness standard.

Trust Fund: Similar to Senate provision.

Loan Limits: Would make permanent increases in loan limits included in the economic stimulus law (PL 110-185), which were raised from \$417,000 to either 125 percent of the median home price in the local market or \$729,750, whichever is less.

Source: **CQ Weekly**

The definitive source for news about Congress.

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Sources To Pay For FHA Financing Bill

By Bill Swindell
May 23, 2008
CongressDaily

House Financial Services Chairman Barney Frank suggested today other avenues to fund legislation for the Federal Housing Administration to guarantee up to \$300 billion in new mortgages rather than diverting monies away from a new affordable-housing trust fund.

In particular, Frank said he would explore using extra revenue from lifting a cap on FHA reverse mortgages as an option to pay for the FHA refinancing proposal. "We'll find other sources," Frank said at housing conference sponsored by the American Bar Association. "I think ... there are other ways we can do it." As the foremost congressional advocate for expanding affordable housing, Frank's top priority is protecting the trust fund as the House and Senate near negotiations on a major housing-stimulus package.

The House has passed its package and the Senate will take up its measure after the Memorial Day recess. Both measures would take a portion of Fannie Mae's and Freddie Mac's assets and siphon them off for a new trust fund, which is estimated to receive about \$500 million annually.

Both bills would allow FHA to guarantee new 30-year, fixed-rate mortgages for at-risk subprime borrowers, providing that their lenders voluntarily write down their current notes to below-market value. The Senate version narrowed the eligibility, bringing down its cost to \$500 million, while the House version was more expansive, estimated to cost \$1.7 billion by CBO.

But at the insistence of Senate Banking ranking member Richard Shelby, the Senate bill paid for the FHA refinancing plan by diverting the funds intended for the trust fund in its first few years of operation. That stance has forced Frank to examine other avenues to pay for the FHA refinancing plan as he gears up for conference negotiations. By lifting the cap on the FHA reverse-mortgage program, Frank said, the measure could bring in \$300 million annually.

He noted that raising the FHA loan limit would raise tens of millions of dollars annually, and he wants the cap to go up to almost \$730,000. Shelby opposes permanently raising the limit beyond \$550,000. Frank will press his case by arguing that the House bill would allocate the first year of trust-fund monies to areas affected by 2005's Hurricane Katrina in an effort to help those communities rebuild, and is looking for allies in the Senate such as Sen. Mary Landrieu, D-La., who has been successful with various Senate bills in attaching Katrina-related language beneficial to her constituents. Shelby noted his state was also affected by Katrina. "We got a nationwide housing crisis here we're going to continue to deal with. We continue to deal with Katrina. We will because we care what happened in Louisiana, Mississippi and my state of Alabama," Shelby said Tuesday.

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Wall St. Journal—5/27/08

Cleanup Is No Easy Task

Three Tough Areas
Face New Regulator
Of Fannie, Freddie

By DAVID REILLY and PETER EAVIS
May 27, 2008; Page C12

Fannie Mae and Freddie Mac may soon come under the thumb of a new, beefed-up regulator following a compromise reached last week between the White House and Congress on new housing legislation. Like any new sheriff, this one will want to clean up the town.

That means putting Fannie and Freddie on firmer financial footing so they can be strong enough to act when the housing market needs them. The current regulator, James Lockhart, says they are far from that now. In a recent speech, he said that Fannie and Freddie "have continued to be a point of vulnerability for the financial system because they are so highly leveraged relative to their risks."

It all gets down to Fannie and Freddie's balance sheets, specifically the amount of capital they have relative to the amount of assets they hold. Problem is, these balance sheets look something like the Augean Stables, and it would take a financial and political Hercules to clean them out. A look at three of the knottiest areas shows why.

Mirage Capital: Just like banks, Fannie and Freddie are judged by their regulatory capital. But regulatory capital at Fannie and Freddie is a mirage thanks in part to the inclusion of deferred tax assets.

These are essentially losses that can one day be used to offset future tax bills. These assets won't be much use if Fannie and Freddie need to come up with quick cash.

Banks, for example, only get to count a portion of these assets toward their regulatory capital. That should also be the case at Fannie and Freddie, especially since those tax assets recently ballooned. At the end of the first quarter, Fannie had deferred tax assets of \$17.8 billion, equal to 45% of total shareholders' equity, while they were \$16.6 billion at Freddie, slightly more than total equity.

To get to use these assets, which generally have lives of about 20 years, Fannie will need to generate about \$50 billion in profit and Freddie about \$47 billion. Between 2003 and 2007, Fannie posted net income of \$19.7 billion while Freddie's total profit was \$7.4 billion.

When it becomes unlikely that a company will use their deferred tax assets, they often write down a portion of them. Fannie and Freddie have yet to do so.

A Freddie Mac spokesman said, "We feel very comfortable about how we're operating our business under the current regulatory environment." A Fannie Maes spokesman declined to comment.

Lost Losses: The accounting rules say you don't need to actually post a loss to get a deferred tax asset. Those losses can be unrealized and are accounted for on the balance sheet. But companies can't delay the inevitable; eventually, unrealized losses must hit profits.

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At the end of the first quarter, about \$5.4 billion of Fannie's \$9.3 billion in unrealized losses on some debt securities were older than 12 months. Freddie had \$13.2 billion of unrealized losses more than 12 months old. A new regulator should press Fannie and Freddie to recognize at least a portion of these losses, whose age suggests they are more than temporary.

Doing so would hit profit and reduce regulatory capital. Already some other financial firms, such as American International Group Inc., have begun to recognize such losses.

Bad Debt: Another area requiring action is the reserves Fannie and Freddie take against bad loans. These act as a balance-sheet buffer against losses from defaults, and they are a big concern for bank regulators, particularly when defaults are rising.

Past-due loans are soaring at Fannie and Freddie, but it doesn't look like they have increased loan-loss reserves at a brisk-enough pace. Freddie, for instance, had \$22.8 billion of nonperforming assets at the end of the first quarter, up from \$18.5 billion at the end of 2007. Freddie's loan-loss reserve of \$3.9 billion is equivalent to 17.1% of first-quarter nonperforming assets. Analysts estimate that Fannie's reserve was equal to about 16% of its past-due loans in the first quarter.

When a standard mortgage goes into delinquency, analysts say lenders should reserve between 20% and 40% of the value of the loan. With Fannie and Freddie's loan-loss reserves apparently below these levels, a new regulator should want more protection against credit problems.

A regulator that pursues these kinds of changes, and thereby strengthening Fannie and Freddie, could at least be one positive to emerge from the housing crisis.

Write to David Reilly at david.reilly@wsj.com¹ and Peter Eavis at peter.eavis@wsj.com²

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Washington Post—5/24/08

Commentary

Looser Credit on the Way In 'Declining' Markets?

By Kenneth R. Harney
Saturday, May 24, 2008; F01

Could the mortgage industry scrap its controversial practice of listing hundreds of local real estate markets as "declining" -- and restricting lending there through higher down payments or credit scores?

The two biggest players in the home mortgage field, Fannie Mae and Freddie Mac, did precisely that last week. Reversing its policy of penalizing buyers in troubled real estate markets with five-percentage-point higher down payments, Fannie Mae switched to a policy of requiring the same minimum down payments irrespective of location. Freddie Mac spokesman Brad German said his company will be "suspending" its declining-markets policy indefinitely, too.

Starting June 1, mortgage applicants who are underwritten by Fannie Mae's automated system online will qualify for a 3 percent minimum down payment, wherever the property is. Borrowers whose applications require "manual" underwriting will have a 5 percent minimum.

Under Fannie Mae's previous system, applicants buying houses in designated declining markets had to contribute five percentage points extra in upfront equity compared with borrowers in nondeclining areas.

Freddie Mac did not use a list of specific areas designated as declining; it relied instead on lenders to flag applications using appraisal data or home-price indexes. For those applicants, it also required the same increase in equity contributions upfront.

Critics, including the National Association of Realtors and consumer advocacy groups, had charged that Fannie Mae's policy served to further depress sales and real estate values in areas tainted as declining.

Critics also argued that many metropolitan markets experiencing price decreases contain submarkets performing relatively well and do not deserve to be underwritten as high risk.

Marianne Sullivan, Fannie Mae's senior vice president for single-family credit and risk management, said the policy reversal was possible because of improvements to the company's automated underwriting system allowing it to "assess each loan more precisely" wherever the property is.

The change was welcomed by national real estate and housing groups. Dick Gaylord, president of the National Association of Realtors, said the termination of a policy that "stigmatized" certain communities will "help stabilize the credit markets."

David Berenbaum, executive vice president of the National Community Reinvestment Coalition, said his group hopes the revised policies will be "a model for others to follow."

Whether that happens anytime soon is far from certain. Almost all private mortgage insurers, which provide loss protection to lenders on loans with low down payments, have adopted highly

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restrictive policies affecting Zip codes or metropolitan areas they designate as distressed or declining.

MGIC, the largest-volume mortgage insurer, recently expanded its list of distressed markets along with a series of cutbacks on specific types of low-equity loans. As of June 1, MGIC will not insure mortgages on condominium units in Florida. It has also abandoned cash-out refinancings and loans on investment properties.

PMI Group, another major insurer, has banned cash-out refis and investor loans in areas it judges to be distressed. Genworth Financial will not consider applications on second homes anywhere in Florida. AIG United Guaranty no longer will write insurance on condominiums in any of hundreds of Zip codes around the country that are on its declining-markets list.

Asked whether his firm might reevaluate its declining-markets restrictions in light of the abrupt changes at Fannie Mae and Freddie Mac, Terry Souers, a spokesman for Genworth Financial's mortgage insurance unit, said, "We're aware of their actions and will take them into consideration to see if additional steps are necessary."

But Michael J. Zimmerman, senior vice president for investor relations at MGIC, said his company has no immediate plans to abandon declining-market restrictions.

"We're not contemplating any changes," he said. MGIC, which reported a \$1.4 billion loss for the fourth quarter of 2007 and a \$34 million loss for the first quarter of this year, has been hit hard by claims following foreclosures and extended delinquencies in once-booming housing markets.

What's the trend here? Fannie Mac's and Freddie Mac's policy switches should open the door to some additional low-down-payment mortgages -- and home sales -- in areas once tagged as declining.

But without the participation of private mortgage insurers -- who report solely to stock market investors rather than Congress -- many borrowers will probably have to turn to the Federal Housing Administration, which accepts 3 percent down and does not have declining-market restrictions.

Kenneth R. Harney's e-mail address is KenHarney@earthlink.net.

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Strong Growth Seen in GSEs' Portfolios

American Banker | Tuesday, May 27, 2008

By Kate Berry

Fannie Mae and Freddie Mac on Friday reported strong growth in their mortgage portfolios though Fannie's delinquency rate rose to its highest point in a year.

Fannie's portfolio grew at an annual rate of 9.8% last month to \$728.4 billion, while Freddie's grew at an annual rate of 42.2% to \$737.5 billion, its strongest growth rate in a year.

Fannie's total book of business — the portfolio plus mortgages it guarantees for other investors — grew 6.7% in April, to \$3 trillion, and Freddie's rose 4.7%, to \$2.2 trillion.

Mortgage bond and other guarantees rose for Fannie at an annual rate of 7.2% in April, to \$2.5 trillion, and for Freddie at a 7.8% pace, to \$1.8 trillion. According to Freddie, the two GSEs' combined mortgage-backed securities issuance rose 8%, to \$99 billion in April.

Fannie's delinquency rate rose 5 basis points from February, to 1.15% in March, the most recent month for which figures were available. Freddie's delinquencies rose 3 basis points over the same period, to 0.77%.

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UPDATE 1-RESEARCH ALERT-Lehman widens 2008 loss view for GSEs

May 27, 2008

Reuters

May 27 (Reuters) - Lehman Brothers widened its 2008 loss estimates for Freddie Mac (FRE.N: [Quote](#), [Profile](#), [Research](#)) and Fannie Mae (FNM.N: [Quote](#), [Profile](#), [Research](#)), saying Freddie Mac and Fannie Mae businesses will be characterized by surging revenue on the positive side and credit costs on the negative side in the near term.

If Congress imposes a fee on government-sponsored enterprises (GSEs) to support affordable housing as contemplated in the House & Senate GSE Reform bills, Lehman said it would cost Fannie Mae and Freddie Mac roughly 30 cents a share annually.

Lehman sees a loss of \$1.65 per share for Freddie Mac compared with its prior view of a loss of \$1.50 per share. For Fannie Mae, it widened its 2008 loss-per-share estimate to \$2.39 from its prior view of \$2.23.

Lehman said as credit costs normalize, rising revenues should support significant earnings power and expects robust balance sheet growth from Fannie Mae and Freddie Mac over the next few years.

For Freddie Mac, it sees 14 percent year-over-year growth in 2008, 10 percent in 2009, and 8 percent in 2010.

For Fannie Mae, it sees 17 percent year-over-year growth in 2008, with 9 percent growth in both 2009 and 2010.

Lehman has an "overweight" rating on both Freddie Mac and Fannie Mae. It has a price target of \$45 on Freddie Mac and a target of \$46 on Fannie Mae.

While Freddie Mac closed at \$25.73 Friday on the New York Stock Exchange, Fannie Mae shares closed at \$27.59. (Reporting by Jennifer Robin Raj in Bangalore; Editing by Jarshad Kakkrakandy)

**JPMC-001012
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Slower FHLB Advance Growth May Signal Crunch Is Easing

American Banker | Tuesday, May 27, 2008

By Steven Sloan

WASHINGTON — The heyday for Home Loan bank advances may be coming to an end.

While first-quarter earnings increased at eight of the 12 Federal Home Loan banks, the rate of growth for advances slowed to just 4.3%.

The Federal Home Loan Bank of San Francisco provides a good example.

While it continued to outpace its peers — net income grew 69% during the quarter, to \$240 million — the San Francisco bank said three large members reduced their borrowings. The bank's overall advances fell 1%, to \$248.4 billion.

The advance business has been booming since the credit crunch hit in August and many financial institutions turned to the Home Loan banks as sources of quick, cheap liquidity. The system's advance business grew 36.6% in 2007.

In interviews and in quarterly reports released this month, some of the banks cited the slowdown as a sign that the credit crunch is easing.

"It appears to be stabilizing," said Dave Fisher, the chief operating officer at the Federal Home Loan Bank of Topeka, whose advances dropped 4.8% during the quarter, to \$30.5 billion. "We're seeing advances ... plateauing a bit."

But during the first quarter, three banks' advances declined and five others had single-digit growth. Advance growth remained robust at the Cincinnati, Dallas, Des Moines, and Indianapolis banks.

The Federal Home Loan Bank of Atlanta said advances rose 6.5%, to \$152.1 billion, during the three months that ended March 31, and in its quarterly report it said, "If credit market disruptions continue to settle, the bank does not expect that new advance activity will continue to increase at the 2007 rate."

Richard Dorfman, the Atlanta bank's chief executive, insisted in an interview that advances remain more attractive than other potential sources of liquidity.

"Price for value, this is a great deal," he said. "What you're buying is certainty of availability" of funds.

Though advance volumes may level off, Jim Vogel, the head of fixed-income research at First Horizon National Corp.'s FTN Financial Markets Corp., said demand among larger members will remain strong.

"We see the large banks still in sort of a scramble mode," he said. "They are not in a rebalancing mode just yet."

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That seemed to be playing out at the Federal Home Loan Bank of Dallas, where Wachovia Corp. increased its borrowings by 23.2% from yearend, to \$21.3 billion.

Overall the Home Loan banks' net income grew to \$697 million in the quarter, and assets grew 4%, to \$1.32 trillion. Total capital rose 4.2% from yearend, to \$55.9 billion.

As expected, the Chicago bank showed significant weaknesses as it trudged forward as an independent institution. It attempted to merge with the Dallas Home Loan bank, but last month both parties walked away from negotiations. The Chicago bank said then that it would report a \$78 million loss for the first quarter, and end purchases under its troubled Mortgage Partnership Finance program after July 31. The Chicago bank offered more details on the extent of its problems in its quarterly report.

"The size of our MPF assets is disproportionate relative to our overall balance sheet," the bank said in its filing. "Also, the process of funding 15- to 30-year fixed assets with voluntary capital stock and shorter-term consolidated obligations, in combination with hedging strategies, proved to be challenging and, ultimately expensive, especially from a risk management standpoint."

The MPF portfolio, which was \$34.5 billion on March 31, is expected to decline roughly 7% to 9% during the year, according to the quarterly report.

Still, there were positive signs emerging from Chicago. The Home Loan bank said nearly 75% of its 831 members borrowed advances during the quarter, sending the business up 8.1% from yearend, to \$32.7 billion.

The Federal Home Loan Bank of Cincinnati, typically one of the stronger banks, reported earnings fell 23.1% during the quarter, to \$49.3 million, on a debt restructuring charge.

As interest rates declined in recent months, the Cincinnati bank elected to refinance \$7 billion of debt into bonds with a lower rate, which resulted in a one-time cost of \$7 million.

Advances were up 15.8% from yearend, to \$61.7 billion. National City Corp., which has struggled to find liquidity in recent months, became the Cincinnati bank's second-largest borrower, with advances totaling \$6.4 billion, up 36% from yearend.

Earnings at the Topeka bank fell 28% during the first quarter, to \$23.6 million, but Mr. Fisher attributed that to accounting rules governing its derivative portfolio.

"I'd characterize it as more of an accounting issue than a true economic value issue," he said, noting that net interest income rose 10% in the quarter.

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New York Times—May 24, 2008
Off the Charts

Mortgages Without U.S. Backing Start to Rise

By FLOYD NORRIS

THE private mortgage market in the United States — almost moribund in the wake of the subprime crisis that bankrupted some lenders last year — is showing small signs of revival.

In the first quarter of this year, there were \$116 billion in private mortgage loans, loans not issued or insured by the federal government or a government-sponsored entity. That was up from \$84 billion in the final quarter of 2007, according to a survey of lenders by Inside Mortgage Finance, a newsletter.

In the wake of the collapse of the private mortgage securitization market in the second half of last year, few banks were willing to make loans that they could not sell, primarily to the government-sponsored enterprises Fannie Mae and Freddie Mac. Those agencies are private companies, but they have a limited right to borrow from the Treasury, and investors generally assume that the federal government will bail them out if they get into serious trouble.

The agencies' share of the mortgage market rose to a record 75.6 percent in the final quarter of 2007. Add in the 1.3 percent share for Department of Veterans Affairs loans, and the 4.5 percent share for the Federal Housing Administration, and the share of truly private mortgage loans fell to a record low of 18.6 percent.

In the first quarter, the private share recovered to 24.2 percent, meaning that in a country that considers itself the bastion of private enterprise, three of four new home loans had some sort of government-related guarantee.

"There are more banks and other lenders increasing their portfolio lending," said Guy D. Cecala, the publisher of Inside Mortgage Finance. "At year-end, banks were reluctant to do any portfolio lending." Portfolio lending refers to an institution's making a loan and holding on to it, rather than selling it either as a mortgage or as part of a securitization package.

Much of that private lending appears to be in jumbo mortgages, which are too large to be bought by the agencies. The limit had been \$417,000, but Congress has raised it temporarily, with differing limits in various areas.

There is still a great reluctance to grant mortgages to subprime borrowers. Mr. Cecala estimated that \$10 billion in subprime loans were made in the first quarter, a little less than in the final three months of 2007. In 2005 and 2006, about one in five dollars lent went to subprime borrowers, with a peak volume of \$625 billion in 2005.

While there is a little more private lending activity, the private mortgage securitization market continues to shrink. Investors have not yet been reassured that new securitizations will be safer than the disastrous ones from 2006 and early 2007.

A look at the total volume of mortgage loans helps to explain how the mess was created. In 2003, with interest rates at very low levels, a record \$3.9 trillion in mortgage loans were made, most of

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them for refinancing. When interest rates edged up the next year, it seemed reasonable to expect a big falloff, but the decline was only 26 percent.

Mr. Cecala said that the mortgage industry, having greatly expanded to deal with the wave of refinancings, looked for ways to keep lending. The availability of alternative products, allowing larger loans relative to value, or giving borrowers the option to make very low payments for a limited time, grew. That easy credit helped to push home prices up, until they peaked in 2006.

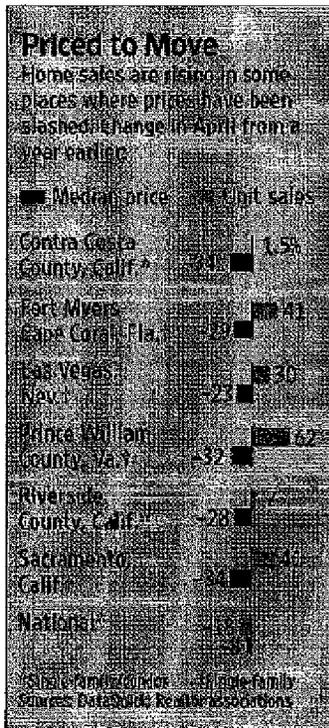
Now, with mortgage defaults rising, Congress is expected to enact housing legislation to permit the F.H.A. to guarantee refinancing loans to homeowners in danger of losing their homes. A Senate committee approved a bill this week to allow such guarantees, but only if the loan amount was reduced to a figure lower than the current value of the home. Such a reduction would cause a loss for the original lender, but that loss might be smaller than it would be with the alternative: the house goes into foreclosure.

Read Floyd Norris's blog at norris.blogs.nytimes.com.

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Wall St. Journal—5/27/08
Home Sales Rise in Hard-Hit Areas

**Buyers Snatch Up
 Foreclosed Properties
 After Big Price Cuts**
 By JAMES R. HAGERTY
 May 27, 2008; Page A3



Home sales are rising in some U.S. metropolitan areas where lenders have slashed prices on foreclosed properties.

Generally, home sales remain weak. The National Association of Realtors reported last week that sales of previously occupied homes in April were down about 18% from the already depressed year-earlier level.

But sales are up sharply in some of the areas hit hardest by foreclosures and falling prices. They include: Las Vegas; Sacramento, Calif.; Fort Myers, Fla.; and inner-city Detroit.

Though Americans remain wary of further drops in housing prices, the data from these areas show that some buyers are trolling for bargains. Sellers "have moved into the acceptance mode" and are pricing homes more realistically, says Thomas Lawler, a housing economist in Leesburg, Va. "I think it is the first stage of good news for the market."

Lenders' inventory of foreclosed homes has steadily increased in the past couple of years and is believed to total around half a million homes. Many lenders initially were slow to slash prices, partly because they hoped to avoid huge losses. But more lenders have been capitulating as it becomes clear that delays often merely result in

lower proceeds and higher costs for taxes, insurance and upkeep.

That doesn't mean housing is poised for a quick recovery. In much of the U.S., there is still a huge glut of homes for sale, and foreclosures continue to dump more property on the market. Realtors reported that the number of single-family homes on the market in April was enough to last 10.7 months at the current sales rate, the highest since 1985. During the housing boom of the first half of this decade, the supply typically was four to five months.

For the first four months of this year, home sales in Detroit, excluding suburbs, totaled 3,360, up 48% from a year earlier, according to the Michigan Association of Realtors. The average price dropped 56% to just \$20,514. That average is so low because many of the sales involve decrepit homes in neighborhoods with few jobs.

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Most of the recent sales in Detroit involve investors buying foreclosed homes, says Carl Williams, president of the local association of Realtors. The homes are selling, he says, because "the prices are dirt cheap."

Sales of "normal" homes, those that haven't been foreclosed, remain very slow, Mr. Williams says. Still, he sees it as a good sign that lenders are finding buyers for the foreclosed homes. To the extent that investors can renovate and find tenants for vacant houses, neighborhoods can start to heal.

In California's Sacramento County, sales of single-family homes totaled 1,669 in April, up 41% from a year earlier, according to DataQuick Information Systems, a research firm. The median sales price was \$226,250, down 34%.

Alan Wagner, president of the Sacramento Association of Realtors, says the rise reflects more aggressive pricing by lenders. "They've got to liquidate inventory. They're taking that house and dropping \$100,000 off the price, and all of a sudden they've got multiple offers," he says. Some homes that sold for more than \$400,000 a couple years ago now go for \$225,000 to \$260,000, Mr. Wagner says.

That means some renters previously priced out of the market finally can afford homes -- if they can qualify for mortgages. That has become much tougher because lenders have tightened standards, but Mr. Wagner says the growing availability of U.S.-insured loans insured by the Federal Housing Administration is helping.

In the Las Vegas area, sales of single-family homes in April were up 30% from a year earlier. The Greater Las Vegas Association of Realtors says properties being sold by lenders account for more than half of recent sales.

Write to James R. Hagerty at bob.hagerty@wsj.com

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Wall St. Journal Online—5/27/08

Case-Shiller: House Prices Fall 14%

New-Home Sales Post April Increase

By DONNA KARDOS

May 27, 2008 10:27 a.m.

The S&P/Case-Shiller home-price indexes, a closely watched gauge of U.S. home prices, saw prices fall further in the first quarter amid the continued deterioration of home prices as the subprime-loan meltdown weighs on the sector.

Meanwhile, new-home sales rose in April but failed to meet expectations because the government revised lower the level of demand for the previous month.

In the first quarter, the Case-Shiller indexes showed home prices across the country fell 14% from a year earlier, representing the largest drop in the 20-year history of the indexes. From the fourth quarter, prices fell 6.7%.

"The steep downturn in residential real estate continues," David M. Blitzer, chairman of S&P's index committee, said. He added, "There are very few silver linings that one can see in the data. Most of the nation appears to remain on a downward path."

According to the indexes, released by ratings firm Standard & Poor's, home prices in 10 major metropolitan areas fell 15% in March from a year earlier and 2.4% from February.

In 20 major metropolitan areas, home prices dropped 14% from a year earlier and 2.2% from February.

Charlotte and Dallas managed to avoid March-over-February drops in prices, with Charlotte eking out 0.2% growth and Dallas posting a 1.1% increase. Charlotte also reported a 0.8% rise year-over-year, as -- for the third month in a row -- it remained the only city to post annual growth.

Las Vegas was the weakest market, posting a 26% drop in March from the prior year, followed by 25% and 23% drops in Miami and Phoenix, respectively. Las Vegas and Miami had been the weakest markets in January and February.

Las Vegas and Miami also were the biggest decliners month-on-month, posting 4.4% and 4.5% drops, respectively.

According to a separate measure released last week by the Office of Federal Housing Enterprise Oversight, home prices fell an average of 1.7% nationwide in the first quarter from the final three months of 2007. The decline was the largest in the index's 17-year history. The index differs from the Case-Shiller index in several ways; notably, Ofheo data excludes homes with jumbo mortgages.

Earlier this month, the Commerce Department offered the latest sign that the struggling U.S. housing market may hold back economic growth for much of the year. While home construction unexpectedly jumped 2.5% in April follows months of bad weather that held back many builders, permits declined 8.9% from March to an annual rate of 1.43 million, marking the largest percentage drop since a 24% tumble in February 1990. Permits are now down 41% from their

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2005 peak. Housing permits, which are down 28% from a year ago, predict the market's direction better than housing starts.

Meanwhile, the National Association of Home Builders also said earlier this month that home builders' confidence has fallen substantially, to match the lowest point in the latest economic cycle. The meltdown in subprime loans is expected to continue weighing on the sector, and high inventories will need to be worked off.

New Home Sales Increase

Sales of single-family homes increased by 3.3% last month to a seasonally adjusted annual rate of 526,000, the Commerce Department said Tuesday. Year over year, new-home sales were 42% lower than the level in April 2007. March new-home sales fell 11.0% to an annual rate of 509,000; originally, the government said March sales dropped by 8.5% to 526,000. Economists had forecast an April sales rate of 533,000.

The median price of a new home increased by 1.5% to \$246,100 in April from \$242,500 in April 2007. The average price climbed by 3.0% to \$321,000 from \$311,700 a year earlier. In March, the median price was \$225,500 and the average was \$291,500. The increase in prices may be positive for future sales; declining prices have been stopping consumers from buying homes as they wait for still-lower prices.

Inventories fell to an estimated 456,000 homes for sale at the end of April, down from March's 467,000. The ratio of new houses for sale to houses sold fell in April to 10.6 from 11.1 in March. Originally, the government estimated the March ratio at 11.0.

Regionally last month, new-home sales increased 5.8% in the Midwest, 41.7% in the Northeast, and 8.3% in the West. Sales fell 2.4% in the South. An estimated 47,000 homes were actually sold in April, down from 49,000 in March, based on figures not seasonally adjusted.

-- Jeff Bater contributed to this article.

Write to Donna Kardos at donna.kardos@dowjones.com¹⁰

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BNA—5/27/08

Housing**Government's Housing Price Index
Records Largest Decline in 17 Years**

Home purchase data compiled by the Office of Federal Housing Enterprise Oversight (OFHEO) shows that home prices fell 3.1 percent between the first quarter of 2007 and first quarter of 2008—the largest annual decline in the 17-year history of the Housing Price Index (HPI).

The seasonally-adjusted, purchase-only index also revealed a 1.7 percent decline since the fourth quarter of 2007, exceeding the previous quarterly decline of 1.4 percent. OFHEO said prices fell in 43 states, with California and Nevada registering quarterly declines of more than 8 percent.

Florida had a quarterly decline of 6.3 percent, followed by Arizona, where home prices depreciated 4.1 percent in the first three months of 2008. Four other states experienced quarterly declines of more than 3 percent: Michigan, Connecticut, Hawaii, and Maryland.

"These substantial home price declines bring positive and negative news," OFHEO Director James Lockhart said in May 22 statement. "For homeowners and financial market observers, these declines spell further erosion in home equity levels and potentially more trouble for mortgage markets. To prospective home buyers who have been shut out of home ownership because of affordability constraints, these declines may be welcome news, as are continued low mortgage rates."

The all-transactions HPI, which includes home appraisal data in refinancings, showed less weakness than the purchase-only index. The all-transactions index fell 0.2 percent in the first quarter of 2008 and remains flat over a four-quarter period, according to OFHEO.

Results 'Muted' Compared to Other Indexes

Both indexes are based on conforming loans up to \$417,000 backed by the government-sponsored housing enterprises Fannie Mae and Freddie Mac. The results are "much more muted" than indexes that account for larger or riskier types of loans, OFHEO said.

"Homes financed with prime, conforming mortgages continue to hold up better than those financed with other types of mortgages, a phenomenon we've been observing for the last several quarters," Lockhart said.

The Standard & Poor's/Case-Shiller index, which tracks home prices in the 20 largest metropolitan areas, recently reported an average home price decline of more than 12 percent. Las Vegas fared poorest in the year-over-year measure, posting a 22.8 percent decline over the last 12 months, with Miami second worst among the 20 cities, declining 21.7 percent in that period (83 DER EE-2, 4/30/08 .

In contrast, the government index showed a 12 percent annual decline for Las Vegas and five percent decline for Miami. The metropolitan statistical areas (MSAs) with the sharpest annual depreciation in the HPI were Merced, Calif., which posted a 24.7 percent drop, followed by Stockton, Calif., at 21.5 percent, and Modesto, Calif., at 21 percent.

Although every region of the country experienced home price declines in the first quarter of 2008, the HPI did reveal significant increases in some states. Wyoming, Utah, Montana, Texas, and Alabama all recorded quarterly home price appreciation of more than four percent, according to the federal index.

The latest HPI data is available at <http://www.ofheo.gov/hpi.aspx?Nav=275>  By Mike Ferullo

Contact customer relations at: customercare@bna.com or 1-800-372-1033
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Financial Times—5/27/08

Recent borrowers hit problems earlier

By Norma Cohen, Economics Correspondent
Published: May 27 2008 03:00 | Last updated: May 27 2008 03:00

Homebuyers have been at the epicentre of the credit crunch since it hit last autumn. Mortgage approvals for new homes have slumped as lenders rushed to withdraw products, tighten terms and raise interest rates in silent recognition that cut-throat competition had previously prompted at least some banks and building societies to suspend their more sober risk assessment.

But although the market for mortgage-backed securities has nearly come to a standstill, there has been little evidence to justify a market panic.

Now, the release of data for loans supporting mortgage-backed securities rated by Standard & Poor's for the first quarter of 2008 offers a fuller picture of how homebuyers with a chequered credit history are holding up.

So far, the data show, only a tiny fraction of prime borrowers have fallen behind in their mortgages and that the rate of delinquency - defined as arrears of more than 30 days - is no higher than that in 2006.

But credit market conditions are beginning to weigh on borrowers. Already, the data suggest a stratifying market with rapidly deteriorating finances for home-buyers with a patchy credit history.

Prime borrowers able to refinance are doing so in droves, leaving those who owe more relative to the value of their property and their annual income to revert to higher interest rates.

Overall, more than a fifth of sub-prime borrowers have fallen behind on their mortgages, as have 2.41 per cent of prime borrowers.

Significantly, the S&P report notes, borrowers who first took out sub-prime mortgages in 2007 are paying off their loans far more slowly than those who borrowed in earlier years when refinancing was more available.

Sean Hannigan, a director and credit analyst at S&P, said the terms of sub-prime loans, including those with relatively low upfront rates, are typically so punitive that even if borrowers need to pay a penalty, it is worth their while to refinance as soon as possible.

But tighter credit standards mean that only 10 per cent of the borrowers who took out loans last year have managed to refinance within nine months of taking the mortgage compared with more than 20 per cent of borrowers whose loans originated in 2005. Overall, the rate at which recent borrowers are prepaying their sub-prime loans is well below the average prepayment rate, which was 24.07 per cent in the first quarter of 2007.

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The slowing of prepayment rates may also suggest that sharp house price inflation, which improved the position of earlier borrowers with poor credit, is no longer helping recent borrowers.

In addition, the data suggest more recent borrowers are running into financing difficulties earlier in their mortgages. Sub-prime loans made in 2006 are showing delinquency rates of about 27 per cent less than two years after they were first made and those made in 2007 are already trending above that rate.

Among prime borrowers, delinquency and repossession rates remain very low. However, S&P drew attention to some striking differences in performance of loans depending on from which bank they originated. While loans originated by Halifax had a repossession rate of about 0.12 per cent as of March, those of Bank of Scotland had a repossession rate of 0.20 per cent while those originated by Northern Rock had a rate of 0.425 per cent.

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Financial Times—5/24/08
Commentary**Drastic action may be needed if housing slump worsens**By Thorold Barker
May 24, 2008
Financial Times

The US has already faced its black swan event. A roughly 15 per cent slump in house prices across the country since the boom ended is something that many senior risk managers and, clearly, rating agencies thought could never happen. It helped turn credit markets upside down during a dramatic repricing of risk, before they regained some semblance of normality. But what if the swan turns out to be an even rarer shade, say pink - and home prices continue to slump even beyond the levels that bruised investors have priced in?

The head of a US bank outlined to me, calmly, the doomsday scenario. It goes something like this: the overhang of US houses on the market is already at an elevated 11 months' worth of sales. To bring it down to a more normal level of about five months, transaction rates would have to rise significantly, or houses worth almost \$600bn would need to disappear from the market. The problem is that buyers are unlikely to rush in if they think that their dream house will get even cheaper. Also, most people require mortgage financing. And banks, bruised by the credit dislocation and facing balance sheet constraints, are still wary about lending to all but the safest borrowers whose mortgages can be guaranteed by the likes of Fannie Mac and Freddie Mac. So there is the risk of a downward spiral. Inventories could remain stubbornly high, or even rise as buyers stay on the sidelines and lenders remain cautious. That could be exacerbated if rising oil prices sap consumer spending power further and inflation concerns push long-term Treasury yields, and hence mortgage rates, higher.

In that case, the economy could take a nasty hit as consumers feel more pain and the banks take bigger bad debt hits on their loan portfolios. Meanwhile, credit markets could be in for another dose of volatility as investors reset their house price expectations even lower. Think what might happen if mortgage giants Fannie and Freddie started taking even bigger losses. A further leg down in housing could also tip Bank of America into losing its nerve and looking to find a way to avoid buying troubled Countrywide, formerly the country's biggest mortgage originator.

It is possible that the housing risks are not as dire as the national home price measures suggest. After all, while certain once-booming markets such as Florida and California are in freefall, other states have suffered less. But policymakers and bankers are right to remain nervous. We are already in uncharted territory when it comes to the scale of nominal house price declines. The RPX Index, which measures prices per square foot and has fallen almost 15 per cent from the peak, is signalling that prices will fall roughly a quarter before they bottom out. Consumers are also behaving very differently from previous cycles, not least in their willingness to simply walk away from loans that are underwater.

So far, the response of policymakers to support the housing market feels like the first efforts of the Fed when confronted by the credit crisis: helpful, but unlikely to end the problem. After numerous attempts to inject liquidity into the banking sector, the Fed only restored a semblance

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of stability when it was forced to bail out Bear Stearns and effectively guarantee that big US investment banks would be able to access funding when necessary.

The same could apply to housing. Schemes from Washington so far to ease the pain have included the Treasury's "Hope Now" initiative to try reducing the impact of home loan resets and looser capital requirements for Fannie and Freddie to allow them to take on more mortgage business. The Senate tried this week to go a step further by agreeing a plan under which the Federal Housing Administration would insure certain mortgages, as long as banks were first willing to take a loss and reset the debt burden of the borrower concerned.

While potentially helpful, none really addresses the scale of the problem. Unless signs of housing stability appear, the government will have to consider more drastic steps to underpin home prices.

In fact, perhaps the expectation of such a response, if things get much worse, is one factor underpinning the fragile calm in today's markets.

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Washington Post—5/27/08

Fed Keeps Watch on Wall St. -- From the Inside

By Neil Irwin
Washington Post Staff Writer
Tuesday, May 27, 2008; D01

In the two months since the government rescue of Bear Stearns, the Federal Reserve has built on the fly a new system of monitoring investment banks, radically redefining the central bank's role overseeing Wall Street.

New York Fed employees are working inside major investment banks every day, alongside the Securities and Exchange Commission staff members who are the firms' main regulators. The Fed employees are trying to gather information the central bank can use to make sure the billions of dollars it is lending the investment firms, through a special emergency loan program enacted in March, are not being put at undue risk.

This new approach, which is still at a relatively small scale, offers a window into how the nation's system of regulating financial firms might evolve as policymakers sift through the financial wreckage of the past nine months.

The Bush administration has proposed that the Fed become an all-purpose guarantor of the financial system, with the power to poke its head into any company that poses risks -- not just the large commercial banks it now supervises. Congress is likely to consider legislation overhauling financial regulation next year.

"Bear Stearns has forced an issue that we should have been thinking about anyway," said Douglas Elmendorf, a senior fellow at the Brookings Institution. "The issue isn't just that the Fed did this thing in March. It's that the Fed did what it did in March because investment banks posed risks to the overall financial system and the economy."

But it also creates risks. With the Fed having made emergency funds available to investment banks, lenders and those who work with them might become complacent about risks, expecting a government bailout if anything goes wrong. That could destabilize the financial system further.

"Once the Fed starts investigating and looking at the risks that they're taking, the market could back off and say, 'Well, the Fed's in there, so there can't be much risk,'" said Peter J. Wallison, who studies financial regulation at the American Enterprise Institute.

The Fed currently lacks the legal authority to order investment banks to strengthen risk control systems or change their accounting for exposure to complicated derivatives. The SEC has those powers, though its historical mission has been to ensure that investors are protected, not to protect the integrity of the financial system as a whole.

On March 16, the Fed backed the emergency acquisition of Bear Stearns by putting \$30 billion (since changed to \$29 billion) in public funds at risk and opened an emergency lending window that last week lent \$14.2 billion to investment firms.

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Both actions, meant to prevent panic from causing a cascade of failures that could have had a catastrophic impact on markets and the world economy, defied 90 years of precedent, insinuating the central bank into the workings of Wall Street as never before.

Fed leaders concluded that they would have to step up their involvement in Wall Street, if only to make sure that those loans were likely to be paid back. So it insisted that banks, in exchange for the new lending, open up about the details of their operations -- a deal that the investment firms readily agreed to.

They have not, however, reached any firm conclusions about what form the ultimate regulation of the financial system ought to take and are not presuming that the improvised system established in the past two months will expand and become permanent once Congress acts.

In the meantime, a special unit has been created in the New York Fed, answering directly to President Timothy F. Geithner. Information about its operations is closely held by Geithner and other senior employees in New York, such that even Federal Reserve governors and presidents of other regional Fed banks know little about what the new unit is doing.

The unit is composed of individuals from the bank supervision staff, whose normal work is to regulate commercial banks; the markets group, which monitors the behavior of all sorts of financial markets watching out for threats to their functioning; and the legal department.

The Fed staffers accompany SEC regulators in frequent visits to the major investment banks Goldman Sachs, Morgan Stanley, Merrill Lynch and Lehman Brothers. They typically speak to risk managers, auditors, comptrollers and sometimes senior executives.

"What they're doing is not so much regulation, telling the banks what to do, as the Fed is saying, 'I'm lending you money, I'm doing my due diligence,'" said Ernest Patrikis, a partner at law firm Pillsbury Winthrop Shaw Pittman and a former senior official at the New York Fed.

In the past, collaboration between the Fed and the SEC has been more haphazard. Officials of the two organizations would frequently talk on the phone and meet every few weeks to discuss risks being taken by Wall Street firms, over lunch in the cafeteria at the vault-like headquarters of the New York Fed, for example, or on a balcony there overlooking the narrow streets of lower Manhattan.

As concern grew about the risks taken by hedge funds in 2006, Fed officials and their SEC counterparts had a series of discussions in which each side explained to the other how the institutions they directly supervise -- commercial banks for the Fed and investment banks for the SEC -- measure and manage the risks they are taking by lending to hedge funds.

Now, the interaction is more constant. The SEC is crafting a formal memorandum of understanding that lays out their roles, but it is in an early stage. It will mainly seek to formalize the information-sharing and cooperation that is occurring already, SEC officials have said.

"The collaboration is wide open," said Robert L.D. Colby, deputy director of the SEC's market regulation division. "We're essentially operating as if we're all within one agency. We are telling them what we know and how we think, and they're reflecting back what they know and want to learn. You don't always ask the same questions, and sometimes you get information the other might not have picked up."

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Financial Times—5/27/08

Greenspan warns of 'greater than 50% probability' of US recession

By Krishna Guha in Washington
Published: May 27 2008 03:00 | Last updated: May 27 2008 03:00

The US is still more likely than not to have a recession in spite of the relative stabilisation in the economy in recent weeks, Alan Greenspan has told the Financial Times.

The former chairman of the Federal Reserve said: "I still believe there is a greater than 50 per cent probability of recession." But, he said, "that probability has receded a little and I think the probability of a severe recession has come down markedly".

His comments, in an interview with the FT, come as a counter to the increasing optimism in some quarters. In the past six weeks, most economists have scaled back their estimates of the likelihood of a US recession following a better-than-expected jobs report and stronger business activity surveys. Many now think the US will narrowly dodge outright economic contraction.

The former Fed chief also said it was "too soon to tell" whether the worst of the financial crisis was over, as this would depend on what happened to house prices.

Mr Greenspan estimates that house prices will fall by another 10 per cent from their February levels, for a total peak-to-trough decline of about 25 per cent.

If the economy is weak and the market overshoots, house prices could decline by another 5 per cent, he says.

"Such house price declines imply a major contraction in the level of equity in owner-occupied homes, the ultimate collateral for mortgage-backed securities," he said.

Mr Greenspan said it was still not clear whether big financial institutions had taken all the writedowns they would need to take on higher rated tranches of mortgage-backed credit products.

He admitted he was puzzled by recent economic data that suggest the economy stopped deteriorating around March. "A recession is characterised by significant discontinuities in the data," he said. "It started off that way - there was a period of sharp discontinuity from December to March. But then it stopped."

Mr Greenspan believes there is a "tug of war" taking place in the economy, with financial sector stress pulling one way and strong corporate liquidity pulling the other. Corporate liquidity is being eroded, but only gradually.

"No one knows how this tug of war will end - specifically, whether the financial crisis will end before it drags down the real economy."

Greenspan urges, Page 6 Monetary analysis vital, Page 11 The Short View, Page 15
www.ft.com/recession

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Financial Times—5/27/08

Greenspan urges policymakers to focus on banks' capitalisation

By Krishna Guha in Washington
Published: May 27 2008 03:00 | Last updated: May 27 2008 03:00

Central banks should be wary of trying to deal more aggressively with future asset price bubbles in case they suppress innovation and growth, Alan Greenspan has warned.

"If we want rapid growth in productivity, innovation, standards of living, we may have to accept that there will be periods of turmoil," the former chairman of the US Federal Reserve told the Financial Times.

Rather than try to suppress bubbles, he said, policymakers should ensure that financial institutions were well enough capitalised to withstand the hit from bursting bubbles as well as other shocks.

Mr Greenspan backed efforts to develop countercyclical capital rules that would force banks to hold more capital in good times than bad.

Such rules might make it less likely that asset price and credit booms would feed each other, as they did during the housing upturn.

But he said this would be difficult to implement in practice because "we are never certain where we are in the cycle".

His comments come as Ben Bernanke, his successor, and other Fed officials are rethinking the "Greenspan doctrine" that central banks cannot do much about bubbles and should focus on cleaning up the mess when they burst.

They are re-evaluating the evidence on asset prices and monetary policy. But they are most interested in using enhanced regulatory powers to tackle bubbles - particularly those associated with credit booms.

Mr Greenspan said he was not against revisiting the issues. But he cautioned against assuming that it would be possible to find a better way to operate in the future.

Mr Greenspan believes that bubbles are fundamentally rooted not in specific market failures but in the human psychology of greed and fear.

They are very difficult to diagnose in real time, he said. "Is there a bubble today in food, energy, gold, currencies?" he asked. "If so, what specifically should we do about it?"

The former Fed chief said he would be "fully supportive" of "leaning against the wind" with interest rates when asset prices are rising rapidly if someone could provide a credible framework for doing so. But he said: "I have just not seen any evidence that it is feasible."

On the regulatory side, "I have no doubt that we can very effectively quash a bubble," he said. It was a question of the costs involved. "What price do you pay in terms of suppressed economic activity?" he asked. "There were no bubbles in the Soviet Union."

Bubbles, Mr Greenspan argued, were often the by-products of innovation - such as the

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commercialisation of the internet in the 1990s, or advances in housing finance in the 2000s.

To ask regulators to suppress bubbles would be to ask them either to prevent innovation or to second-guess the value the market puts on it.

"Micro-meddling undermines the basic function of a financial system - that is to direct the savings of society towards its most productive capital investments," he said.

Mr Greenspan was also sceptical about Treasury proposals to give the Fed overall responsibility for market stability along with "macro-prudential" authority to alter market behaviour it deems poses a risk to financial stability.

Financial crises "of necessity are unanticipated - if they are not, they are arbitrated away", he said. "We have many international financial stability forums and none of them anticipated the problems of August 9 2007."

Mr Greenspan said the most sensible thing to do was "to increase the capacity of our financial institutions to absorb shocks in general. That means more capital".

He added the market was already demanding higher capital on the part of financial institutions in the wake of the crisis. Regulators should allow this market-led process to run its course before deciding to what extent to raise regulatory capital.

But it would in principle make sense to vary the amount of regulatory capital that banks needed to hold at different stages of the economic cycle, he said.

"I have always been in favour of counter-cyclical capital requirements," Mr Greenspan said. "There are virtually no bad loans made at the bottom of the cycle. The bad loans are all made at the top."

In any event, Mr Greenspan said, "I think the probability of sparking another bubble in the next 10 years is very low."

Bubbles, he said, required low long-term interest rates, low inflation and macroeconomic stability. They were "a feature of the disinflationary period that followed the end of the cold war".

Mr Greenspan believes that period is over.

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BNA—5/27/08
Financial Institutions
European Commission Moves to Boost
Banking, Securities, Insurance Supervision

BRUSSELS—The European Commission May 23 launched a process to bolster the supervision of the banking, securities, and insurance sectors in order to improve their capacity to monitor cross-border activities as a way to prevent the kind of credit crisis that has rocked financial markets over the past eight months.

The new initiative by the Commission, which is a follow-up to plans outlined by EU finance ministers in recent months, calls for enhanced responsibilities for the Committee of European Banking Supervisors, the Committee of European Securities Regulators, and the Committee of European Insurance and Occupational Pensions Supervisors.

These three committees were set up in 2001 as a way to help advise the Commission and EU member states and implement regulations for major legislative initiatives in their respective sectors.

"The financial turmoil has shown that we need to upgrade the current supervisory architecture by implementing a series of practical, incremental and result-oriented initiatives that will strengthen European supervisory and stability arrangements," said Internal Market Commissioner Charlie McCreevy. "Clarifying and reinforcing the role of the Committee of Supervisors by amending their constituting decisions is a necessary step in this direction. It will lead to a more cost-effective supervisory framework and to better financial stability monitoring."

'College of Supervisors.'

In addition, the Commission announced it will propose in the coming months a "College of Supervisors" designed to deal with the complex issues that are involved in monitoring the 40 large financial service institutions in the EU that currently operate in more than one EU member state.

"Strengthening financial supervisory cooperation between the member states of Europe is key," McCreevy said at a speech delivered later in the day at a conference in Ireland. "It is absolutely essential if we are to successfully manage, for example, the inevitable fall out that would happen in the event at some future date of the threat of failure of a systemically important cross-border EU financial institution."

"If the recent credit market turmoil—and in particular the run on Northern Rock in Britain and on IKB in Germany alerted us to anything it alerted to us just how interconnected the world's capital markets are and to the importance in cross-border cooperation in the regulation, oversight and supervision of financial institutions," McCreevy continued.

McCreevy added that fortunately neither Northern Rock nor IKB had cross-border operations, but if they did the EU was severely unprepared to deal with the situation.

"Who would have decided on the need (or otherwise) for supervisory intervention?" McCreevy said. "Who would have telephoned whom? Which supervisor would have had access to which information on which to make sound decisions? Who would have led the intervention? Which authority would have guaranteed which deposits?"

"To these questions, I am afraid there were—and are—no clear answers," McCreevy added. "Anybody who thinks this could be done by member states acting alone is not living in the real world."

As part of its move to enhance financial market supervision the Commission will accept comments on a consultation document it has published as part of its new initiative announced May 23.

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The Commission consultation document can be found at the following web site address:
http://ec.europa.eu/internal_market/finances/docs/committees/consultation_en.pdf. Comments can be sent no
later than July 18 to the following email address: market-13@ec.europa.eu.

By Joe Kirwin

Contact customer relations at: customer-care@bna.com or 1-800-372-1033
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BNA—5/27/08

Mortgages

**National City Agrees to \$4.6 Million
Settlement Over HUD Loans, DOJ Says**

LANSING, Mich.—National City Mortgage Inc. agreed to pay \$4.6 million to settle allegations that it misrepresented the status of 58 loans when it submitted them for federal endorsement, the Justice Department said May 22.

According to the department, the loans were in default when National City submitted them to the Department of Housing and Urban Development for insurance endorsement.

National City has so-called "direct endorsement" authority, allowing it to make loans to low- and moderate-income borrowers who might not otherwise be able to meet loan requirements. HUD requires lenders with this authority to certify, when submitting loans for insurance coverage more than 60 days from closing, that the loans are not more than 30 days past due. The 58 loans covered by the settlement, the government said, were already in default prior to their submission.

"The FHA's [Federal Housing Administration] mortgage insurance program obviously cannot function when a lender misrepresents the status of 58 loans in order to put the government on the hook," said U.S. Attorney Stephen J. Murphy, who announced the settlement in Detroit.

A spokeswoman for Miamisburg, Ohio-based National City said the company has "refuted the government's allegations and denied any liability."

"National City Mortgage has a long history as a responsible lender with the FHA for more than 50 years," said the spokeswoman, Kelly Wagner Amen. The loans covered by the settlement, she told BNA May 23, represent less than one-tenth of one percent of the FHA loans submitted during the audit period in question, May 2002 through April 2004.

The agreement "has absolutely no impact on our role as an FHA lender, and in fact, our relationship with the FHA has grown," Amen said.

The case was handled by the Justice Department and the U.S. Attorney's Office for the Eastern District of Michigan, with help from the Office of the Inspector General of the Department of Housing and Urban Development.

More information on National City is available at <http://www.nationalcitymortgage.com>. 

By Nora Macaluso

Contact customer relations at: customersvc@bna.com or 1-800-372-1033
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AP--5/23/08

Vallejo, Calif. files for bankruptcy

The San Francisco Bay area suburb of about 120,000 residents votes for protection to deal with their budget deficit caused by soaring employee costs, declining tax revenue.

Last Updated: May 23, 2008: 5:40 PM EDT

VALLEJO, Calif. (AP) -- The city of Vallejo filed for bankruptcy protection Friday to deal with a ballooning budget deficit caused by soaring employee costs and declining tax revenue.

The San Francisco Bay-area suburb of about 120,000 residents became the largest California city to seek bankruptcy protection.

Mayor Osby Davis said the city's attorneys filed papers seeking Chapter 9 bankruptcy protection in federal court in Sacramento.

"We've exhausted all avenues at this point, and this is all we had left," Davis said. "I had hoped to avoid it all the way up until yesterday. It's something we can't avoid ... We can't pay our bills."

Vallejo will ask the judge to set a June 9 deadline for creditors to challenge the filing, said Marc Levinson, the city's bankruptcy attorney. If there are no objections, the city automatically enters bankruptcy protection.

The seven-member City Council voted to authorize the city manager to file for bankruptcy protection on May 6 after months of failed negotiations with its police and firefighters unions.

After that vote, city officials and union representatives continued to meet in hopes of reaching a last-minute deal to stave off the bankruptcy filing, but the two sides couldn't come to an agreement.

Vallejo, a mostly working-class city about 30 miles northeast of San Francisco, faces a \$16 million budget deficit in its fiscal year starting July 1.

The foreclosure crisis and economic downturn have caused a sharp decline in revenue from sales tax, property tax and development fees.

Many officials and residents blame Vallejo's chronic financial problems on labor contracts that they say provide overly generous pay and benefits to the city's police officers and firefighters. Those city workers comprise about three-quarters of Vallejo's general fund.

The unions say compensation for Vallejo's public safety employees is in line with that of other Bay Area cities, and blame the fiscal crisis on government mismanagement and poor decisions by previous city councils.

Union representatives did not have an immediate comment on Friday's filing, but they previously said they would challenge it and argue that the city isn't insolvent. They say city officials rejected offers of salary cuts that would help solve the financial crisis.

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In addition to being the largest California city to file for bankruptcy protection, Vallejo is the first to do so because its revenues cannot cover expenses, experts say.

Orange County filed for bankruptcy protection in 1994 after it lost money in a series of bad investments; the Southern California town of Desert Hot Springs filed in 2001 after losing a lawsuit.

Some officials worry that seeking bankruptcy protection could damage the city's reputation and ability to attract residents and businesses, but others say the city could eventually emerge stronger and more financially secure.

"The mismanagement of the city for so long has tarnished our reputation, not bankruptcy," said Councilwoman Stephanie Gomes. "Bankruptcy gives us the opportunity to fix that mismanagement and put a long-term plan in place to ensure true growth and recovery." ■

First Published: May 23, 2008: 2:58 PM EDT

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BNA—5/27/08

Accounting

**FASB Issues Standard Clarifying Accounting
For Financial Guarantee Insurance Contracts**

NORWALK, Conn.—The Financial Accounting Standards Board May 23 issued a new standard that changes current practice in accounting for financial guarantee insurance contracts, including how it relates to recognition and measurement of premium revenue and claim liabilities.

FASB issued Statement No. 163, Accounting for Financial Guarantee Insurance Contracts, which clarifies how FASB Statement No. 60, Accounting and Reporting by Insurance Enterprises, applies to financial guarantee insurance contracts issued by insurance enterprises.

Typically, financial guarantee insurance enhances the marketability of financial instruments such as asset-backed securities, since it covers losses from such financial transactions.

In addition, such insurance contracts guarantee that investors in debt instruments, such as municipal bonds, receive timely payment of principal and interest if there is a default.

FASB Project Manager Mark Trench said that recently there have been concerns about the financial health of financial guarantee insurers. Thus, the new standard is expected to increase comparability in financial reporting of financial guarantee insurance contracts and to improve transparency to such financial statements.

Trench said the standard is a major step toward ending inconsistencies in practice that made it difficult for investors to receive comparable information about an insurance enterprise's claim liabilities.

Split Effective Date

FASB split the effective date of the standard requiring disclosures regarding an insurance enterprise's risk-management activities to be effective the first period beginning after May 23, 2008.

An enterprise must disclose the risk-management activities it uses to evaluate credit deterioration in its insured financial obligations and the insurance enterprise's surveillance or watch list, FASB said.

The remaining statement is effective for financial statements issued for fiscal years beginning after Dec. 15, 2008, and all interim periods within those fiscal years.

This includes a requirement to recognize a claim liability prior to an event of default (insured event) when there is evidence that credit deterioration has occurred in an insured financial obligation.

Goal of Reducing Diversity

Since 2005, FASB has been working on a project to reduce diversity in practice in the way financial guarantee insurance contracts are accounted for by insurance enterprises.

The board said that the diversity resulted in differences in the recognition and measurement of claim liabilities and could lead to different financial statement information for similar transactions.

On April 18, 2007, FASB issued an exposure draft with a 60-day comment period and wrapped up redeliberations earlier this year.

Changes Current Practice

Under Statement 163, the changes to current practice in accounting for financial guarantee insurance contracts relate to recognition and measurement of premium revenue and claim liabilities, FASB said.

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Similarly to the premium revenue recognition approach for a short-duration insurance contract in Statement 60, the premium revenue recognition approach links premium revenue recognition to the amount of insurance protection and the period in which it is provided, according to a summary of the standard.

This means that the amount of insurance protection provided is assumed to be a function of the insured principal amount outstanding, since the premium received requires the insurance enterprise to stand ready to protect holders of an insured financial obligation from loss due to default over the period of the insured financial obligation.

In addition, the recognition approach for a claim liability requires that an insurance enterprise recognize a claim liability when the insurance enterprise expects that a claim loss will exceed the unearned premium revenue.

This is based on the present value of expected net cash outflows to be paid under the insurance contract discounted using a risk-free rate.

Moreover, the standard requires an insurance enterprise to measure the claim liability equal to the present value of expected net cash outflows.

Expected net cash outflows are probability weighted cash flows that reflect the likelihood of all possible outcomes for payments by the insurance enterprise under the insurance contract.

Amends Existing Accounting

Statement 165 amends the following standards: FASB Statement No. 107, Disclosures about Fair Value of Financial Instruments (paragraph 8(c)), Statement 133 (paragraph 10(c)); FASB Interpretation No. 45, Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others (paragraph 6(d)).

Moreover, it nullifies EITF Issue No. 85-20, "Recognition of Fees for Guaranteeing a Loan."

By Denise Lugo

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Wall St. Journal—5/24/08

Muni-Bond Bidders A Rarer Commodity

Thinner Market
May Hurt Pricing,
Reduce Liquidity
By STAN ROSENBERG
May 24, 2008; Page B5

As if investors in the municipal-bond market didn't have enough to worry about, concerns are now rising that the secondary market, where institutional investors trade large blocks of bonds, is becoming concentrated in fewer hands.

That poses a threat to market liquidity and could skew prices on outstanding debt.

"If you have a \$10 million block, there are less people to quote it," said Evan Rourke, a municipal portfolio manager at M.D. Sass & Co. in New York.

Fewer bidders means a loss of depth on the bid side, said Gary Pollack, head of fixed-income trading at Deutsche Bank Wealth Management, also in New York.

"On a good day, you may get 20 bidders. Now, that universe has shrunk by two," Mr. Pollack said, referring to the exit of **Bear Stearns Cos.** and **UBS AG** from the muni markets.

"So on a not-so-good day, you may not get enough bidders to justify selling." He said he hasn't seen that happen yet, but he termed it "a risk."

An inability to move large bond lots raises the possibility that evaluations received by mom-and-pop investors, the backbone of the \$2.6 trillion muni market, may not be as accurate as they should be.

Thin market conditions raise the possibility prices and benchmark-price indicators "may be more subject to the influence, intentional or not, of single trades or investment programs," wrote Matt Fabian, senior analyst at Concord, Mass.-based Municipal Market Advisors, in a report.

With the number of major dealers shrinking -- there are only 10 to 12 major market makers in the municipal market -- these factors take on greater significance in the absence of alternative bidders.

Hedge funds that used to play one end of the municipal yield curve against the other were badly burned and have become much less influential in the market. "They're neutral at best, net sellers at worst," Mr. Rourke said.

Insurers that have suffered losses elsewhere on their balance sheets, while still expected to be in the market, could see a diminished need for tax exemption. That would leave municipal-bond mutual funds, which have recently experienced large inflows, to operate at their own pace, according to Mr. Rourke.

At the same time, a number of the remaining dealer firms have lightened their positions as they continue to experience balance-sheet funding constraints.

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"The announced sale or closure of UBS's municipal department, sharp losses at [insurer] **AIG**, and potential cost-cutting at **Citigroup** all imply a reduced bid-side and or excess secondary supply over at least the next few quarters," Mr. Fabian wrote.

Treasurys Revive

Treasurys got a new lease on life Friday thanks to falling stocks, weak housing data and position-squaring leading into the long weekend.

Bond markets are closed Monday for Memorial Day.

The rally helped Treasurys recoup some losses after two days of selloffs. The benchmark 10-year note was up 23/32 point, or \$7.1875 for every \$1,000 invested. Its yield fell to 3.833% from 3.919%.

Write to Stan Rosenberg at stan.rosenberg@dowjones.com¹

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Wall St. Journal—5/24/08

FGIC Posts Loss on Exposure To Asset-Backed CDOs

By LAVONNE KUYKENDALL and DONNA KARDOS
May 24, 2008; Page B5

FGIC Corp. swung to a first-quarter loss on the impact from the bond insurer's exposure to collateralized-debt obligations of asset-backed securities, though they were largely offset by big gains on credit-protection contracts.

The parent of Financial Guaranty Insurance Co. reported a net loss of \$33.4 million, compared with year-earlier net income of \$68.5 million.

The latest results include a \$1.56 billion gain from new accounting rules that change the way companies place market values on assets that don't have hard prices. FGIC's gain was due to the market's perception of the company's nonperformance risk. The gain compared with \$1.4 billion in mark-to-market losses on those derivatives.

Revenue more than doubled to \$288.2 million from \$126.8 million amid the gains.

Pretax loss and loss-adjustment expenses soared to \$279.2 million from \$1.2 million amid continued deterioration in the performance of certain residential-mortgage- and asset-backed CDOs written primarily the past three years. FGIC noted any claims relating to the transactions "will be made over a period of years" and the reserves don't reflect any effects of loss-mitigation efforts.

Net premiums written plunged 64%, while net premiums earned slid 0.7%.

FGIC has been losing money on CDOs backed by subprime-mortgage-backed securities. Earlier this month, the firm said it received interest from a range of strategy partners regarding a plan to split its bond-insurance business into public and private units.

FGIC earlier this year filed a lawsuit against Deutsche Industriebank, or IKB, and Calyon Credit Agricole CIB, its counterparties in a CDO transaction that exposes FGIC to \$1.875 billion in potential losses. Resolution of the suit could result in "material" adjustments to FGIC's related loss reserves, the company said in its earning report.

Earlier this month, PMI Group Inc. wrote off its remaining value of its 42% stake in FGIC as it questioned the bond insurer's future.

Write to Lavonne Kuykendall at lavonne.kuykendall@dowjones.com and Donna Kardos at donna.kardos@dowjones.com

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Wall St. Journal—5/27/08

Auction-Rate Securities Give Firms Grief

**Companies Struggle to Come to Terms
With Writing Down Troubled Holdings**

By LIZ RAPPAPORT
May 27, 2008; Page C1

The credit crisis is receding, but hundreds of U.S. companies still are struggling to clean up the problems caused by auction-rate securities.

A review of first-quarter earnings reports showed that more than 400 companies, including **Google Inc., Bed Bath & Beyond Inc.** and **Starbucks Corp.**, held at least \$30 billion in the securities, instruments they once thought were as dependable as cash.

Some companies have had to scramble for funds in the months since the market froze up in February. The securities also are creating an accounting problem for businesses not used to pricing complicated securities. While some companies have written down the value of their auction-rate holdings, many others haven't, even though market prices have fallen substantially.

CFOs Learn the Lesson

"There is not a CFO in the world that hasn't had a significant lesson on what auction-rate securities are this year," says Dario Sacomani, chief financial officer at Sunnyvale, Calif., semiconductor company **Spansion Inc.**, which held \$122 million in such illiquid securities that it hadn't marked down at the end of the quarter.

According to a study of earnings reports conducted by securities-valuation firm **Pluris Valuation Advisors LLC**, 402 public companies disclosed that they held variations of auction-rate securities. Half had written down the value of their holdings. Of those that did, the average markdown was 13.2%, the study shows.

Individuals and companies bought auction-rate debt from municipalities, charitable organizations, student lenders and closed-end mutual funds.

The securities are long-term debt with short-term features. Their interest rates are meant to reset in weekly or monthly auctions conducted by Wall Street brokers. Buyers were attracted to their relatively high yields and a promise from Wall Street of an easy exit from the instruments.

But in February, auctions failed to attract sufficient bidders. Wall Street firms stopped supporting the market, causing it to freeze up.

Spansion cites the high quality of government-guaranteed student loans that are collateral for the securities it holds as one reason it hasn't taken a charge. Another reason, Mr. Sacomani says, is that the company doesn't need to access the cash immediately.

"This is triple-A," he says.

Still, Moody's Investors Service cut the company's credit rating in late March to the lower rungs of junk with a negative outlook, and to the lowest possible liquidity rating, which is a measure of a company's access to cash.

Hands Tied

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"It hampers your financial flexibility," says Gregory Fraser, senior analyst at Moody's, a unit of Moody's Corp. He says the company would have to take a "substantial discount" to sell its securities.

About 25% of the \$330 billion auction-rate market has been bought back by municipalities or refinanced with a different type of debt, says Alex Roever, fixed-income analyst at J.P. Morgan Chase & Co. Those left, he adds, probably aren't worth their face value.

Barry Silbert, who runs the Restricted Securities Trading Network, which has arranged 200 auction-rate bond sales, says sellers have taken discounts ranging from 2% for municipal debt to 30% for student-loan-backed bonds.

Salt Lake City self-storage company Extra Space Storage Inc. sold its securities at the end of February at a 10.6% discount to their face value.

Biotech pharmaceutical company **ImClone Systems Inc.** took an \$85 million impairment charge in the first quarter, \$69 million of which came from auction-rate securities it marked down by 43%.

Bed Bath & Beyond, the home-furnishing retailer, took a temporary 2.2% markdown on \$327 million of the securities; Google a 4.2% markdown on \$260 million of the securities; and Jet Blue Airways Corp. a 3.4% impairment on \$324 million of the debt. Starbucks took no impairment on \$70.5 million of such debt.

Write to Liz Rappaport at liz.rappaport@wsj.com¹

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New York Times—May 25, 2008

Commentary

Fair Game

Gauging the Big Bets of a Hot Hand

By GRETCHEN MORGENSON

COME hell, high water, credit crisis or asbestos claims, Fairfax Financial Holdings is that rarity — an insurance company whose shares have stood tall through it all. Even as the Standard & Poor's insurance composite index has fallen 17.6 percent this year, Fairfax's stock is down just 2.1 percent.

Based in Toronto and led by V. Prem Watsa, founder and chief executive, Fairfax seems especially good at navigating the credit shoals. It is a big player in credit derivatives — instruments that have recently burned larger and more established rivals like A.I.G. and Warren E. Buffett's Berkshire Hathaway. Indeed, while both of those companies have lately recorded huge losses on credit default swaps — insurance contracts that allow investors to bet for or against a corporation's bonds — Fairfax has reported immense gains in this arena.

During 2007 and the first quarter this year, Fairfax said it realized \$420 million in gains on credit default swaps, helping to propel earnings to records. Fairfax earned \$1.1 billion on revenue of \$7.5 billion in 2007, up from \$227 million earned on \$6.8 billion in revenue in 2006. The company has a market capitalization of \$5.39 billion, and its stock, at \$280.25 a share, trades at a 10 percent premium to its book value.

A tour through Fairfax's financial statements, however, raises questions about both the company's reliance on derivatives gains and its insurance operations. Of special note is Fairfax's unit in Europe that consists of underwriting businesses that the firm is in the process of abandoning. (In the insurance world, operations like these are known as "runoff" units.)

Fairfax's investment portfolio totaled \$18.6 billion at the end of the first quarter. Since its inception in 1985, it has returned an average 9.5 percent a year on its investments, earning Mr. Watsa quite a nickname: the Warren Buffett of Canada.

The insurance business hasn't been hot lately for Fairfax, so its investment returns have come in handy. Citing extreme competition in the industry, Fairfax reported consolidated net premiums of \$4.5 billion in 2007, a decline of 6.1 percent from 2006. And in the first quarter of 2008, the company reported an underwriting loss of \$7.7 million versus a profit of almost \$50 million a year earlier.

Better to focus on its credit derivative book. Most of those bets have been made against financial companies and have benefited from huge losses incurred by banks, securities firms and bond guarantors like M.B.I.A.

GREG TAYLOR, Fairfax's chief financial officer, says he expects the gains to continue. "We do not think the credit crisis is winding down," he said in an e-mail exchange. "In fact, the recession may well magnify the stresses on the credit markets."

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Plenty of derivative bets remain on the company's books, even after recent sales. Unrealized gains on the company's credit default swaps stood at \$960 million at the end of 2007, and in the first quarter, mark-to-market gains on its credit default swaps were \$467 million.

That's a lot of lettuce. Still, credit default swaps are notoriously volatile, and whether the company will be able to cash in these chips is an open question. Indeed, on May 1, Fairfax cautioned that swaps worth \$991 million at the end of the first quarter had fallen to \$685 million as of April 25.

Sean Egan, managing director of Egan-Jones Ratings, an independent ratings firm, said investors should be wary of counting on these gains because it is not clear who is on the other side of Fairfax's swap trades.

"The visibility on counterparties has been and remains very poor," Mr. Egan said. "You don't know whether there are hedge funds on the other side with minimal capital levels or whether they are solid credible counterparties. These are massive positions, and Fairfax should provide additional information to give comfort to investors."

Given the volatility in these instruments, he added, "investors would have to assume that investment gains realized by the company are unlikely to remain at the same level that have been reported to date."

Absent Fairfax's investment income, he noted, the company's pretax earnings would have totaled \$520 million in 2007, not the \$2.16 billion it recorded — quite a swing, but not one that seems to worry the folks at Fairfax.

Mr. Taylor says he believes Fairfax has the right bets on. "We continue to believe that these positions will be valuable in protecting our companies against the continuing credit market conditions," he said.

Maybe so. But even with the juicy derivatives gains, at the end of the first quarter Fairfax's cash and cash equivalents had fallen to \$3.1 billion, down 46 percent from the end of 2006.

And claims payments may well rise in the company's European runoff operations, a unit that has enjoyed improved results. These operations involve nSpire Re, an Ireland-based reinsurer, and include long-term claims associated with asbestos maladies.

European runoff turned in a pretax loss of \$900,000 last year, well below the 2006 losses of \$501 million and the \$262 million lost in 2005. Fairfax cited "reduced claims in Europe" as one of the reasons for the improvement; losses on claims fell to \$16.5 million last year, down from losses of \$39.7 million in 2006 and \$247 million in 2005.

But this reduction in losses may relate to a temporary claims-paying holiday at Sphere Drake Insurance, a Fairfax affiliate in Britain that has been in runoff since 1999. The holiday is a result of a "solvent scheme of arrangement," a legal proceeding in which creditors and insurance companies consolidate certain claims and liquidate them at an agreed-upon price.

While the workout goes on, Sphere Drake doesn't pay on the claims under consolidation. Once the process is complete, the company must pay on all claims approved by the court overseeing the deal.

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SPHERE DRAKE has been involved in two such proceedings since 2005, both of which contributed to the improvement in results at the European runoff unit in 2006 and last year. Under the first, Sphere Drake paid \$35 million to settle claims, Mr. Taylor said.

A second solvent scheme of arrangement was approved by the court early last November; the filing date for claims, May 6, has passed. While the claims holiday is over, it still isn't clear what payments will be required under the arrangement.

Fairfax is on the hook for whatever claims Sphere Drake has to pay, yet details relating to that particular possibility aren't disclosed in Fairfax's filings.

Mr. Taylor said that was because the proceedings have no impact on his company's operations, adding that the claims will be immaterial. He said he expects the claims consolidated in the most recent solvent scheme of arrangement to be paid later this year or in early 2009.

Shareholders will have to hope the Mr. Taylor is right and that the claims don't turn out to be whoppers. If they are, Fairfax's finances might get squeezed.

Indeed, while some liken Mr. Watsa to Mr. Buffett, the Berkshire Hathaway model consists of a company generating profits through careful insurance underwriting and perspicacious investing. At Fairfax, the underwriting cushion would seem not so plump should Mr. Watsa's hot investment hand go cold.

JPMC-001045
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New York Times—May 25, 2008

Finding Potential for Debt in Distress

By NORM ALSTER

THE credit crisis and economic slowdown have sunk billions of dollars of debt into distressed status — deep in the junk-bond pile. Money managers have traditionally profited in such markets by buying debt on the cheap.

Individual investors can get into the game indirectly, through a small number of mutual funds, including BlackRock High Yield, Mutual Recovery and Northeast Investors Trust, which hold some distressed debt.

“Right now, we think there is going to be tremendous opportunity over the next 12 to 18 months,” said James Keenan, manager of BlackRock High Yield, which has returned 0.41 percent in 2008 and 7.15 percent, annualized, over the last three years, according to Morningstar. (All figures are through Thursday.)

Mr. Keenan foresees raising the fund’s current investment in distressed debt to 10 to 15 percent of assets, from the current 2 to 3 percent, as opportunities arise.

Distressed debt is often defined as the obligations of companies in default or perilously close to it. The term may also be used for debt paying a very high yield — 10 percentage points more than 10-year Treasuries.

Investing in such debt is risky, but handsome profits can be made by converting it into equity ownership as restructured companies leave bankruptcy.

The sharp rise in interest rates on lower-rated debt issues in recent months probably presages a rising tide of defaults, said Kenneth Emery, director of default research at the Moody’s Corporation.

“Historically, there’s a tight correlation between high-yield spreads and default rates,” Mr. Emery said. Already, the global pool of distressed bonds and bank loans is approaching \$600 billion, he said.

Little cash has actually been drawn down to buy distressed debt thus far. “There have been a lot of funds raised,” said Michael Embler, chief investment officer for the Mutual Series funds of Franklin Templeton. “Most of the money has not been deployed.”

Oaktree Capital Management, based in Los Angeles, is a longtime investor in distressed debt. The firm has unspecified billions invested in such debt, said Howard S. Marks, its chairman, with \$10 billion more ready to be deployed.

The question for Mr. Marks and others is when to start buying in earnest. Early buyers risk “catching a falling knife,” in market parlance, if prices keep tumbling. But late buyers risk losing out on the best deals and the best returns. “We think we have to catch a falling knife,” Mr. Marks said.

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Other deep-pocketed buyers seem to be coming to the same conclusion. For example, the Blackstone Group, the big private equity group, has been finding good investments in distressed debt, Stephen A. Schwarzman, the chairman and chief executive, said in a recent conference call.

At Mutual, Mr. Embler is waiting for some of the debt that financed buyouts in the last year to tumble into distressed status.

"There was a tremendous amount of leverage in those buyouts," he said. "Some of them will hit the wall."

Just nine months ago, Mutual Recovery held virtually no distressed debt, but with recent purchases of leveraged-buyout-related bank loans, it now has "5 to 10 percent" of its portfolio in the lowest-rated obligations, he said. "We do think there will be more opportunities in the next 6 to 12 months," he added.

The fund is down 4.31 percent this year and has returned 6.33 percent, annualized, over the last three years.

ALSO prepared to buy, but not convinced that prices have bottomed, is Bruce H. Monrad, who manages the \$1.5 billion Northeast Investors Trust fund with his father, Ernest E. Monrad. The fund is up 0.14 percent this year and has returned 5.59 percent, annualized, over the last three years.

"We're still in the very early innings," he said. "We're probably going to see 30 percent of the total junk bond market default over the next five years. And yet fewer than 30 percent of junk bond issues are selling at distressed prices. There may still be a lot of overpriced junk."

The Northeast fund holds debt from one issuer — the Trump casino empire — that produced a big payday in the past. After Trump Hotels and Casino Resorts filed for bankruptcy in 2004, Northeast received a package of stock and bonds in the restructured company, Trump Entertainment Resorts. Northeast sold the stock but still holds some bonds, whose current yield is roughly 14 percent.

In terms of the broader credit market, Mr. Marks of Oaktree Capital said he saw a possible silver lining in the current situation, at least for investors in distressed debt.

"This could be the biggest credit crisis of our lives," he said. "And if it is, that argues for higher returns."

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Fortune's Daily Briefing Blog--May 23, 2008, 12:20 pm

Moody's fiasco: The cover-up?

The Moody's (MCO) mess keeps getting even more strange. Rival Standard & Poor's put Moody's debt ratings on watch late Thursday, after Moody's shares suffered two days of selling on the heels of a *Financial Times* report that the company issued the wrong ratings on some risky paper and then changed its rating criteria to avoid a downgrade.

"The CreditWatch listing reflects recent press reports regarding potential problems with analytical models and methodologies used in Moody's process for rating European constant-proportion debt obligations (CPDOs)," S&P wrote. "While the specific potential business and financial impact to Moody's is currently uncertain, this comes at a time when expected declines in revenue and cash flow at Moody's in 2008 are expected to meaningfully reduce flexibility in the company's leverage profile. These concerns are exacerbated by the potential impact of the previously mentioned press reports."

Of course, S&P is very much in the same bind as Moody's. While some observers were questioning the safety of CPDOs when they were first issued - Fitch, for instance, declined to rate them - S&P was the first firm to rate CPDOs, giving them the sought-after triple-A designation. "We think focusing on programming errors diverts attention away from the core issue here," CreditSights analyst David Watts wrote Friday, Reuters reports. "Rating a CPDO requires predicting 11 different variables 10 years into the future with a high degree of accuracy. A skill we are not convinced that anyone possesses."

Moody's responded to the *FT* article by hiring lawyers at Sullivan & Cromwell to conduct an external investigation. But at Naked Shorts, Greg Newton writes that the firm is possibly conflicted by its representation of Moody's in class-action lawsuits, and sees the Moody's response as fitting into a greater pattern of financial firms washing their hands of their bubble-era misdeeds. "While the auld firm of Thain, Pandit, Blankfein & Fuld debate whether the credit crisis is in its seventh or eighth inning, NakedShorts would suggest an alternative analogy," he writes: "We've done the crime, here comes the cover-up."

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New York Times—May 27, 2008
Business Briefing | Banking

UBS Foresees More Subprime-Related Losses

By BLOOMBERG NEWS

UBS, the European bank hardest hit by the collapse of the subprime housing market in the United States, fell the most in more than two months in Swiss trading on Monday after it said it may face more losses from mortgage securities. UBS declined 5.8 percent to 28.20 francs in Zurich, and has dropped 43 percent this year, cutting its market value to 61.4 billion francs (\$59.9 billion). UBS, in a prospectus for a 16 billion-franc rights offer to shareholders, said the bank's losses on residential and commercial real-estate securities outside the United States "could increase in the future." UBS is seeking to replenish capital after about \$38 billion in write-downs related to the subprime crisis.

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Wall St. Journal—5/27/08

Lost Opportunities Haunt Final Days of Bear Stearns

Executives Bickered
Over Raising Cash,
Cutting Mortgages

By KATE KELLY
May 27, 2008; Page A1

Twelve hours after agreeing to sell **Bear Stearns Cos.** for \$2 a share, Alan Schwartz wearily made his way to the company gym for a much-needed workout.

It was 6:45 a.m., March 17, and Bear Stearns's chief executive had slept little since hammering out the ugly details of his fire-sale deal with **J.P. Morgan Chase & Co.**

When Mr. Schwartz, already dressed in his business suit, trudged into the locker room, Alan Mintz, still in his sweaty gym clothes, made a beeline for the boss.

"How could this happen to 14,000 employees?" demanded the 46-year-old senior trader, thrusting his face uncomfortably close to Mr. Schwartz's. "Look in my eyes, and tell me how this happened!"

Two and a half months later, Mr. Schwartz still isn't quite sure. To Mr. Mintz and others, he has blamed a market tsunami he didn't see coming. He told a Senate committee last month: "I just simply have not been able to come up with anything, even with the benefit of hindsight, that would have made a difference."

But many who lived through the seven tense months before the deal say Bear Stearns imploded because it was at war with itself. Buffeted by the most treacherous market forces in a generation and hobbled by indecision, the firm's leaders missed opportunities that might have been able to save the 85-year-old brokerage.

Those missteps are expected to have a lasting impact beyond the people who once worked at Bear Stearns or owned its stock. Unlike Wall Street meltdowns in decades past -- from Drexel Burnham Lambert Inc. to Long-Term Capital Management -- the Bear Stearns collapse spurred direct intervention from the Federal Reserve. That step is likely to increase the central bank's role in solving future financial catastrophes and bring securities firms further regulation in the bargain.

As shareholders prepare to approve the deal on Thursday -- at a price that angry investors forced up to about \$10 a share -- interviews with more than two dozen current and former Bear Stearns executives, directors, traders and others involved in the action paint the first detailed picture of the fractious last weeks before the Fed helped underwrite J.P. Morgan's purchase of the trading powerhouse.

Months before regulators pressured the firm to sell itself, nervous traders futilely begged Mr. Schwartz and his predecessor, James Cayne, to raise more cash and slash Bear Stearns's huge inventory of mortgages and the bonds that backed them.

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At least six efforts to raise billions of dollars -- including selling a stake to leveraged-buyout titan Kohlberg Kravis Roberts & Co. -- fizzled as either Bear Stearns or the suitors turned skittish. And repeated warnings from experienced traders, including 59-year Bear Stearns veteran Alan "Ace" Greenberg, to unload mortgages went unheeded.

Top executives resisted, in part, because they were concerned the moves would upset the delicate calculus of appearances and perceptions that is as important on Wall Street as dollars and cents. If Bear Stearns betrayed weakness, they worried, skittish customers would pull their money out of the firm, and other financial institutions would refuse to trade with it.

Instead of managing these fickle forces, though, a brokerage whose culture and fortune were rooted in the trading floor's steely manipulation of risk was swamped by them.

Early Warnings

An early harbinger of the debacle to come appeared the first Friday in August. Bear Stearns executives hosted a conference call that day meant to reassure investors. The brokerage's stock had fallen sharply after the late-July collapse of two internal hedge funds tied to subprime mortgages, home loans made to the riskiest borrowers.

Mr. Cayne and his top financial lieutenants touted the firm's strong cash holdings -- \$11.4 billion, according to company officials -- and new longer-term borrowing agreements. They also pointed out that Bear Stearns itself actually had few subprime holdings. But executives' comments about the bleak state of the market for interest-bearing securities stoked investors' fears, helping spur a broad rout in stocks and driving Bear Stearns's own shares to a 12-month low of \$106.55.

Later that day, word leaked out that Warren Spector, Bear Stearns's co-president and chief of the division that oversaw the two failed hedge funds, was being forced out by Mr. Cayne.

Amid the mounting bad news, a lifeline appeared: Mr. Schwartz, then Bear Stearns's co-president, and Henry Kravis, KKR's fearsome founder, had a conversation about the buyout firm possibly purchasing 20% of Bear Stearns.

By Sunday, Bear Stearns's sleek, black tower in midtown Manhattan bustled with activity.

About 8:30 a.m., a team from KKR assembled in the investment-banking department on the 43rd floor to begin dissecting the firm's books. Buying a piece of Bear Stearns was attractive to KKR as an entree into the lucrative brokerage business at a time when prices were cheap. For Bear Stearns, it was a chance to raise \$2 billion or more in capital and gain a crucial seal of approval by putting an *éminence grise* like Mr. Kravis on its board -- a move Mr. Schwartz hoped would silence Bear Stearns's critics.

Within two weeks, though, the talks would fall apart because each side had concerns. Among other things, Messrs. Schwartz and Cayne feared a deal might turn off Bear Stearns clients that competed with KKR.

While Bear Stearns's mortgage team fielded questions from KKR that Sunday, the firm's risk officers were meeting in the sixth-floor executive offices with staffers from the Securities and Exchange Commission. The regulators had traveled from Washington to make sure Bear Stearns had access to the day-to-day loans it needed to fund its trading operation. After scrutinizing the

firm's \$400 billion balance sheet well into the afternoon, the regulators agreed to reconvene with Bear Stearns managers for daily briefings until the market crisis passed.

Elsewhere in the building that afternoon, Bear Stearns's board was deliberating over Mr. Spector's resignation. Not everyone was convinced it was the right move -- including Mr. Schwartz, who had expressed his objections privately to Mr. Cayne. But Mr. Cayne was adamant.

The collapse of the hedge funds had exposed the then-73-year-old CEO to criticism inside and outside of the company for being disengaged and for brushing off warning signs. Early on, he seemed unconcerned. Mr. Cayne said the funds weren't Bear Stearns's money: It belonged to big institutions, wealthy individuals and lenders who all knew the risks going in. Soon, though, the lenders forced Bear Stearns to extend one of the portfolios \$1.6 billion of its own money to keep it afloat.

A glib and gruff former scrap-iron salesman from Chicago with a penchant for cigars, golf and cards, Mr. Cayne had often taken off Thursday afternoons and Fridays that summer to play golf near his New Jersey vacation home. In mid-July, when the funds were melting down, both he and Mr. Spector had spent more than a week in Nashville, Tenn., competing in a bridge tournament. Mr. Cayne, who declined to be interviewed for this article, was said by people close to him to be particularly angry that Mr. Spector, who with his partners won the event, had been away from the office at such a sensitive time.

Bear Stearns's board -- 12 men largely handpicked by Mr. Cayne -- approved Mr. Spector's departure. Mr. Schwartz, a longtime investment banker more accustomed to rubbing shoulders with clients like Walt Disney Co.'s Robert Iger than to monitoring trades or capital levels, was named sole president.

Messrs. Spector and Schwartz had been promoted to co-presidents and co-chief operating officers in 2001. Mr. Cayne, the CEO, had leaned on them to keep their divisions running smoothly.

Now, Mr. Schwartz, a former star pitcher at Duke University, had to carry a heavier burden. At age 57, he had little experience in the bond and mortgage businesses that made up an outsized share of Bear Stearns's revenue. But he decided to manage the firm's capital-market division himself rather than hiring a replacement for Mr. Spector.

Mr. Schwartz moved to tighten oversight of the company's trading. He also began keeping daily tabs on the bond markets. Several times a week, he sat down with traders who had bet a lot of the firm's money, questioning them about strategy and results.

In the weeks after rejecting KKR's approach, Bear Stearns received other offers of capital. J. Christopher Flowers, a former Goldman Sachs Group Inc. partner, had met with some of Bear Stearns's senior managers about the possibility of taking a 20% stake. But the meeting left Bear Stearns's representatives concerned that Mr. Flowers simply was trying to gauge their desperation. The next day, they told the Flowers team they weren't interested.

Instead, Bear Stearns executives began working on what Messrs. Schwartz and Cayne saw as a more compelling option: a joint venture with Citic Securities Co. They reasoned a deal with the

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Chinese investment bank would bring in money and help increase Bear Stearns's miniscule presence in Asia. Smarting from criticism of his hands-off style, Mr. Cayne spent the Labor Day weekend on a whirlwind trip to Beijing to discuss terms with Citic executives.

Into early autumn, the mortgage market continued to slump. Housing prices had plunged, and most major financial firms were slashing the value they placed on holdings backed by home loans.

Bear Stearns -- with its immense stockpile of mortgages and related securities -- was particularly vulnerable. Despite months of price declines, those holdings were valued at about \$56 billion -- a large portfolio for a firm its size. Still, SEC staffers -- who now were phoning in for weekly Wednesday-evening conference calls with the firm -- appeared comfortable. By Thanksgiving, some senior regulators were calling in less frequently.

'We've Got to Cut!'

Inside Bear Stearns, though, skirmishes about its mortgage holdings at times grew heated. Some veteran traders insisted that Tom Marano, the head of mortgages, needed to trim his portfolio. Among them were Wendy de Monchaux, who as head of proprietary trading invested Bear Stearns's own money, and Steve Meyer, co-head of stock sales and trading.

"Cut the positions, and we'll live to play another day," Ms. de Monchaux said often, invoking one of the firm's venerable maxims. But Mr. Schwartz, still boning up on the details of the mortgage markets, urged caution.

For some of the assets, the market was frozen, Mr. Schwartz reasoned, so selling was out of the question. On others, he had mixed feelings. He didn't want to unload tens of billions of dollars worth of valuable mortgages and related bonds at distressed prices, creating steeper losses.

Mr. Schwartz believed the portfolio at least should be better protected from further price declines. Spearheaded by Mr. Marano, a bearded 46-year-old trader with a Grateful Dead tattoo on his right shoulder, the mortgage team unfurled a hedging strategy known as "the chaos trade."

The trade was a deeply pessimistic bet -- essentially a method for making money if the mortgage and financial markets cratered. The traders bet that the ABX, a family of indexes made up of securities backed by subprime mortgages, would fall. They made similar moves on indexes tracking securities backed by commercial mortgages. Finally, they placed a series of bets that the stocks of major financial companies with exposure to mortgages, including Wells Fargo & Co., Countrywide Financial Corp. and Washington Mutual Inc., would decrease in value as well.

Late in September, with Bear Stearns and other financial stocks rallying, members of the firm's executive and risk committees gathered in Mr. Cayne's smoky, dark and secluded sixth-floor offices to discuss the hedges. Negotiations for Allianz SE's Pacific Investment Management Co. to take a nonequity stake of as much as 10% in Bear Stearns had recently fallen apart. That cost the brokerage a chance for capital and a coveted endorsement of Bear Stearns's creditworthiness.

Mr. Cayne had just returned from the hospital where he'd been treated for an infection, and he looked thin and drawn. Mr. Greenberg, the firm's storied trader and former CEO, took center stage. As head of the risk committee, he had been reviewing the Wells Fargo and other negative

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stock bets. He wasn't happy. The financial-stock hedges were too risky, he warned, and should be closed out immediately. Moreover, he wanted the mortgage inventory slashed.

"We've got to cut!" Mr. Greenberg demanded. Ms. de Monchaux and Mr. Meyer concurred.

Oklahoma-bred and Missouri-educated, Mr. Greenberg was the embodiment of the "PSDs" -- poor, smart employees with a deep desire to get rich, upon whom the firm had been built. Mr. Greenberg, who ran the firm for 15 years before Mr. Cayne nudged him aside, was known on Wall Street for his voluminous memos, in the voice of a fictional character, urging traders on issues large ("it doesn't pay to get too arrogant") and small (save paper clips to cut costs).

But it was Mr. Greenberg's trading style that had most defined Bear Stearns: Sell losing trading positions -- quickly. Mr. Greenberg still recalled what his father, an Oklahoma City clothier, told him: "If something isn't moving, sell it today because tomorrow it will be worth less."

The hedges had made close to half a billion dollars and stood to make more as the stocks continued to fall. But since they had first employed the chaos trade, Mr. Marano and his team had been hectored almost daily by complaining phone calls from colleagues. Some of Bear Stearns's more superstitious traders even objected to the strategy's name: They were tempting fate by invoking chaos.

Faced with the fierce divide among his top executives, Mr. Schwartz, who was generally supportive of the chaos trade, decided to abandon it. He wanted specific pessimistic plays that would offset specific optimistic bets, rather than the broader hedges Mr. Marano had employed. Frustrated, Mr. Marano ordered the trades undone.

As October dawned, Messrs. Cayne and Schwartz had high hopes that a deal with Citic would bolster Bear Stearns's fortunes. On Oct. 22, Bear Stearns announced a joint venture in Asia that included a \$1 billion cross-investment between the two companies. If regulators approved, Bear Stearns could count on getting \$1 billion in the first half of 2008. But it would spend the same amount over a longer period for a complementary stake in Citic.

Investors weren't impressed. Bear Stearns shares rose meagerly but backtracked days later.

Over the next few weeks, Bear Stearns's competitors disclosed losses from bad mortgage-related bets. Merrill Lynch & Co. announced a loss amid write-downs of \$8 billion; Morgan Stanley revealed losses of nearly \$4 billion.

To outsiders, it was beginning to look as if Bear Stearns had navigated the crisis relatively deftly. Inside the firm, that view wasn't as prevalent. Its mortgage holdings were still hefty, and its bond business was reeling.

The firm continued to explore ways to raise money, hiring investment banker Gary Parr of Lazard Ltd. to try to bolster the firm's prime-brokerage business, which handled trading and lending to hedge funds and other big clients. Mr. Schwartz had also discussed a merger with hedge fund Fortress Investment Group.

Neither effort would bear fruit.

Time to Move On

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In late November and early December, tension mounted as Bear Stearns executives contemplated a bonus pool down significantly from a year earlier. Executives in the stock division blamed their counterparts in bonds.

"Why should we pay those guys anything?" Mr. Meyer, the stock sales and trading executive, at one point demanded in a compensation meeting.

Things only got testier when Bear Stearns announced abysmal fourth-quarter results on Dec. 20. Dragged down by a drop in the value of its mortgage inventory, the company reported its first quarterly deficit since it opened for business in 1923. The bond division, always the firm's cash cow, had a loss of \$1.5 billion for the quarter.

At lunchtime the next day, as employees prepared for the holidays, Bear Stearns received bleak news. An email from Pimco, the influential bond fund, said it had become uneasy about the financial sector in general. And the fund wanted to immediately unwind several billion dollars of trades it had agreed to with Bear Stearns.

"This doesn't make any sense," Jim Egan, Bear Stearns's co-head of global sales, said in a hastily arranged conference call with William De Leon, a Pimco risk manager, and William Powers, a Bear Stearns alumnus and Pimco managing director. How could a snap decision throw cold water on such a longstanding relationship with such little warning? If Pimco planned to take such drastic action, Mr. Egan and his colleagues added, the decision should be made "corner office to corner office."

Messrs. De Leon and Powers ultimately agreed to hold off on dramatic moves until January, when they'd have a chance to sit down with senior Bear Stearns executives. But before hanging up, Mr. Powers issued a stern, if familiar, warning: "You need to raise equity," he said.

Many Bear Stearns veterans began pushing hard for Mr. Cayne's ouster, arguing the firm needed a more engaged leader. The dissatisfaction had been building since the summer. It grew after a Nov. 1 story in *The Wall Street Journal* documenting Mr. Cayne's frequent absences from the office for golf and bridge during the worst of the summer's hedge-fund crisis. The article also mentioned that Mr. Cayne had used marijuana in the past. He told employees in an email the same day that he hadn't "engaged in inappropriate conduct."

Mr. Schwartz was reluctant to push Mr. Cayne out. He had led the company through some great years, Mr. Schwartz believed, and could be trusted to step down on his own.

"Stand calm," he told the protesters. "We've got it under control."

Several top managers began joking that they should hold a sit-in in Mr. Schwartz's 42nd-floor office until he agreed to unseat Mr. Cayne as CEO.

Investors were growing impatient, too. Bear Stearns's fourth-largest shareholder -- Bruce Sherman, chief executive of money manager Private Capital Management Inc. -- was agitating for a change at the top.

Shortly after the New Year, Mr. Schwartz stopped by Mr. Cayne's office. The pressure inside and outside of the firm for his departure had become too great, he told his boss. It was time to move on.

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This is the first in a three-part series. Part Two: Run on the Bank. Executives believed they were about to turn a corner, but rumors and fear sent clients, trading partners and lenders fleeing. Part Three: Deal or No Deal? The Fed pressured Bear Stearns to sell itself, but a misstep in the hastily drawn agreement nearly scuttled the deal.

Write to Kate Kelly at kate.kelly@wsj.com²

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Wall St. Journal—5/24/08

How J.P. Morgan Does 'Merger in Reverse'

Fast Work to Absorb

Bear Stearns Comes

After Hurried Deal

By ROBIN SIDEL

May 24, 2008; Page B1

NEW YORK -- A few days after J.P. Morgan Chase & Co. agreed to buy Bear Stearns Cos. in a frantic deal that saved the 85-year-old investment bank from bankruptcy, J.P. Morgan executives began scrambling to figure out exactly what they were getting.

One of the first items on the to-do list: Spurred into action by a phone call from Frank Bisignano, J.P. Morgan's chief administrative officer, workers ran fiber-optic cables under the streets of Manhattan, connecting the computer systems at Bear's headquarters on Madison Avenue with J.P. Morgan's on Park Avenue a few blocks away.

That gave J.P. Morgan access to everything from Bear's employee directory to its massive mortgage portfolio.

It took just two days in mid-March for the second-largest U.S. bank in stock-market value (behind Bank of America Corp.) to hammer out a takeover agreement for Bear Stearns. Now J.P. Morgan is moving with similar speed to complete the deal and absorb Bear.

The gargantuan effort involves hundreds of J.P. Morgan executives and bankers but is tricky because Bear's sudden collapse left almost no time for J.P. Morgan to perform due diligence, which takes weeks or months under normal circumstances.

"It's hard to do a merger in reverse," said Bill Winters, co-head of J.P. Morgan's investment bank, into which Bear is being integrated.

Because of Bear's shaky financial condition, J.P. Morgan can dive more deeply into the investment bank's operations than regulators usually allow before an acquisition is completed. With the fiber-optic cables installed, J.P. Morgan executives got unfettered access to Bear's profit-and-loss statements at the end of each day, although Bear employees can't peer into J.P. Morgan's books.

J.P. Morgan isn't allowed yet to make trading decisions for Bear because the two firms remain separate legal entities. But Bear's sales force already is distributing research from J.P. Morgan's stock analysts to Bear clients.

The bank also is being permitted to unload some of the risk taken on by Bear's trading businesses. Bank officials are aggressively unwinding some of those positions and expect to reduce the amount of Bear's risk-weighted assets to \$150 billion by the end of June from \$225 billion in March. Much of that is from Bear's mortgage-trading business, where risk-weighted assets will be slashed from \$73 billion to \$20 billion.

"We would not have done [the deal] if we didn't think it made sense, but we are bearing an awful lot of risk," J.P. Morgan Chairman and Chief Executive Officer James Dimon said this month. J.P. Morgan essentially assumed responsibility for Bear's operations when the acquisition

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agreement was struck, with the Federal Reserve backstopping the deal by funding a maximum of \$29 billion in potential Bear losses on various types of securities.

The initial integration push is likely to be done within the next week, when the \$1.5 billion takeover is due to close. But the meetings, paperwork and long nights will drag on for months as J.P. Morgan tries to make the most out of the businesses and employees at Bear that it wants to keep.

So far, J.P. Morgan estimates it will cost \$9 billion to cover items such as severance, litigation, restructuring and losses sustained by Bear since mid-March.

J.P. Morgan has come a long way from the culture clash and paralyzed decision-making that plagued Chase Manhattan Corp.'s purchase of J.P. Morgan & Co. in 2000. The bank now is known for its laser-like focus on making its acquisitions pay off. Mr. Dimon and a team of longtime lieutenants have relentlessly slashed costs and combined disparate technology systems since the 2004 takeover of Bank One Corp. for \$58 billion. That deal brought Mr. Dimon to J.P. Morgan.

While the purchase price this time is small, with Bear costing the equivalent of roughly one month of 2007 earnings at J.P. Morgan, there is little margin for error. Integration stumbles may trigger more defections by Bear customers, worsen the morale of Bear employees still reeling from the firm's abrupt demise and hurt Mr. Dimon's reputation as the rescuer of Wall Street.

Much of the integration is being led by Mr. Winters and Steve Black, the other investment bank co-head at J.P. Morgan. By the time the process is done, about half of Bear's nearly 14,000 employees may be laid off, people familiar with the situation say. So far, J.P. Morgan has offered jobs to 6,500 Bear employees.

J.P. Morgan executives refer to about 3,500 of those employees as "drag and drop," meaning they are part of Bear's prime brokerage and clearing businesses that J.P. Morgan intends to absorb in full. J.P. Morgan is eager to incorporate these businesses because it doesn't have them on its own.

The fate of another several hundred Bear workers, most in technology and operations, hasn't been decided yet. About 2,000 of the 180,000 employees at J.P. Morgan are likely to lose their jobs as part of the Bear purchase, because of overlap.

Among the few members of Bear's upper echelon expected to join J.P. Morgan is Alan "Ace" Greenberg, the firm's 80-year-old former chairman and still an active broker. Alan Schwartz, one of Wall Street's top media bankers and now Bear's CEO, may also wind up joining J.P. Morgan as a top rainmaker, or deal generator, people familiar with the situation say.

On a recent Wednesday at 5 p.m., about three dozen people streamed into a J.P. Morgan conference room for a weekly firmwide update on the integration. Thick packets detailed the status of every business, from interest-rate trading to emerging markets to investment banking. Color-coded boxes on each page indicated the progress so far: red for critical issues, amber for caution or green for smooth sailing. Most of the boxes were green.

"Our challenge is the spaghetti of systems. There is a lot of stuff still to be done for Day 1," said Carlos Hernandez, J.P. Morgan's head of global equities. Another executive noted that his unit

wouldn't be hiring many Bear employees but had helped some of them get jobs with J.P. Morgan clients. The group also got an update on a bent pipe that was causing flooding at Bear's headquarters.

Write to Robin Sidel at robin.sidel@wsj.com¹

Freddie Mac's Triad Split May Snag Start-Up Insurer

American Banker | Friday, May 23, 2008

By Harry Terris

Freddie Mac's decision to stop buying loans insured by Triad Guaranty Inc., pending an appeal, shows there is a limit to how much forbearance the government-sponsored enterprises are willing to give ailing mortgage insurers.

The move might also complicate Triad's negotiations with Lightyear Capital LLC, a private-equity firm, to create a new company that would assume much of Triad's staff and operations, leaving the insurer's portfolio to run off.

Triad, a Winston-Salem, N.C., company, said last week that it plans to appeal Freddie's decision to suspend its status "as an approved mortgage insurer" and that the appeal is due Thursday. It said the GSE is continuing to buy mortgages insured by Triad for now and that the decision "should not have any immediate adverse impact on Triad's ability to write new mortgage insurance."

James Brender, an analyst at Standard & Poor's Corp., said the potential loss of Freddie's business could make it harder for the proposed start-up to get off the ground quickly.

"There are a number of parties that are looking at starting [mortgage insurer]s, and ... one of Lightyear's advantages" was that "they were partnering with someone that allowed them to enter the market quicker," Mr. Brender said. "That advantage is now partially deteriorated," he said.

Mark Tonnesen, Triad's chief executive, said in an interview Friday, "The two issues — that is, the approval of the new company and the situation with Triad — are separate. Yet they're integrated. We will make sure that Freddie, Fannie, our regulators understand the separateness of the two initiatives as well as the way in which they're integrated. We think that the integration of the two is supportive of both, both in Triad's ability to help the new company be successful and the new company's ability to help Triad be successful."

"What's critical right now is that we have no cessation of business," he said, "that we continue to be approved mortgage insurers for both Fannie and Freddie."

Freddie would not elaborate on Triad's disclosure. Lightyear would not discuss the matter Friday. In an interview in early May after the negotiations with Triad were disclosed, David Glenn, a Lightyear partner, said, "We still have a very big interest in how that old book performs because our customers have an interest in that old book."

In February, Freddie said it was relaxing its requirements for mortgage insurers eligible to cover the loans it buys. The move came about two months before S&P downgraded three large mortgage insurers below AA-minus, historically viewed as the minimum rating level needed to operate freely.

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In a conference call this month, Mr. Tonnesen explained the rationale for cutting the insurers slack: "Our customers are astute enough to understand that continuing to do business and write profitable business onto the Triad Guaranty books today is in their best interest because those profits will accumulate to pay future claims."

But the GSEs have kept open a range of options. Fannie Mae has said it is evaluating on a "case-by-case basis" whether to keep doing business with insurers that have been downgraded below AA and that it would consider canceling policies and replacing a downgraded insurer with another provider.

Mr. Brender said the company that the investor group led by Lightyear is contemplating starting up could rapidly capture new business volume by reinsuring Triad policies. But if Triad is unable to write business, "it will take time for the [new company] to get licensed in all the states, for the [new company] to go through the process with the ratings agencies, with Freddie Mac."

Triad's volume of new insurance policies has already fallen sharply. According to the newsletter *Inside Mortgage Finance*, its market share dropped 7.7 percentage points from a year earlier, to 2.7%, in the first quarter.

Mr. Brender said, "There's probably about five or six points of" loan-by-loan "market share up for grabs now that Triad's in runoff. Whether that's absorbed completely by the other players or" a new company will be "tough to say."

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Ranieri Begins Fund to Buy Home Loans

Bloomberg News | Tuesday, May 27, 2008

Lewis Ranieri, the mortgage bond pioneer, is seeking \$1 billion to buy residential mortgages.

His Selene Residential Mortgage Opportunity Fund LP raised \$151 million from investors in New York, Ohio, and Pennsylvania as of April 15, according to a regulatory filing. Mr. Ranieri, 61, is among the fund's managing partners.

"Our plan is to raise \$1 billion and buy delinquent mortgages that we will recast and refinance and try to keep the borrower in the house without a foreclosure," said David Creamer, a Selene managing partner and the former chairman of GMAC Commercial Mortgage Corp. (now Capmark Financial Group Inc.).

Mr. Ranieri helped turn Salomon Brothers Inc. (now a part of Citigroup Inc.) into Wall Street's most profitable firm in the 1980s by packaging mortgages into securities. He moved into the chief executive slot last week at Franklin Bank Corp. in Houston, succeeding Anthony Nocella, after an internal probe found accounting errors related to real-estate loans.

JPMC-001062
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New York Times—May 27, 2008

Contractors Are Kept Busy Maintaining Abandoned Homes

By VIKAS BAJAJ

JACKSONVILLE, Fla. — The house on East 24th Street was the worst of the six that David Law and Trey McCallister worked on the other day here. The front door had been kicked in so many times that the dead bolt was exposed and bent. Trash littered the front and back yards. A copper pipe was gone.

“Somebody has been trying to destroy this place,” said Mr. McCallister, eyeing the door.

But the two men have seen far worse as they go from one deserted house to another in northern Florida, where the foreclosure crisis has struck particularly hard.

Mortgage companies hire contractors like these men to inspect and maintain houses that once-proud owners can no longer afford and no one else wants. These days, business is brisk.

These contractors and thousands like them see first hand the detritus of the subprime era: peeling paint, gutted interiors, family dogs left behind to starve, overgrown lawns infested with snakes.

In Florida, the crisis can seem overwhelming at times.

It can take months, even years, for some homes to wind through foreclosure in the backlogged local courts.

The longer a home sits vacant, the more vulnerable it becomes.

After a few months, the Florida weather starts to take a toll. Mold and mildew creep. Algae chokes forsaken swimming pools. Sometimes vandals strike. And sometimes wiring or plumbing just give out.

The home on East 24th Street has been vacant for several years, said Gloria Roberts, a next-door neighbor.

Another home that Mr. McCallister and Mr. Law visited in the affluent Sawgrass golf community in the oceanside city of Ponte Vedra Beach was last occupied in December 2006, according to a neighbor there.

Local and state governments have become concerned about the upkeep of foreclosed homes, which can drag down real estate values in neighborhoods and provide havens for drug users and gangs. Over the last year, localities have stepped up code enforcement by levying fines on mortgage companies for the degradation of homes they are repossessing.

The problem of vacant homes is all the more striking when considered against predictions by economists that a couple of million more homes will enter foreclosure in the next two years, said Cheryl Lang, president of Integrated Mortgage Solutions, a company based in Houston that contracts with Mr. McCallister and Mr. Law on behalf of mortgage companies.

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"We still have two million more people that need to go through this process," she said. "That's like the entire town of Tampa going through foreclosure."

Nearly 3 percent of homes that were once occupied by their owners in the country were vacant in March. That is up from less than 2 percent three years ago and is the highest since the Census Bureau began publishing the number in 1956.

For people like Mr. McCallister and Mr. Law, the surge in foreclosure has been good for business. Tim Doehner, executive director of the National Association of Mortgage Field Services, a trade association based in Ohio, estimates that most of his members have doubled their revenue in the last year. Individual contractors can bill as much as \$5,000 every two weeks, said Jimmy Lyons, one of the partners in the firm, Landwise Inspection Services of Lake City, Fla., that Mr. McCallister and Mr. Law work for.

But the rising price of diesel fuel, wood and other supplies cuts sharply into their earnings. Mr. Law said he often spent \$140 a day filling his pickup truck, which tows a large trailer that carries a riding lawnmower and other supplies. The contractors cannot easily pass rising costs to lenders because they work under contracts or, in the case of some loans, at rates set by federal agencies.

Still, business is growing and drawing in newcomers.

Mr. Lyons, a former deputy sheriff, entered the home inspection business years ago but branched out into field service work for mortgage companies two years ago when a friend suggested the housing boom would soon give way to a housing bust.

Back then, "I just couldn't see it," Mr. Lyons, 56, said. "It fell exactly like he said it would."

After a quarter century in law enforcement, he still looks and plays the part of the easygoing rural county sheriff and is a reserve officer in Columbia County west of Jacksonville. At one home this month, he scrambled through an open window when the door was bolted while his younger colleagues looked on in amazement.

Mr. Law left a field sales job with the Kellogg Company, the cereal maker, to join Landwise, because he said he was tired of the corporate world. He said taking care of vacant houses could be grueling but also rewarding and allowed him to work by himself, which he said he enjoyed. He often works seven days a week because his employer is often flooded with orders.

"It occupies a lot of my time," he said and added with a laugh, "I don't have much of a life outside of this."

When he arrives at houses, Mr. Law reaches for his digital camera and starts snapping pictures to document his presence and problems that need attention. Mortgage companies require before and after photos to be sent to them electronically before paying for work done to the home.

If it is their first visit to a vacant home, the contractors change the locks on at least one door so the mortgage company can have access. They use locksmith's tools to gain entry to the house, though on some occasions they use open windows, as Mr. Lyons recently did. The contractors board up broken windows, cut the grass and record significant damage. Depending on the extent of the destruction, mortgage companies will commission the contractors to repair the home.

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At the home on 24th Street, Mr. McCallister, 39, who had worked in the timber business until last year, wedged open the back door with pliers and Mr. Law installed a new lock. The interior of the house was mostly empty and musty. The outside was another story. A large tree branch shared the back yard with an empty propane tank, Styrofoam containers and food wrappers.

After surveying the trash and photographing it, Mr. Law and Mr. McCallister concluded they could not cut the grass without cleaning up the yard. They would have to ask the mortgage company whether it wanted them to remove the trash and how much it would pay for the work.

Contractors say the damage at vacant homes can be significant, though it is not always clear who the culprit is. It could be an angry homeowner upset about losing a home, but it also could be vandals and thieves scouring homes for copper plumbing, which they can sell. To limit losses, a few mortgage companies are making offers called "cash for keys" to delinquent borrowers if they leave their homes quickly and in good shape.

Two of the six homes the contractors visited in the Jacksonville area appeared to be pristine. The two also had for-sale signs from real estate agents, suggesting the borrowers were trying to sell but could not find a buyer before they had to leave.

For the contractors, foreclosures can strike close to home. Mr. Law recently inspected a home across the street from his residence and Mr. McCallister was sent to a home formerly occupied by a family whose daughter was friends with one of his three daughters.

"I was fortunate that everyone was gone," Mr. McCallister said, so he did not have to see his daughter's friend.

In most cases, the contractors do not interact with the homeowners, but sometimes the contractors are present during evictions that are conducted by county sheriffs. Mr. McCallister recalled the eviction of a 60-year-old man who had misread his eviction notice and thought he had one more week to leave.

"He fell down on the floor and started crying," Mr. McCallister said. "We gave him 24 hours and he had his stuff moved out and he found another place to live."

In their work, the contractors come across the everyday debris of human life, from old microwave ovens to couches and a child's cherry-red tricycle. Sometimes they discover abandoned pets. Mr. Law recently found three kittens that he took to a friend who is an animal lover.

Though homes were found for all three of the kittens, many other pets meet a worse fate. Ms. Lang of Integrated Mortgage Solutions has started a nonprofit group, No Paws Left Behind, to find homes for abandoned pets and to offer help with pets to homeowners in foreclosure. She said contractors working for her company had found abandoned animals from birds to horses.

While business may be good for firms like hers, Ms. Lang said it was difficult not to be disenchanted when the housing bust is seen from the street level, as many of her contractors do. Just a few years ago, policy makers and the mortgage industry were celebrating record home ownership rates in the country — a sign that the American dream was within reach for a large majority of the population.

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Speaking on the phone two days after Mr. Law and Mr. McCallister's visit to the home on 24th Street, she said the home's condition stuck with her.

"Somewhere along the line someone wrote that property off," she said. "There were birthdays celebrated there and anniversaries and there were lives that were lived there. And now the door is bolted shut."

New York Times—May 27, 2008

Auto Industry Feels the Pain of Tight Credit

By ERIC DASH

The auto industry is getting sideswiped by the housing crisis.

Auto lenders and banks, closing their wallets, have prevented hundreds of thousands of consumers from obtaining the financing for a car. Home equity loans, which had been used in at least one of every nine deals, when lenders were more generous, are no longer a source of easy money for many prospective buyers. And used-car prices have fallen nearly 6 percent as repossessed cars and gas-guzzling trucks and S.U.V.'s flood auction lots.

Those forces, on top of the softening economy, are putting enormous pressure on the American auto industry as it faces what may be its worst year in more than a decade. About 15 million vehicles are expected to be sold in 2008, down from 16.2 million last year, as sales reach the lowest levels since 1995, according to the marketing firm J. D. Power & Associates.

The impact on the broader American economy could be profound. Not only is the car a consumer's biggest purchase after the home, but the auto industry remains one of nation's most important economic engines. With less money available to bolster the industry's growth, the businesses that support it are also facing the prospect of a sharp slowdown.

"It is a bleak picture, and it all hinges on the availability of financing," said William Ryan, a financial analyst at Portales Partners who has followed the auto business for years. "The whole universe related to the auto industry is touched in some way — parts suppliers, manufacturers, salespeople, trucking people, the paint and metals industries. Even semiconductors."

Within the auto sector, problems stemming from the continuing tightening of credit have already started to spread. Auto lenders like Chase, Capital One and GMAC are finding it harder and more expensive to obtain money for loans. Profits also look dimmer as the lenders absorb losses from defaults and pull back from making new loans.

Car dealers and manufacturers will probably face months of weaker profits as they offer more incentives to sell new vehicles. Luxury car sales, which provide outside profits for auto companies, are off 13 percent from last year, according to the Autodata research firm. And consumers, facing potentially higher mortgage payments and \$4-a-gallon gas, are delaying purchases of midmarket cars.

"The housing crisis, defined with the credit crisis, has really knocked consumers back on their heels," said Michael J. Jackson, the chairman of AutoNation, the largest automobile retailer.

But the auto industry may not suffer the same severe downturn as the housing sector. One reason is that auto lenders have long issued loans expecting that vehicles, as collateral for the loans, start to lose value as soon as they are driven off the lot. In contrast, mortgage lenders during the housing boom believed that home prices would keep rising.

Still, the parallels are striking. Easy money and lax underwriting helped extend a boom for automakers from 2005 to early 2007. With Detroit pumping out new cars, consumers were encouraged to buy even though they might not have needed a new vehicle.

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Now, just as in the housing sector, the auto industry is suffering, too.

Borrowers are falling behind on their car payments at a rate faster than in other recent downturns. And losses are considerably worse. Auto lenders sustained losses on about 3.4 percent of their loans in the first quarter, a rate about 30 percent higher than in 2002, according to data from Moody's Economy.com. Even some of the most creditworthy borrowers are stressed.

Recently there have been a few small signs of improvement. But auto lenders have struggled to find investors willing to buy packages of new loans. Just as in the mortgage markets, a sterling credit rating — the bond insurer's seal of approval — is no longer trusted.

"It's a challenge, but it's not a crisis," said William F. Muir, president of GMAC, the financing arm of General Motors that is now operated as a joint venture.

As the pool of money available to auto lenders has dried up, they have cut back on making new loans. Since late last year, nearly every auto finance company has tightened its lending standards. They are forcing borrowers to put more money down. They are also demanding higher monthly payments and requiring stronger credit records and more stringent documentation.

Subprime auto lenders have been forced to pull back the most. AmeriCredit, a big subprime finance company, said it would issue about \$3 billion in new auto loans this year, compared with \$9.2 billion in 2007. That translates into around 340,000 fewer vehicles being financed this year. But lenders catering to less risky borrowers are also retrenching.

"Capital One is pulling back, Citi is pulling back, HSBC and Wells Fargo are pulling back," said Mr. Ryan, the analyst. So are the finance entities that serve the major automakers, like GMAC, Chrysler Financial and Ford Motor Credit. "What you are seeing at AmeriCredit is probably happening everywhere else, but probably to a lesser degree."

Many dealers say that buyers who would have been shoo-ins for a loan a year ago are now being turned away. Ken Somerville, business manager at Pedigo Chevrolet in Indianapolis, said the tougher standards were having a "significant impact" on his ability to help customers get financing and close a sale.

"Chances are, if we can't help them, they've already been somewhere else that couldn't either," he said.

Some of the biggest drops in car sales have been in areas where home prices have fallen most sharply. The housing boom created thousands of jobs, robust consumer confidence and strong demand for pickup trucks. Today, that has all vanished.

As home values have declined, millions of consumers have maxed out on home equity debt. In hot markets like California, nearly 30 percent of all consumers tapped into the value of their homes to help finance their new cars, according to CNW Marketing Research. In Florida, about 20 percent used home equity loans. New car sales in both states are down about 7 percent.

Those areas are also seeing surges in repossessed vehicles. Bill Glover, a veteran repo man in Fort Meyers, Fla., says he has recovered more than 100 cars a week since October, doubling his usual business. "I'm picking up 2008s already," he said.

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In the past, Mr. Glover mostly took back cars from borrowers with sketchy credit who habitually fell behind on their car payments. But that circle has widened. "Lately what we're picking up is crew-cab pickup trucks," Mr. Glover said, "and anything having to do with construction."

The rise in recovered vehicles, along with tighter loan terms and weak demand from buyers, has put pressure on the used-car market too. In April, sale prices dropped 5.9 percent from a year earlier, with S.U.V.'s and pickup trucks plummeting even more, according to the Manheim Used Vehicle Value index, a widely followed measure that was not adjusted for seasonal differences. Prices had been rising for more than four years until last fall.

Analysts say there are few signs that this downward spiral will end soon. At the Midwest Auto Auction lot in the Detroit suburbs, there were plenty of deals one recent Friday morning.

Drivers shuttled more than 180 vehicles across the auction lot in two lines as the auctioneer, Ed Dunn, wearing an ivory cowboy hat from his perch above the floor, bellowed their make, model and year.

The first car up for sale was a 2007 Lincoln MKZ luxury sedan with leather seats, which had been repossessed by a local credit union. But there were no bids. So Mr. Dunn lowered the starting price again and again.

At long last, somebody bid \$13,200 for the car. Sold? Sure. But at roughly \$10,000 below its Kelley Blue Book value.

Nick Bunkley contributed reporting.

JPMC-001069
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BNA—5/27/08

**Financial Institutions
Education Department Commits to Buy
Student Loans From Worried Lenders**

The Bush administration has offered to come to the rescue of student lenders on the verge of exiting the market by committing to purchase loans from the lenders for the 2008-2009 academic year.

The offer, announced in a letter May 21 by Secretary of Education Margaret Spellings, also includes a facility for providing short-term liquidity to lenders lacking access to affordable capital due to disruptions in the credit markets.

"Currently, some lenders do not have access to funds at a cost that justifies originating new loans," the Education Department said in its announcement. "Our plan is designed to provide viability in the marketplace for those lenders who step up and make loans in this difficult environment."

The department said in addition, that it was committed to continue working with lenders "to explore ways to reengage capital markets; a strengthened lender-of-last-resort program to help insure students against shifting market forces; and increased Direct Loan capacity should it be needed to serve as an extra cushion for students."

Spellings, in her letter, said, "Over the past several months, I have worked closely with Secretary [Henry] Paulson and others in the Administration to closely monitor events in the federal student loan market and actively engage the student loan community on our mutual goal of ensuring continued access to federal student loans for students and families.

"At the same time, while offering these short-term solutions, we can also consider this a teachable moment that speaks to broader, long-term flaws in our complex and outdated financial system. This system has been crying out for reform for years, and especially in light of the ever-increasing cost higher education, students and families are counting on us to provide it," Spellings wrote.

Terms to Be Set

Final terms and conditions for the loan purchase program will be published in the *Federal Register*, the department said, along with the methodology for determining cost neutrality. "The Department will offer to purchase new loans from lenders participating in the Federal Family Education Loan Program at a price designed to ensure that lenders will be able to recoup their investments," the department said.

The department said it would also purchase participation interests in pools of loans made by lenders for the 2008-09 academic year. The department will hold these participation interests up to Sept. 30, 2009. These participation interests will be priced to yield the department the commercial paper rate plus 50 basis points.

If necessary, the department said it would provide federal advances to guaranty agencies so that they can make lender-of-last-resort loans to students who are otherwise unable to obtain conventional loans.

"Although our goal is to keep the use of the lender-of-last-resort program at an absolute minimum, the Department has taken the prudent steps necessary to ensure that the program can accommodate a larger volume of loans if needed," the department said. ❖

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Washington Post—5/25/08

Loan Programs Will Leave Some Students Behind

By Jane Bryant Quinn
Sunday, May 25, 2008; F01

How bad is the student loan market, really? That depends on who you are.

Traditional, dependent students, with creditworthy families, should find enough money for school year 2008-09 without much trouble, although they will probably pay higher fees than they did last year.

Independent students with modest credit histories and no co-signer will have a harder time, especially if they are starting their freshman year.

Students attending for-profit career schools and some community colleges may have to scramble.

Parents with minor delinquencies will be allowed to borrow through the federal program, but those caught in the foreclosure trap will be shut out.

About 70 private and nonprofit lenders -- including one-third of the top 100 -- have quit offering government-insured loans through the Federal Family Education Loan Program, or FFEL. FFEL includes Stafford loans (for students) and PLUS loans (for parents). The lenders can't raise all the money they need to keep their programs going at a profit because of the turmoil in credit markets. A new federal program is stepping into the breach, but it won't help everyone.

About 1,990 lenders remain in the market, a few big but most of them small. College financial aid officers will expand the list of banks and other sources they work with. The aid office should be your first call when you are rounding up money. Schools need to find you a loan so that you can pay the tuition.

Still, some families who typically borrow through FFEL -- especially parent loans -- are going to be squeezed out, says Mark Kantrowitz of FinAid.org, a leading site for information on scholarships and loans.

The government also runs a Direct Loan Program. It lets parents and students borrow directly from the Education Department, bypassing the banks. About 1,100 schools already participate in Direct Loan. Because of the failures in the private market, about 350 have newly applied to join. If your school offers this option, all students can borrow the maximum allowed.

It's borrowers in the private, FFEL market who might face rejection. Here's who is at risk:

- Students with low credit scores -- lower than 650 or even 700 (out of a maximum 850). They probably have too much credit card debt or several missed payments. Last year, they could get a loan. Not this year.
- New borrowers. They stand last in line. Lenders with limited funds will first use the money to get current borrowers through school. If they graduate, they're more likely to repay their loans.
- Students at schools with high default rates -- typically, two-year for-profit colleges, online schools or community colleges serving lower-income people. The students may be smart and

ambitious but they will be tainted by the place where they have chosen to study. Two-year loans are also less profitable for the banks.

· Parents with "adverse credit histories." Federal low-interest plus loans require a credit check, even in the Direct Loan Program. They're allowed a few late payments but a foreclosure or bankruptcy will keep them out of the program for the next five years. That endangers the future education of children as young as 13.

Formerly, money was plentiful for student loans. Lenders bundled them into AAA-rated securities and sold them to investors. But the market has turned a cold shoulder to FFEL loans originated since Oct. 1, Kantrowitz says. The cost of funds is now running too high to make them profitable.

A new law lets the government buy FFEL student loans from the lenders that originated them. That will inject money into the market, to be used for creating additional loans.

The government said last week what it would pay FFEL lenders who want to participate. The program has to operate at no cost to taxpayers, which means that the offer is pretty low.

It might induce lenders with no other source of funds to keep making student loans while waiting for the financial markets to recover, says Harrison Wadsworth, special counsel to the Consumer Bankers Association. At the bigger banks, they're still running the numbers to see if the aid is enough to make their programs profitable.

The banks have yet another gripe. Effective last October, Congress raised the fees paid by private lenders to participate in FFEL and reduced government subsidies. The banks are using the credit squeeze to argue that they should get their subsidies back. On this point, Congress shouldn't budge. Big lenders didn't start leaving the program until the markets went bad. When they recover, the current level of subsidies will be enough.

What will students pay this year?

If their schools switched to direct loans, they will owe higher fees than FFEL lenders charged last year -- typically 2 percent. The upside is that interest rates on subsidized Stafford loans, for needy students, will drop to 6 percent on July 1, compared with 6.8 percent previously.

FFEL lenders that previously charged no upfront fees may be raising them to 2 percent.

Students who need to borrow more than FFEL turn to banks for "alternative" loans, where rates run up to 15 percent, depending on credit scores. There, the government won't help. You are on your own.

Jane Bryant Quinn, author of "Smart and Simple Financial Strategies for Busy People," is a Bloomberg News columnist. Alexis Leondis in New York contributed to this column.

JPMC-001072
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Washington People

American Banker | Tuesday, May 27, 2008

By Joe Adler and Stacy Kaper

This Hits Home

Foreclosure is a complicated business. Just ask Rep. **Laura Richardson**, a first-term Democrat from Long Beach, Calif.

It's unclear just what happened but the local press reported that **Washington Mutual Inc.** was pursuing Rep. Richardson for as much as \$578,384 in unpaid debt on a home in Sacramento, and that the house was sold by auction May 7 for \$388,001.

The next day the House voted on housing-rescue legislation, but Rep. Richardson did not vote. The local press said she recused herself due to her personal housing problems.

But in a statement Wednesday, Rep. Richardson denied the recusal, and said she missed the vote to attend her father's funeral. She also denied Wamu had foreclosed on her.

"The residential property in Sacramento California is not in foreclosure and has not been seized by the bank," she said in a statement. "I have worked with my lender to complete a loan modification and have renegotiated the terms of the agreement — with no special provisions. I fully intend to fulfill all financial obligations of this property."

Surprise Question

Federal Reserve Board Gov. Kevin Warsh thought he would end on an easy note in the Q&A after a speech Wednesday. He was wrong.

Mr. Warsh called on **Karen Thomas**, the director of government relations at the **Independent Community Bankers of America**. Since she had sat at his table during the Exchequer Club luncheon, Mr. Warsh apparently thought their pleasantries had earned him a softball.

But Ms. Thomas zinged him by asking what the Fed is doing to prevent its examiners from going overboard and forcing community banks to cut back on lending.

Mr. Warsh quipped: "Karen and I had a really nice discussion over lunch about all sorts of things. ... For the final question I figured I would call on someone who might save me.

"That apparently didn't work as well as I would have liked," he said to laughter.

Mr. Warsh did answer the question, and arguably to Ms. Thomas' liking.

"We've been very focused on trying to make sure that credit is available," he said, noting that most community banks steered clear of the exotic products that examiners are targeting for extra scrutiny.

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Supervisors' Slate

The **Conference of State Bank Supervisors** announced its 2008-2009 board and officers and installed them Wednesday. North Dakota Commissioner of Financial Institutions **Timothy J. Karsky** is the new chairman, taking over from **Jeffrey C. Vogel**, the Wyoming state banking commissioner.

North Carolina Commissioner of Banks **Joseph A. Smith Jr.** is chairman-elect, meaning he is in line to lead the group next year.

Thomas B. Gronstal, the Iowa superintendent of banking, was elected vice chairman and Louisiana Commissioner of Financial Institutions **John P. Ducrest** was installed as the board's secretary.

Massachusetts Commissioner of Banks **Steven L. Antonakes** retained his role as treasurer.

Other appointments included **Cordell G. Lawrence**, executive director of the Kentucky Office of Financial Institutions, as co-chair of CSBS' Bankers Advisory Board. The banker co-chairman is **Donald A. Pape**, the chairman of **Republic Bank and Trust** in Norman, Okla. Maryland Office of Financial Regulation Commissioner **Sarah Bloom Raskin** was elected chairman of the CSBS Legislative Committee.

JPMC-001074
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From: Thorn, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>
To: Gaugl, Sara C.
</o=wamu/ou=sea/cn=recipients/cn=u192170>; Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>; Cook, Don
</o=wamu/ou=sea/cn=recipients/cn=u578890>; Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>
Cc:
Bcc:
Subject: RE: Richardson / Long Beach Press-Telegram
Date: Mon Jun 09 2008 20:34:54 EDT
Attachments:

Oh my.....how is she still in office?

From: Gaugl, Sara C.
Sent: Mon 06/09/2008 07:00 PM
To: Battaglia, Paul J.; Thorn, Ann; Cook, Don; Owen, Jan L.
Subject: Richardson / Long Beach Press-Telegram

FYI, below. The latest Richardson update.....

37th District Rep. Laura Richardson left car bills unpaid - Long Beach Press-Telegram

By Paul Eakins, Staff Writer

LONG BEACH - Car trouble takes on a new meaning when it comes to financially distressed Congresswoman Laura Richardson.

In 2005, when she was still on the Long Beach City Council, she left one mechanic in a lurch with an unpaid bill, then later had her badly damaged BMW towed to an auto body shop but didn't pay for any work and abandoned the car there, owners of the businesses said this week.

The next day, Richardson began using a city-owned vehicle - putting almost 31,000 miles on it in about a year - and continued driving the car five days after she had left the council to serve in the state Assembly, city records show.

Richardson, 46, didn't return phone calls seeking comment this week.

These are just the newest revelations of Richardson's ongoing financial problems and instances of her unpaid debts.

Last month, it was reported that Richardson's Sacramento home, where she had lived during her brief Assembly stint before moving on to Congress, had fallen into foreclosure and been sold at auction. Further investigation revealed she had defaulted on that house and two others in Long Beach and San Pedro a total of eight times since 2004.

Meanwhile, Richardson was lending money to her campaigns as she embarked on an unprecedented

rise to power from council to Assembly to Congress in one year. On Tuesday, she won the Democratic nomination to serve her first full, two-year term in Congress, and she is unchallenged in the November general election.

Unpaid and abandoned

Richardson's car problems all started with a shimmy.

In October 2005, her 1999 four-door 740iL BMW had an odd vibration in the front, so she took it to Signal Hill Foreign Auto Service, according to Leo Labreche, the shop owner.

Mechanics there fixed the car and replaced some worn parts, but when Richardson picked up her vehicle, she said she didn't have the money to pay the \$735 bill, Labreche said. Because Richardson was a council member, Labreche let her take the car, assuming that she was good for the money, he said.

"She had picked the car up and was going to come back and pay the bill, and she never did," Labreche said.

Labreche said he spent months leaving messages on Richardson's cell phone voice mail, then he got a collection agency involved, but still the bill went unpaid.

"I couldn't get through to her, and then when the collection agency couldn't do anything, I thought, 'There's nothing I'm going to be able to do,'" Labreche said.

But on Tuesday, after the Press-Telegram requested an interview with Richardson to discuss the 2 1/2-year-old unpaid bill, she went to the auto shop and paid Labreche, he said.

Similarly, Richardson last week paid off a \$150 printing bill owed to a local company following published reports about the debt.

Richardson also settled a bill Tuesday with another mechanic, Alvin's Auto Body in Signal Hill, only this time she came out ahead, in a sense.

About one month after Richardson had taken her BMW to Labreche for work, she got into a car accident that tore up the front left corner of her car, leaving it undriveable.

She initially had it towed back to Labreche for repairs, even though she still owed him money. But Labreche doesn't do auto body work.

So the car was sent to Alvin's Auto Body, which received the BMW on Nov. 17, 2005, according to owner Bob Lillegard.

But Lillegard never heard from Richardson or her insurance company, he said.

"I'd call her office, and they'd say she was too busy," Lillegard said. "I couldn't get through to her."

The BMW's extensive damage would have cost about \$9,000 to repair, Lillegard said, which he suggested might have been more than the car was worth. The "Kelley Blue Book" Web site says a 1999 740iL BMW with standard options and 100,000 miles has a retail value of about \$15,000 today.

In December 2005, Lillegard filed for a mechanic's lien on Richardson's car to pay the towing, storage and administrative costs, he said. Lillegard said the lien was finalized in February 2006 and he sold the car to a junkyard, though a few days later - too late - Richardson sent him money to put toward the bill.

The junkyard bought the BMW for \$3,500, so Lillegard took the \$2,100 he said was owed him, and

when Richardson went to the body shop on Tuesday, he paid her the difference, he said.

A city ride

After the accident that led to Richardson abandoning her car, she apparently was without transportation.

So, on Nov. 18, one day after her BMW was towed to Lillegard's shop, she checked out a city-owned Toyota Prius to use for her council business, according to city Fleet Services Bureau records cited by city spokeswoman Meredith Reynolds.

Reynolds said that the Prius was issued to Richardson that day, and that it was returned more than a year later, a few days after Richardson had ended her council tenure.

In a letter acquired by the Press-Telegram from then-City Manager Jerry Miller to Richardson dated Dec. 5, 2006, Miller asks Richardson to return her city vehicle, identified as a Prius.

According to the letter, Richardson's last day as a council member was Dec. 3, 2006. She was sworn into the Assembly the following day.

City Fleet Services records show that Richardson turned in the car on Dec. 8, 2006, Reynolds said.

During the one year and almost three weeks that Richardson had the Prius, she drove it 30,920 miles, Reynolds said. That amounts to an average of more than 80 miles per day, or about 2,400 miles per month, for Richardson's part-time council job in a 50-square-mile city.

By comparison, the only other two council members who used city vehicles during part or all of the same time period averaged 900 miles per month in one case and less than 400 miles per month in the other, according to figures provided by Reynolds.

Council members can either use their own vehicles for council business and receive a monthly car allowance from the city, or they may use city vehicles. However, city policy doesn't allow city vehicles to be used for personal use.

Richardson has never been shy about using city cars.

In 2001 and 2002, she had the highest vehicle expenses of any council member, in part by putting nearly 7,000 personal miles on her car in 2002. At the time, she and other council members told the Press-Telegram that they hadn't been aware of the no-personal-use rule.

In 2003, Richardson had been using a gas-guzzling Ford Expedition owned by the city, but switched to a Toyota Solara to save money. She told the Press-Telegram then that she soon would stop using a city vehicle altogether and would switch to a monthly car allowance.

She scrapped that effort in 2005 when she left her BMW at the auto body shop and again got behind the wheel of a city car.

Sara Gaugi

Home Loans Public Relations

WaMu

1301 Second Avenue | WMC40 | Seattle WA 98101

206.500.2822 direct | 206.228- cell

sara.gaugl@wamu.net

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Document ID: 07-107-46010

From: Thorn, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>
To: Gaugl, Sara C.
</o=wamu/ou=sea/cn=recipients/cn=u192170>; Cook, Don
</o=wamu/ou=sea/cn=recipients/cn=u578890>; Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>; Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>
Cc: Elias, Alan
</o=wamu/ou=sea/cn=recipients/cn=u62181494974884>
Bcc:
Subject: RE: Congresswoman's Financial Report: This Won't Be Pretty.
Date: Thu Jun 12 2008 17:11:51 EDT
Attachments:

i was on a project for Steve all day and just picked up my messages.

Congresswoman left me a message that she has not been home for two weeks and she is going home this weekend and will be turning in her financials to me some time early next week.

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Gaugl, Sara C.
Sent: Thursday, June 12, 2008 11:30 AM
To: Cook, Don; Battaglia, Paul J.; Thorn, Ann; Owen, Jan L.
Cc: Elias, Alan
Subject: Congresswoman's Financial Report: This Won't Be Pretty.

FYI, below. It appears that the House members' annual financial reports are scheduled to be released on Monday, which may include specific information about Ms. Richardson's home loan issues.

Just so you are aware, I communicated to Mary Ann that I couldn't discuss Ms. Richardson's loan situation (not foreclosure sale).

I'll let you know if I receive any media calls today.

Congresswoman's Financial Report: This Won't Be Pretty.

Mary Ann Akers And Paul Kane

12 June 2008

The Washington Post

We may learn more about Rep. Laura Richardson's (D-Calif.) home foreclosure problems Monday, when House members' annual financial reports are scheduled to be released.

Richardson filed her report on time rather than seeking an extension, her spokesman, William Marshall, tells On the Hill. But Marshall says he can "neither confirm nor deny" whether the disclosure report will reflect the full extent of the beleaguered congresswoman's financial woes, which include foreclosure on one home and loan defaults on two others.

Marshall declined to answer questions about how Richardson, who won a special election last August, wound up in such dire straits. She lost her Sacramento home to foreclosure after failing to make payments, at the same time that she reportedly owed Sacramento County some \$9,000 in property taxes and defaulted on loans six times on two other California homes.

In the meantime, however, Richardson rose in one year from Long Beach councilwoman to state assemblywoman to a member of the U.S. Congress.

According to the Long Beach Press-Telegram, Richardson also failed to pay hundreds of dollars worth of car repairs to one mechanic, then ultimately abandoned the car at another auto body shop.

Yesterday, the story took a new twist. The Los Angeles Times reported that the home Richardson lost in foreclosure could be returned to her, because the lender, Washington Mutual <javascript:void(0);>, filed a letter of rescission of the foreclosure sale and asked the new owner for the keys back.

"They took the property back, and they didn't even send back the money," the new owner, real estate investor James York, told the Times. "It's clear what's happening is Ms. Richardson is abusing her political power and using it for her own political needs," he said. "You don't have to be smart to understand what's happening."

Richardson isn't saying anything. Referring to the congresswoman's lender, her spokesman told us, "This is about Washington Mutual. <javascript:void(0);>" He urged us to call Washington Mutual <javascript:void(0);> for comment. But a Washington Mutual <javascript:void(0);> spokeswoman told us she couldn't comment on the foreclosure sale because Congresswoman Richardson "has not provided us with authorization to publicly discuss her loan."

The left-leaning watchdog group Citizens for Responsibility and Ethics in Washington calls Richardson a "deadbeat congresswoman."

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC401 | Seattle WA 98101
206.500.2822 direct | 206.228. cell
sara.gaugl@wamu.net

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attachments without copying or disclosing the contents. Thank you.

From: Thorn, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>
To: Gaugl, Sara C.
</o=wamu/ou=sea/cn=recipients/cn=u192170>; Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>; Cook, Don
</o=wamu/ou=sea/cn=recipients/cn=u578890>; Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>
Cc:
Bcc:
Subject: FW: Communications regarding Richardson Loan
Date: Thu May 22 2008 16:39:50 EDT
Attachments:

Sara, need you to call the Congresswoman

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Richardson, Laura
Sent: Thursday, May 22, 2008 4:20 PM
To: Thorn, Ann
Cc: Woodcock, Wendy A.
Subject: Communications regarding Richardson Loan
Importance: High

Ann/Wendy,

Could you please forward ASAP your communications contact? Channel 9 and 2 (CBS) has shown up to film at the district office and we have received numerous calls from other affiliates; therefore a response is required.

Sincerely,

Laura Richardson

Document ID: 71016729

From: Gaugi, Sara C.
</o=wamu/ou=sea/cn=recipients/cn=u192170>
To: Cook, Don
</o=wamu/ou=sea/cn=recipients/cn=u578890>; Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>; Thorn, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>; Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>
Cc: Elias, Alan
</o=wamu/ou=sea/cn=recipients/cn=u62181494974884>
Bcc:
Subject: Congresswoman's Financial Report: This Won't Be Pretty.
Date: Thu Jun 12 2008 11:30:16 EDT
Attachments:

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Congresswoman's Financial Report: This Won't Be Pretty.

Mary Ann Akers And Paul Kane

12 June 2008

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Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC401 Seattle WA 98101
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sara.gaugl@wamu.net

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Document ID: 0720153930

From: Cook, Don
</o=wamu/ou=sea/cn=recipients/cn=u578890>
To: Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>
Cc:
Bcc:
Subject: FW: Richardson/CNN
Date: Wed May 28 2008 21:44:40 EDT
Attachments:

Paul, for your information.

From: Gaugl, Sara C.
Sent: Wednesday, May 28, 2008 6:42 PM
To: Schneider, David C.; Berens, John; Champney, Steven D.
Cc: Cook, Don; Adams, Carolyn; Owen, Jan L.; Elias, Alan
Subject: Richardson/CNN

All:

So you are aware, I just received a call from a producer with CNN re: Congresswoman Richardson's "debacle." Apparently, CNN's Campbell Brown plans to discuss the Congresswoman's situation during tomorrow's 8 p.m Eastern broadcast.

The producer said she's been tasked with cross-checking the accuracy of Ms. Richardson's statements with WaMu, at which point I informed her that we have not received consent from Ms. Richardson that would allow us to discuss her loan situation.

At that point, she informed me that CNN has talked with a forensic accountant. Based on his/her analysis of Ms. Richardson's financial situation, the accountant has "determined" that the Congresswoman probably shouldn't have qualified for the (WaMu) loan in the first place.

I'll keep you informed as I learn more. I expect to receive an update from CNN tomorrow.

Best,

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228. cell
sara.gaugl@wamu.net

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Page 34 of 219

CSOC.RICH.002722

From: Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>
To: Cook, Don
</o=wamu/ou=sea/cn=recipients/cn=u578890>; Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>
Cc:
Bcc:
Subject: FW: Research Needed: Congresswoman Richardson/Foreclosure
Date: Wed May 21 2008 17:17:00 EDT
Attachments:

Please see below. J

Jan Lynn Owen
First Vice President
State and Local Government and Industry Relations Manager
801 K Street Suite 110
Sacramento, CA 95814
916-553-4961
916-325-4717 fax
jan.owen@wamu.net

-----Original Message-----

From: Kallner, Brad
Sent: Wednesday, May 21, 2008 2:16 PM
To: Gaugl, Sara C.
Cc: Champney, Steven D.; Berens, John; Owen, Jan L.; Elias, Alan; Sledzik, Tasha A.; Smith, Kimberly
Subject: RE: Research Needed: Congresswoman Richardson/Foreclosure

I have checked with Kim, we tried to work a modification, unfortunately she had a deficit monthly of over \$2,100. We placed the original foreclosure sale date on hold for 30 days in April. The loan went to sale on 5/7/08, third party outbid.

Sara, please feel free to give Kim or I a call if you need to discuss.

Brad

-----Original Message-----

From: Gaugl, Sara C.
Sent: Wednesday, May 21, 2008 1:24 PM
To: Kallner, Brad
Cc: Champney, Steven D.; Berens, John; Owen, Jan L.; Elias, Alan
Subject: Research Needed: Congresswoman Richardson/Foreclosure
Importance: High

Brad -

Please see the article embedded below for more detail, but long story short, Congresswoman Laura Richardson appears to have defaulted on her WaMu loan (second home) and on March 19, a notice was filed with the county that her property would be sold at auction.

Congresswoman Richardson initially declined to comment, however, Jan Owen has learned from the Congresswoman that she plans to communicate to The Washington Post that she has established a repayment plan with WaMu.

Would you please look into Congresswoman Richardson's situation as soon as possible so that we understand the facts? Her loan number is [REDACTED]

Many thanks,

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC401 Seattle WA 98101
206.500.2822 direct | 206.228. [REDACTED] cell sara.gaugl@wamu.net

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-----Original Message-----

From: Owen, Jan L.
Sent: Wednesday, May 21, 2008 8:36 AM
To: Riley, Olivia; Gaugl, Sara C.; Gaspard, Scott; Watson, Alison
Subject: Fw: Capitol Weekly -- "Foreclosure tale shows that nobody is immune from crisis"

Here we go. I am am in meeting and will call in a minute.

----- Original Message -----

From: Kevin Gould [REDACTED]
To: FSIR Meeting Group [REDACTED]
Sent: Wed May 21 08:01:35 2008
Subject: Capitol Weekly -- "Foreclosure tale shows that nobody is immune from crisis"

Foreclosure tale shows that nobody is immune from crisis

By Anthony York (published Tuesday, May 20, 2008)

As the real estate market softened in 2007, the new owner of a three-bedroom, 1,600-square-foot house in Sacramento's Curtis Park neighborhood ran into trouble. The house that was purchased for \$535,000 in January had lost equity. The owner fell behind in her payments, and eventually, the bank seized the home.

What makes this story different from the thousands like it is that the owner of this house was a member of Congress.

The story of the foreclosure of Long Beach Democrat Laura Richardson's Sacramento home is a tale of a real estate market gone sour. It is also an illustration of how far many candidates will go to seek elected office, even if it means quite literally mortgaging their own financial future.

While being elevated to Congress in a 2007 special election, Richardson apparently stopped making payments on her new Sacramento home, and eventually walked away from it, leaving nearly \$600,000

in unpaid loans and fees.

Richardson's decision to let the house slip into foreclosure was set in motion by an unlikely chain of events, only some of which had to do with Sacramento's crumbling real estate market. Richardson was elected to the Assembly in November 2006, and purchased her new capital home two months later. But in April 2007, Rep. Juanita Millender-McDonald succumbed to cancer, creating a Congressional vacancy in Richardson's district.

Richardson declared her candidacy for the seat, and soon found herself locked in a hotly contested, and very expensive race for Congress against state Sen. Jenny Oropeza, D-Long Beach.

While her campaign heated up, Richardson's house slipped into default. Richardson fell behind on her mortgage payments as she loaned her Congressional campaign \$60,000 - money that has begun to be paid back to Richardson personally from her campaign account, according to records from the Center for Responsive Politics.

Richardson's opponent, Oropeza, loaned herself \$115,000 for her run against Richardson. Oropeza's Congressional committee still shows nearly \$200,000 in debt.

Richardson declined to comment for this story.

But tax records at the Sacramento County assessor's office show that in January 2007, Richardson took out a mortgage for the entire sale price of the house -- \$535,000. The mortgage amount was equal to the sale price of the home, meaning she was able to buy the house without a down payment, even though the housing market was beginning to turn.

A March 19, 2008 notice of trustee's sale indicates that the unpaid balance of Richardson's loan, which is held by Washington Mutual, is more than \$578,000 - \$40,000 more than the original mortgage.

The Curtis Park house is not Richardson's primary residence. She also owns a four-bedroom house in Long Beach, in her Congressional district. Real estate records show she purchased that house in 1999 for \$135,000. An estimate from Zillow.com puts the current value of that house at \$474,000

Like many homes that have gone through foreclosure, Richardson's new residence quickly became an eyesore. With Richardson gone, upkeep on the home lapsed, and neighbors began to get angry.

"The neighbors are extremely unhappy with her," said Sharon Helmar, who sold the home to Richardson. "She didn't mow the lawn or take out the garbage while she was there. We lived there for a long time, 30 years, and we had to hide our heads whenever we came back to the neighborhood."

Helmar and her husband, Mark, sold the Curtis Park home to Richardson because Sharon's arthritis required the couple to move into a one-story house. With the area's real estate market slowing down, the house remained on the market for months, and the Helmars, who lived in the house for more than 30 years, were getting desperate to sell.

Helmar said that she has never met Richardson personally, but dealt with Richardson through her realtor. The Helmars wound up giving Richardson \$15,000 toward closing costs, she said.

And she is still angry over what happened to a home that clearly she never really wanted to leave. "It's kind of silly. You would think people who are making decisions for others would be able to make good decisions for themselves," she said. "She should have known what she could afford and not afford. In this neighborhood, you just don't do that."

While Richardson walked away from her loan, she bested Oropeza in a June special election, and moved on to Congress. As a member of Congress, Richardson has been asked to vote on legislation pertaining to the spike in foreclosures around the country.

On the biggest pieces of legislation having to do with government bailouts for people whose homes have entered foreclosure, Richardson has recused herself. She did not vote on legislation by Rep. Barney Frank, D-Mass, which would direct \$2.7 billion in government funds to help an estimated 500,000 homeowners who are at risk of foreclosure.

Richardson also did not vote on a measure by Rep. Maxine Waters, D-Los Angeles, that would give local governments \$15 billion to purchase, rehab and resell foreclosed properties.

While Richardson walked away from her bank loan, she has begun to pay herself back for the money she personally invested in her initial race. Records show that Richardson spent \$587,000 out of her Congressional campaign committee since declaring her Congressional candidacy through March of this year. Of those expenditures, Richardson has spent \$18,000 of that money to begin repaying herself for the money Richardson loaned to her campaign.

According to documents at the Sacramento County Clerk's office , Richardson first received a default notice in late 2007. By December 2007, less than a year after Richardson purchased the house, she was behind in her payments by more than \$18,000.

Three months later, on March 19, a notice was filed with the county that Richardson's property would be sold at auction. According to the documents, the unpaid balance and other charges Richardson owed the bank was \$587,384.

From: Gaugl, Sara C.
</o=wamu/ou=sea/cn=recipients/cn=u192170>
To: Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>
Cc: Elias, Alan
</o=wamu/ou=sea/cn=recipients/cn=u62181494974884>; Battaglia,
Paul J. </o=wamu/ou=sea/cn=recipients/cn=u209440>; Cook, Don
</o=wamu/ou=sea/cn=recipients/cn=u578890>
Bcc:
Subject: Additional Richardson Coverage
Date: Mon Jun 02 2008 13:56:05 EDT
Attachments:

Jan -

As discussed on this morning's call, embedded below are links to articles that include comments made by both Mathews and Davis.

<http://latimesblogs.latimes.com/laland/2008/06/richardsons-oth.html>

<http://latimesblogs.latimes.com/laland/2008/05/richardson-oppo.html>

http://www.presstelegram.com/news/ci_9442767

<http://www.sfgate.com/cgi-bin/article.cgi?f=/n/a/2008/05/31/politics/p105208D12.DTL&type=politics>

Additionally, here are a few statements Congresswoman Richardson issued on Saturday rather than interviewing for the LA Times article:

* "As I noted in my statements earlier this week, due to multiple job changes, divorce, illness/death, and nine campaigns over the last ten years, these major life-changing moments have come at great personal expense and at challenging financial strain," Richardson said in a statement Saturday.

* "Instead of politicizing a personal housing crisis (two personal properties that are current and the third that is being challenged by my lender questioning the validity of its sale), I have been transparent with this matter and share with my constituents the anguish that the housing industry is in a severe crisis," Richardson said.

* (Other commentary) Richardson has acknowledged using her money to finance her campaigns and falling behind in mortgage payments. She claimed her Sacramento house was sold into foreclosure without her knowledge, contending she had renegotiated her loan to pay it off.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228.2822 ext. 2822
sara.gaugl@wamu.net

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In an interview Friday with the AP, York said he believes Washington Mutual's trustee rescinded the sale solely because Richardson is a member of Congress. He said the savings and loan would not have done that for an average person.

York said he tried to negotiate a settlement but was rebuffed.

"They rescinded the notice of trustee sale and put it back in her name before even telling me," he said. "It's not a difficult case. It's a valid sale."

A spokeswoman for Washington Mutual, Sara Gaugl, said the company would have no comment because Richardson had not authorized it to speak about her case.

Richardson, 46, was a member of the Long Beach City Council when she won the Assembly seat in November 2006, months before she bought the three-bedroom, 1 1/2-bath Sacramento home. She won the congressional seat the next year in a special election to replace the late Juanita Millender-McDonald.

Richardson has acknowledged turmoil in her life during the short time she went from the city council to the state Assembly to Congress. She said she used her own money to finance her campaigns and fell behind in mortgage and property tax payments.

A default notice sent in March put her unpaid balance on the 1,600-square-foot home at \$578,384.

Richardson's financial troubles appear to run deeper, however. The Long Beach Press-Telegram has reported that Richardson has two other homes in San Pedro and Long Beach that have fallen into default six times. Five of the defaults, totaling nearly \$71,000, occurred in the last 13 months.

The newspaper also reported that Richardson has a history of not paying other bills, including failure to pay for car repairs and campaign fliers.

The congresswoman told the AP she believed she had worked out a deal with Washington Mutual to renegotiate her loan on the Sacramento home and pay it off. She also said she intended to pay the nearly \$9,000 in delinquent property taxes.

In the notice of rescission filed as an exhibit in York's lawsuit, the trustee company acknowledges it "had previously agreed to postpone the foreclosure sale until June 4, 2008."

Meanwhile, York said in the lawsuit that he has already started making repairs to the house, including painting, restoring the floors, landscaping and general clean-up that have "significantly increased its value."

He argues it would be unfair to give the house back to Richardson in better condition than she lost it. The amount of money he has spent on the repairs was not specified.

Richardson makes nearly \$170,000 as a member of Congress and was paid \$113,000 during the eight months she served in the state Assembly in 2007 before her election to Congress. She also received a per diem total of \$20,000 from California, according to a financial disclosure form she filed with the House of Representatives clerk.

The home, built in 1926, is in Sacramento's Curtis Park, a desirable, upper middle-class neighborhood near downtown that sits under a canopy of decades-old trees.

Not long after getting to Congress, Richardson voted in favor of the Mortgage Forgiveness Debt Relief Act of 2007, which subsequently became law. It allows homeowners to escape paying income taxes on debts forgiven by a lender, as happens in foreclosure. She has said she would like to testify before Congress as someone victimized by the nation's mortgage crisis.

York notes in his lawsuit that the house now has a cloud over it-making it more difficult to sell if it is eventually returned to him.

"If I had known it was this congresswoman's house, I probably never would have bought it," York said in the telephone interview.

Associated Press Writer Erica Werner in Washington, D.C., contributed to this report.

<http://ap.google.com/article/ALeqM5gjl2vKwhu_mgDQ86mfxohh6oU2gQD919J2OG0>

http://ap.google.com/article/ALeqM5gjl2vKwhu_mgDQ86mfxohh6oU2gQD919J2OG0

Buyer sues Calif. congresswoman over foreclosure

By JULIET WILLIAMS - 18 hours ago

SACRAMENTO, Calif. (AP) - An investor who bought a congresswoman's foreclosed home filed a lawsuit against the legislator and her bank for rescinding the sale.

James York had purchased the home at auction in May for \$388,000 after Rep. Laura Richardson failed to make her mortgage payments. He claims Richardson used her influence as a congresswoman to force Washington Mutual Inc. and a subsidiary to later back out of the sale.

"They rescinded the notice of trustee sale and put it back in her name before even telling me," York said. "It's not a difficult case. It's a valid sale."

His lawsuit in Sacramento County Superior Court seeks to have the house returned to him, as well as punitive damages and costs.

Richardson, a Democrat from Long Beach, bought the house in January 2007 for \$535,000. She previously told The Associated Press that it was sold without her knowledge and after the bank agreed to delay action.

The lawsuit was served to the defendants Friday.

Richardson's spokesman, William Marshall, said the congresswoman had not seen it and declined to comment. A spokeswoman for Washington Mutual, Sara Gaugl, said the company would have no comment because Richardson had not authorized it to speak about her case.

From: Baptista, Geri Ann S.
Sent: Fri 06/13/2008 10:13 AM
To: Gaugl, Sara C.; Strom, Erik E.; Owen, Jan L.; Battaglia, Paul J.; Elias, Alan; Cook, Don; Thorn, Ann
Subject: Richardson liability report and comment to senior Democrat

<<http://thehill.com/leading-the-news/richardson-mum-in-the-face-of-mounting-pressure-2008-06-13.html>>

Richardson mum in the face of mounting pressure

By Jared Allen

Posted: 06/13/08 11:50 AM [ET]

Embattled Rep. Laura Richardson (D-Calif.) remained mum on Friday following more news about her personal housing crisis and a warning from House Speaker Nancy Pelosi (D-Calif.) to put her fiscal house back in order.

Richardson, who has dodged repeated calls for information regarding her multiple defaults on three home mortgages and her financial disclosure reports, failed to report a heavily indebted mortgage on her initial 2007 financial statement.

Official financial reports for House members will be released on Monday, and it remains to be seen if Richardson's official report will have been amended from the one she previously filed.

However, Pelosi issued a warning to Richardson on Thursday that she risks whatever repercussions may come from failing to disclose her assets and liabilities to the letter of the law.

"Every member of Congress is responsible for living up to the highest ethical standard, to having the fullest disclosure of his or her assets, as is required by law," Pelosi said at her weekly news conference. "And many people in our country are caught in a foreclosure crisis. Members of Congress maybe are as well."

After falling too far behind on mortgage payments on a home she purchased in Sacramento in January 2007, Richardson was forced to watch the home sold at auction last month.

In the aftermath, it was revealed that Richardson has defaulted on mortgages for three California homes since 1999.

According to records pulled from Los Angeles and Sacramento counties, Richardson has defaulted five separate times on her primary residence in Long Beach, a home she purchased in 1999 and refinanced in the summer of 2006 for a new \$446,250 mortgage.

The prior summer, Richardson took out a loan from Wells Fargo, in the amount of \$359,000, to purchase a second home in San Pedro.

After defaulting twice - in September 2007 and again in January - and owing \$367,436 on an original loan of \$359,000, Richardson received notice from her lender in April that her San Pedro home was going to be sold at auction. According to reports, that auction is scheduled for July 14.

But it is Richardson's Sacramento home that has garnered the most attention, and places her in the most immediate risk as a member of Congress who is bound by federal law to disclose certain assets and liabilities.

According to Richardson's 2007 financial disclosure statement - which she filed in February - she failed to report her Sacramento home mortgage as a liability even though she owed \$40,000 more than she paid for the home, which was purchased in January of that year.

By the end of 2007 - which marks the end of the 2007 financial disclosure reporting period - Richardson had accumulated \$575,000 in total debt after failing to make payments on her original \$535,000 mortgage, according to Sacramento County records.

Financial disclosure laws require members of Congress to report home mortgages as liabilities if indebtedness exceeds the purchase prices of the item, and congressional ethics and finance experts have said that, on a plain reading of the law, Richardson was required to disclose such an indebted mortgage as a liability.

Under the section of the report for liabilities, Richardson simply lists, "N/A."

A senior House Democrat close to leadership on Thursday afternoon said he had spoken to Richardson about the matter and she had assured him that, with regard to her Sacramento home, the "bank screwed up."

On Wednesday the Los Angeles Times reported that James York, the real estate investor who bought Richardson's Sacramento home at a May 7 auction for \$388,000, is now claiming that Richardson's lender, Washington Mutual, reclaimed the property on behalf of Richardson. York had recorded the deed on May 19 and had begun renovations, the Times reported.

"They took the property back, and they didn't even send back the money," York was quoted in the Times. "It's clear what's happening is Ms. Richardson is abusing her political power and using it for her own political needs."

Geri Ann S. Baptista - VP, WaMu Corporate Communications

206.500.2875 direct | 206.612-- bell | 206.377.2023 fax | geriann.baptista@wamu.net

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Sent: Thursday, June 12, 2008 2:15 PM
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Subject: RE: Pelosi comments on Laura Richardson defaults
Sensitivity: Confidential

Thanks for forwarding, Geri Ann.

Team, FYI below.

Sara Gaugl

Home Loans Public Relations

WaMu

1301 Second Avenue | WMC40 | Seattle WA 98101

206.500.2822 direct | 206.228-- cell

sara.gaugl@wamu.net

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Subject: Pelosi comments on Laura Richardson defaults
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Pelosi comments on Laura Richardson defaults

By Erica Werner The Associated Press

<http://www.dailybreeze.com/ci_9564107>

WASHINGTON - House Speaker Nancy Pelosi, asked Thursday about fellow California Democratic Rep. Laura Richardson's multiple home defaults, said that "every member of Congress is responsible for living up to the highest ethical standards."

Pelosi said she was not familiar with the details of the controversy surrounding Richardson, who won a special election last year to replace the late Rep. Juanita Millender-McDonald in the 37th Congressional District in Long Beach.

But every lawmaker must make "the fullest disclosure of his or her assets as is required by law," Pelosi said.

"Many people in our country are caught in the foreclosure crisis. Members of Congress maybe are as well," she added.

Late last month reports emerged that Richardson, a former state Assemblywoman and member of the Long Beach City Council, had lost her Sacramento home to foreclosure and has two other homes in Southern California that have fallen into default six times.

Last week the Long Beach Press-Telegram reported that Richardson had also left car repair bills unpaid.

Richardson easily won her Democratic primary June 3 and is running unopposed in the November general election, although at least one of her Democratic primary opponents is making plans to challenge her as a write-in candidate.

Richardson defended herself after the first reports of the foreclosure on her Sacramento home, saying it never should have happened and she'd worked out a deal with her lender to buy it back. However the purchaser of the property, James York of Red Rock Mortgage in Sacramento, complained in published reports this week that Richardson had been given favorable terms because she's a congresswoman and that he planned to sue over the issue.

Richardson's spokesman, William Marshall, had no immediate comment Thursday.

California Assembly Speaker Karen Bass, D-Los Angeles, also addressed the Richardson situation Thursday during a visit to Washington. Bass and other Assembly leaders had endorsed Richardson's congressional bid but Bass told reporters she'd had no idea about Richardson's financial issues.

Richardson had a quick rise in politics, moving from the Long Beach City Council to a state Assembly seat in 2006 and to Congress the next year.

"Given the rapid pace of all of that I can understand the financial difficulties, but now more is coming out," Bass said. She said she'd hoped while in Washington to talk to Richardson about the situation but hadn't had the opportunity.

Geri Ann S. Baptista, VP

Corporate Communications

Washington Mutual
1301 Second Avenue, WMC2103
Seattle, WA 98101

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geriann.baptista@wamu.net

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From: Gaugl, Sara C.
</o=wamu/ou=sea/cn=recipients/cn=u192170>
To: Baptista, Geri Ann S.
</o=wamu/ou=sea/cn=recipients/cn=u255251>; Strom, Erik E.
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A. </o=wamu/ou=sea/cn=recipients/cn=u972031>
Cc:
Bcc:
Subject: Coverage on Richardson Loan Terms
Date: Sat Jun 14 2008 19:30:26 EDT
Attachments:

FYI.

Richardson's loan was subprime - Press Telegram (Long Beach)

By Gene Maddaus, Staff Writer

Rep. Laura Richardson took out a subprime loan to buy her Sacramento house, suggesting she probably was a poor credit risk even before her recent string of loan defaults.

Richardson, D-Long Beach, has defaulted on all three of her homes, and lost the one in Sacramento in a foreclosure auction. She is now engaged in a legal battle with the new owner of the home, after her lender, Washington Mutual Bank, filed to rescind the sale.

James York, owner of Red Rock Mortgage Inc., filed a lawsuit on Thursday against Richardson and Washington Mutual, contesting the foreclosure rescission.

Included in the suit was Richardson's deed of trust, which contains the terms of her home loan. The no-money-down loan was issued for \$535,000 in January 2007. It was adjustable after two years, with an introductory rate of 8.8 percent.

"That's a subprime loan," said Jon Nastro, a real estate broker in nearby Elk Grove. "Those are the ones we're taking back now."

Richardson previously declined to disclose her loan terms.

The average prime mortgage rate at the time was 6.22 percent, according to Freddie Mac.

Without further information, it is difficult to tell whether Richardson's subprime loan terms were the result of a poor credit history, lack of income documentation, or both.

Richardson was an assemblywoman at the time the loan was issued, with an annual salary of \$113,000. She also collected \$28,365 in per diem for living expenses in Sacramento during the nine months she served in the Legislature. She now earns \$169,300 as a member of Congress and rents an apartment in Washington, D.C.

Before her election in 2006, Richardson earned \$80,000 as a legislative director for Lt. Gov. Cruz Bustamante and \$28,000 as a Long Beach city councilwoman, according to a congressional financial disclosure form.

Richardson also owns two homes in San Pedro and Long Beach. In 2006, she took out an equity loan against the Long Beach home to finance her run for the Legislature.

Richardson has defaulted at least eight times on the three properties since 2004 - six times in the last 14 months. She had also failed to pay smaller debts to a mechanic and a printing shop until reporters began inquiring about them.

Richardson's staffers were unavailable for comment on Friday.

From: Baptista, Geri Ann S.
Sent: Sat 06/14/2008 2:22 PM
To: Gaugl, Sara C.; Strom, Erik E.; Owen, Jan L.; Battaglia, Paul J.; Elias, Alan; Cook, Don; Thorn, Ann; Potashnick, Barbara A.
Subject: Coverage on Richardson Lawsuit

San Jose Mercury News and AP stories (AP story picked up by some online syndication outlets).

<http://www.mercurynews.com/breakingnews/ci_9579869?nclick_check=1>

Buyer sues Calif. congresswoman over foreclosure

By JULIET WILLIAMS Associated Press Writer
Article Launched: 06/13/2008 05:40:18 PM PDT

SACRAMENTO-A Sacramento investor who bought the foreclosed home of Rep. Laura Richardson has filed a lawsuit against the congresswoman and her bank for rescinding the sale.

James York claims Richardson used her influence as a congresswoman to force Washington Mutual Inc. and a subsidiary to back out of the sale.

York, who operates Red Rock Mortgage Inc., bought the foreclosed home in an upper-middle class Sacramento neighborhood at auction in May for \$388,000 after Richardson failed to make her mortgage payments.

In the lawsuit filed in Sacramento County Superior Court, York is seeking to have the house returned to him, as well as punitive damages and costs. He also claims the bank acted with malice after the legitimate sale of the house.

The Associated Press obtained a copy of his lawsuit on Friday, the day the defendants were served.

Richardson, a Democrat from Long Beach, previously told the AP that the house was sold without her knowledge and after the bank agreed to hold off on any action until at least June.

She bought the house in January 2007 for \$535,000, a few months after she was elected to the state Assembly. She took out an adjustable-rate mortgage with an interest rate that could vary between 8.8 percent and 14 percent, according to documents filed with York's lawsuit.

Richardson's spokesman, William Marshall, said the congresswoman had not been notified of the lawsuit. He declined further comment.

In an interview Friday with the AP, York said he believes Washington Mutual's trustee rescinded the sale solely because Richardson is a member of Congress. He said the savings and loan would not have done that for an average person.

York said he tried to negotiate a settlement but was rebuffed.

"They rescinded the notice of trustee sale and put it back in her name before even telling me," he said. "It's not a difficult case. It's a valid sale."

A spokeswoman for Washington Mutual, Sara Gaugl, said the company would have no comment because Richardson had not authorized it to speak about her case.

Richardson, 46, was a member of the Long Beach City Council when she won the Assembly seat in November 2006, months before she bought the three-bedroom, 1 1/2-bath Sacramento home. She won the congressional seat the next year in a special election to replace the late Juanita Millender-McDonald.

Richardson has acknowledged turmoil in her life during the short time she went from the city council to the state Assembly to Congress. She said she used her own money to finance her campaigns and fell behind in mortgage and property tax payments.

A default notice sent in March put her unpaid balance on the 1,600-square-foot home at \$578,384.

Richardson's financial troubles appear to run deeper, however. The Long Beach Press-Telegram has reported that Richardson has two other homes in San Pedro and Long Beach that have fallen into default six times. Five of the defaults, totaling nearly \$71,000, occurred in the last 13 months.

The newspaper also reported that Richardson has a history of not paying other bills, including failure to pay for car repairs and campaign fliers.

The congresswoman told the AP she believed she had worked out a deal with Washington Mutual to renegotiate her loan on the Sacramento home and pay it off. She also said she intended to pay the nearly \$9,000 in delinquent property taxes.

In the notice of rescission filed as an exhibit in York's lawsuit, the trustee company acknowledges it "had previously agreed to postpone the foreclosure sale until June 4, 2008."

Meanwhile, York said in the lawsuit that he has already started making repairs to the house, including painting, restoring the floors, landscaping and general clean-up that have "significantly increased its value."

He argues it would be unfair to give the house back to Richardson in better condition than she lost it. The amount of money he has spent on the repairs was not specified.

Richardson makes nearly \$170,000 as a member of Congress and was paid \$113,000 during the eight months she served in the state Assembly in 2007 before her election to Congress. She also received a per diem total of \$20,000 from California, according to a financial disclosure form she filed with the House of Representatives clerk.

The home, built in 1926, is in Sacramento's Curtis Park, a desirable, upper middle-class neighborhood near downtown that sits under a canopy of decades-old trees.

Not long after getting to Congress, Richardson voted in favor of the Mortgage Forgiveness Debt Relief Act of 2007, which subsequently became law. It allows homeowners to escape paying income taxes on debts forgiven by a lender, as happens in foreclosure. She has said she would like to testify before Congress as someone victimized by the nation's mortgage crisis.

York notes in his lawsuit that the house now has a cloud over it-making it more difficult to sell if it is eventually returned to him.

"If I had known it was this congresswoman's house, I probably never would have bought it," York said in the telephone interview.

Associated Press Writer Erica Werner in Washington, D.C., contributed to this report.

<http://ap.google.com/article/ALeqM5gjl2vKwhu_mgDQ86mfxohh6oU2gQD919J2OG0>

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By JULIET WILLIAMS - 18 hours ago

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Posted: 06/13/08 11:50 AM [ET]
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Subject: RE: Pelosi comments on Laura Richardson defaults
Sensitivity: Confidential

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Sara Gaugl

Home Loans Public Relations

WaMu

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Pelosi comments on Laura Richardson defaults

By Erica Werner The Associated Press

<http://www.dailybreeze.com/ci_9564107>

WASHINGTON - House Speaker Nancy Pelosi, asked Thursday about fellow California Democratic Rep. Laura Richardson's multiple home defaults, said that "every member of Congress is responsible for living up to the highest ethical standards."

Pelosi said she was not familiar with the details of the controversy surrounding Richardson, who won a special election last year to replace the late Rep. Juanita Millender-McDonald in the 37th Congressional District in Long Beach.

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Richardson had a quick rise in politics, moving from the Long Beach City Council to a state Assembly seat in 2006 and to Congress the next year.

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Washington Mutual
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Seattle, WA 98101

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geriann.baptista@wamu.net

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To: Carey.Brennan@.wamu.net
<carey.brennan@.wamu.net>
Cc:
Bcc:
Subject: Undeliverable: Re: Coverage on Richardson Lawsuit
Date: Sat Jun 14 2008 18:40:12 EDT
Attachments: EAS

Attachments:
Re: Coverage on Richardson Lawsuit (9774 Bytes)

Document ID: 0.7.1015.43535

Attachment Name: EAS

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Page 108 of 181

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</o=wamu/ou=sea/cn=recipients/cn=u192170>
To: Thorn, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>; Woodcock, Wendy A.
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</o=wamu/ou=sea/cn=recipients/cn=u209440>
Cc:
Bcc:
Subject: Richardson Coverage: Wells Fargo
Date: Thu Jun 05 2008 19:26:18 EDT
Attachments:

FYI, below re: Wells Fargo loan.

<http://www.pressetelegram.com/ci_9366009>

Richardson, D-Long Beach, was able to bring her payments up to date on the Long Beach home relatively quickly, but the San Pedro property lingered in the foreclosure process for almost eight months, and still has a pending auction date. County records indicate that the San Pedro home went into default in September 2007, at which point Richardson was behind on her payments by \$12,410.71, and had made no payments since June. A notice of trustee sale was issued on April 17, and an auction was scheduled for May 14 on the courthouse steps in Norwalk. The outstanding loan balance was \$367,436, on an original 2005 loan of \$359,000.

However, the auction was put on hold.

Richardson produced records from Wells Fargo Bank, which holds the note on her San Pedro home. That document, dated March 21, indicated that Richardson had qualified for a loan modification that would prevent the foreclosure from going forward.

Cal Western Reconveyance Corp., which was responsible for collecting the debt, confirmed that a hold had been placed on the auction, and the auction date had been postponed to July 14, pending a workout of the loan.

<<http://thehill.com/leading-the-news/mortgage-non-disclosure-is-trouble-for-richardson-2008-06-02.html>>

In September of that year, Richardson also let her San Pedro home slip into default when she fell \$12,410 behind on her payments.

In January 2008 Richardson defaulted on the San Pedro home a second time, and in April - with Richardson owing \$367,436 on an original loan of \$359,000 - Wells Fargo Bank issued a notice of trustee sale of the home. Records indicate that the home is still scheduled to be sold at a July 14 auction.

Sara Gaugl

Home Loans Public Relations

WaMu

1301 Second Avenue | WMC401 Seattle WA 98101

206.500.2822 direct | 206.228. cell

sara.gaugl@wamu.net

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1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | ☐ ≡ ≡ ≡ ≡ ☐
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From: Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>
To: Baptista, Geri Ann S.
</o=wamu/ou=sea/cn=recipients/cn=u255251>; Gaugl, Sara C.
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</o=wamu/ou=sea/cn=recipients/cn=u604980>
Cc:
Bcc:
Subject: RE: Richardson Disclosure
Date: Mon Jun 16 2008 17:04:13 EDT
Attachments:

So, do we think having our calls again are in order? I can set them up- let me know. Thanks, Jan

Jan Lynn Owen
First Vice President
State and Local Government and Industry Relations Manager
801 K Street Suite 110
Sacramento, CA 95814
916-553-4961
916-325-4717 fax
jan.owen@wamu.net

From: Baptista, Geri Ann S.
Sent: Monday, June 16, 2008 1:56 PM
To: Strom, Erik E.; Owen, Jan L.
Cc: Gaugl, Sara C.
Subject: Richardson Disclosure
Sensitivity: Confidential

June 16, 2008, 3:34 pm

Disclosure Offers No Insight on Lawmaker's Home Woes

Sarah Lueck reports on Congress.

Trackback URL: <<http://blogs.wsj.com/washwire/2008/06/16/disclosure-offers-no-insight-on-lawmakers-home-woes/trackback/>>

House members' annual financial-disclosure forms were released Monday, but the one submitted by California Democratic Rep. Laura Richardson provided no information about her recent mortgage woes.

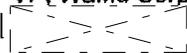
Multiple accounts have been reported recently <<http://www.latimes.com/news/local/politics/cal/la-me-richardson11-2008jun11,0,3078049.story>> on Richardson's financial troubles, which includes a foreclosure on one of her California homes and defaults on two others.

On the section labeled "Liabilities," Richardson's form says only "N/A." There's no mention of the balance of \$578,384 that Richardson reportedly owes on a Sacramento home she purchased in January 2007. It recently was sold at auction to a mortgage lender for \$388,000, according to the Associated Press.

Members of Congress are not required to report mortgages on their residences, unless the property is the source of rental or investment income. They are, however, required to disclose a mortgage debt or other type of loan when it exceeds the purchase price of the item.

Richardson's form is dated May 19 and covers calendar year 2007. She is among dozens of lawmakers who requested extra time to file information on their assets, debts, travel and income-possibly a sign that more details are on the way. Her new deadline is Monday, June 16. A spokesman didn't immediately return calls for comment.

Richardson told the AP in a May interview that her financial trouble was partly the result of using her own money for her recent run for her House seat. She said she renegotiated her loan and will pay it off, along with nearly \$9,000 in delinquent property taxes. "I'm a single woman who had four employment changes in less than four months," Richardson told the AP. "I had to figure out just like every other American how I could restructure the obligations that I had with the income I had."

Gerri Ann S. Baptista - VP, WaMu Corporate Communications
206.500.2875 direct |  | 206.377.2023 fax | geriann.baptista@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gaugl, Sara C.
Sent: Saturday, June 14, 2008 4:30 PM
To: Baptista, Geri Ann S.; Strom, Erik E.; Owen, Jan L.; Battaglia, Paul J.; Elias, Alan; Cook, Don; Thorn, Ann; Potashnick, Barbara A.
Subject: Coverage on Richardson Loan Terms
Sensitivity: Confidential

FYI.

Richardson's loan was subprime - Press Telegram (Long Beach)

By Gene Maddaus, Staff Writer

Rep. Laura Richardson took out a subprime loan to buy her Sacramento house, suggesting she probably was a poor credit risk even before her recent string of loan defaults.

Richardson, D-Long Beach, has defaulted on all three of her homes, and lost the one in Sacramento in a foreclosure auction. She is now engaged in a legal battle with the new owner of the home, after her lender, Washington Mutual Bank, filed to rescind the sale.

James York, owner of Red Rock Mortgage Inc., filed a lawsuit on Thursday against Richardson and Washington Mutual, contesting the foreclosure rescission.

Included in the suit was Richardson's deed of trust, which contains the terms of her home loan. The no-money-down loan was issued for \$535,000 in January 2007. It was adjustable after two years, with an introductory rate of 8.8 percent.

"That's a subprime loan," said Jon Nastro, a real estate broker in nearby Elk Grove. "Those are the ones we're taking back now."

Richardson previously declined to disclose her loan terms.

The average prime mortgage rate at the time was 6.22 percent, according to Freddie Mac.

Without further information, it is difficult to tell whether Richardson's subprime loan terms were the result of a poor credit history, lack of income documentation, or both.

Richardson was an assemblywoman at the time the loan was issued, with an annual salary of \$113,000. She also collected \$28,365 in per diem for living expenses in Sacramento during the nine months she served in the Legislature. She now earns \$169,300 as a member of Congress and rents an apartment in Washington, D.C.

Before her election in 2006, Richardson earned \$80,000 as a legislative director for Lt. Gov. Cruz Bustamante and \$28,000 as a Long Beach city councilwoman, according to a congressional financial disclosure form.

Richardson also owns two homes in San Pedro and Long Beach. In 2006, she took out an equity loan

against the Long Beach home to finance her run for the Legislature.

Richardson has defaulted at least eight times on the three properties since 2004 - six times in the last 14 months. She had also failed to pay smaller debts to a mechanic and a printing shop until reporters began inquiring about them.

Richardson's staffers were unavailable for comment on Friday.

From: Baptista, Geri Ann S.
Sent: Sat 06/14/2008 2:22 PM
To: Gaugl, Sara C.; Strom, Erik E.; Owen, Jan L.; Battaglia, Paul J.; Elias, Alan; Cook, Don; Thorn, Ann; Potashnick, Barbara A.
Subject: Coverage on Richardson Lawsuit

San Jose Mercury News and AP stories (AP story picked up by some online syndication outlets).

<http://www.mercurynews.com/breakingnews/cj_9579869?nclick_check=1>

Buyer sues Calif. congresswoman over foreclosure

By JULIET WILLIAMS Associated Press Writer

Article Launched: 06/13/2008 05:40:18 PM PDT

SACRAMENTO-A Sacramento investor who bought the foreclosed home of Rep. Laura Richardson has filed a lawsuit against the congresswoman and her bank for rescinding the sale.

James York claims Richardson used her influence as a congresswoman to force Washington Mutual Inc. and a subsidiary to back out of the sale.

York, who operates Red Rock Mortgage Inc., bought the foreclosed home in an upper-middle class Sacramento neighborhood at auction in May for \$388,000 after Richardson failed to make her mortgage payments.

In the lawsuit filed in Sacramento County Superior Court, York is seeking to have the house returned to him, as well as punitive damages and costs. He also claims the bank acted with malice after the legitimate sale of the house.

The Associated Press obtained a copy of his lawsuit on Friday, the day the defendants were served.

Richardson, a Democrat from Long Beach, previously told the AP that the house was sold without her knowledge and after the bank agreed to hold off on any action until at least June.

She bought the house in January 2007 for \$535,000, a few months after she was elected to the state Assembly. She took out an adjustable-rate mortgage with an interest rate that could vary between 8.8 percent and 14 percent, according to documents filed with York's lawsuit.

Richardson's spokesman, William Marshall, said the congresswoman had not been notified of the lawsuit. He declined further comment.

In an interview Friday with the AP, York said he believes Washington Mutual's trustee rescinded the sale solely because Richardson is a member of Congress. He said the savings and loan would not have done that for an average person.

York said he tried to negotiate a settlement but was rebuffed.

"They rescinded the notice of trustee sale and put it back in her name before even telling me," he said. "It's not a difficult case. It's a valid sale."

A spokeswoman for Washington Mutual, Sara Gaugi, said the company would have no comment because Richardson had not authorized it to speak about her case.

Richardson, 46, was a member of the Long Beach City Council when she won the Assembly seat in November 2006, months before she bought the three-bedroom, 1 1/2-bath Sacramento home. She won the congressional seat the next year in a special election to replace the late Juanita Millender-McDonald.

Richardson has acknowledged turmoil in her life during the short time she went from the city council to the state Assembly to Congress. She said she used her own money to finance her campaigns and fell behind in mortgage and property tax payments.

A default notice sent in March put her unpaid balance on the 1,600-square-foot home at \$578,384.

Richardson's financial troubles appear to run deeper, however. The Long Beach Press-Telegram has reported that Richardson has two other homes in San Pedro and Long Beach that have fallen into default six times. Five of the defaults, totaling nearly \$71,000, occurred in the last 13 months.

The newspaper also reported that Richardson has a history of not paying other bills, including failure to pay for car repairs and campaign filers.

The congresswoman told the AP she believed she had worked out a deal with Washington Mutual to renegotiate her loan on the Sacramento home and pay it off. She also said she intended to pay the nearly \$9,000 in delinquent property taxes.

In the notice of rescission filed as an exhibit in York's lawsuit, the trustee company acknowledges it "had previously agreed to postpone the foreclosure sale until June 4, 2008."

Meanwhile, York said in the lawsuit that he has already started making repairs to the house, including painting, restoring the floors, landscaping and general clean-up that have "significantly increased its value."

He argues it would be unfair to give the house back to Richardson in better condition than she lost it. The amount of money he has spent on the repairs was not specified.

Richardson makes nearly \$170,000 as a member of Congress and was paid \$113,000 during the eight months she served in the state Assembly in 2007 before her election to Congress. She also received a per diem total of \$20,000 from California, according to a financial disclosure form she filed with the House of Representatives clerk.

The home, built in 1926, is in Sacramento's Curtis Park, a desirable, upper middle-class neighborhood near downtown that sits under a canopy of decades-old trees.

Not long after getting to Congress, Richardson voted in favor of the Mortgage Forgiveness Debt Relief Act of 2007, which subsequently became law. It allows homeowners to escape paying income taxes on debts forgiven by a lender, as happens in foreclosure. She has said she would like to testify before Congress as someone victimized by the nation's mortgage crisis.

York notes in his lawsuit that the house now has a cloud over it-making it more difficult to sell if it is eventually returned to him.

"If I had known it was this congresswoman's house, I probably never would have bought it," York said in the telephone interview.

Associated Press Writer Erica Werner in Washington, D.C., contributed to this report.

<http://ap.google.com/article/ALeqM5gjl2vKwhu_mgDQ86mfxohh6oU2gQD919J2OG0>

--- <http://ap.google.com/article/ALeqM5gjl2vKwhu_mgDQ86mfxohh6oU2gQD919J2OG0>

<http://ap.google.com/article/ALeqM5gjl2vKwhu_mgDQ86mfxohh6oU2gQD919J2OG0>

Buyer sues Calif. congresswoman over foreclosure

By JULIET WILLIAMS - 18 hours ago

SACRAMENTO, Calif. (AP) - An investor who bought a congresswoman's foreclosed home filed a lawsuit against the legislator and her bank for rescinding the sale.

James York had purchased the home at auction in May for \$388,000 after Rep. Laura Richardson failed to make her mortgage payments. He claims Richardson used her influence as a congresswoman to force Washington Mutual Inc. and a subsidiary to later back out of the sale.

"They rescinded the notice of trustee sale and put it back in her name before even telling me," York said. "It's not a difficult case. It's a valid sale."

His lawsuit in Sacramento County Superior Court seeks to have the house returned to him, as well as punitive damages and costs.

Richardson, a Democrat from Long Beach, bought the house in January 2007 for \$535,000. She previously told The Associated Press that it was sold without her knowledge and after the bank agreed to delay action.

The lawsuit was served to the defendants Friday.

Richardson's spokesman, William Marshall, said the congresswoman had not seen it and declined to comment. A spokeswoman for Washington Mutual, Sara Gaugi, said the company would have no comment because Richardson had not authorized it to speak about her case.

From: Baptista, Geri Ann S.

Sent: Fri 06/13/2008 10:13 AM

To: Gaugi, Sara C.; Strom, Erik E.; Owen, Jan L.; Battaglia, Paul J.; Elias, Aian; Cook, Don; Thorn, Ann

Subject: Richardson liability report and comment to senior Democrat

<<http://thehill.com/leading-the-news/richardson-mum-in-the-face-of-mounting-pressure-2008-06-13>.

html>

Richardson mum in the face of mounting pressure

By Jared Allen

Posted: 06/13/08 11:50 AM [ET]

Embattled Rep. Laura Richardson (D-Calif.) remained mum on Friday following more news about her personal housing crisis and a warning from House Speaker Nancy Pelosi (D-Calif.) to put her fiscal house back in order.

Richardson, who has dodged repeated calls for information regarding her multiple defaults on three home mortgages and her financial disclosure reports, failed to report a heavily indebted mortgage on her initial 2007 financial statement.

Official financial reports for House members will be released on Monday, and it remains to be seen if Richardson's official report will have been amended from the one she previously filed.

However, Pelosi issued a warning to Richardson on Thursday that she risks whatever repercussions may come from failing to disclose her assets and liabilities to the letter of the law.

"Every member of Congress is responsible for living up to the highest ethical standard, to having the fullest disclosure of his or her assets, as is required by law," Pelosi said at her weekly news conference. "And many people in our country are caught in a foreclosure crisis. Members of Congress maybe are as well."

After falling too far behind on mortgage payments on a home she purchased in Sacramento in January 2007, Richardson was forced to watch the home sold at auction last month.

In the aftermath, it was revealed that Richardson has defaulted on mortgages for three California homes since 1999.

According to records pulled from Los Angeles and Sacramento counties, Richardson has defaulted five separate times on her primary residence in Long Beach, a home she purchased in 1999 and refinanced in the summer of 2006 for a new \$446,250 mortgage.

The prior summer, Richardson took out a loan from Wells Fargo, in the amount of \$359,000, to purchase a second home in San Pedro.

After defaulting twice - in September 2007 and again in January - and owing \$367,436 on an original loan of \$359,000, Richardson received notice from her lender in April that her San Pedro home was going to be sold at auction. According to reports, that auction is scheduled for July 14.

But it is Richardson's Sacramento home that has garnered the most attention, and places her in the most immediate risk as a member of Congress who is bound by federal law to disclose certain assets and liabilities.

According to Richardson's 2007 financial disclosure statement - which she filed in February - she failed to report her Sacramento home mortgage as a liability even though she owed \$40,000 more than she paid for the home, which was purchased in January of that year.

By the end of 2007 - which marks the end of the 2007 financial disclosure reporting period - Richardson had accumulated \$575,000 in total debt after failing to make payments on her original \$535,000 mortgage, according to Sacramento County records.

Financial disclosure laws require members of Congress to report home mortgages as liabilities if indebtedness exceeds the purchase prices of the item, and congressional ethics and finance experts

have said that, on a plain reading of the law, Richardson was required to disclose such an indebted mortgage as a liability.

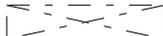
Under the section of the report for liabilities, Richardson simply lists, "N/A."

A senior House Democrat close to leadership on Thursday afternoon said he had spoken to Richardson about the matter and she had assured him that, with regard to her Sacramento home, the "bank screwed up."

On Wednesday the Los Angeles Times reported that James York, the real estate investor who bought Richardson's Sacramento home at a May 7 auction for \$388,000, is now claiming that Richardson's lender, Washington Mutual, reclaimed the property on behalf of Richardson. York had recorded the deed on May 19 and had begun renovations, the Times reported.

"They took the property back, and they didn't even send back the money," York was quoted in the Times. "It's clear what's happening is Ms. Richardson is abusing her political power and using it for her own political needs."

Gerri Ann S. Baptista - VP, WaMu Corporate Communications

206.500.2875 direct |  cell | 206.377.2023 fax | gerriann.baptista@wamu.net

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From: Gaugl, Sara C.

Sent: Thursday, June 12, 2008 2:15 PM

To: Baptista, Geri Ann S.; Strom, Erik E.; Owen, Jan L.; Battaglia, Paul J.; Elias, Alan; Cook, Don; Thorn, Ann

Subject: RE: Pelosi comments on Laura Richardson defaults

Sensitivity: Confidential

Thanks for forwarding, Geri Ann.

Team, FYI below.

Sara Gaugl

Home Loans Public Relations

WaMu

1301 Second Avenue | WMC40 | Seattle WA 98101

206.500.2822 direct | 206.228  cell

sara.gaugl@wamu.net

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From: Baptista, Geri Ann S.

Sent: Thursday, June 12, 2008 1:20 PM
To: Gaugl, Sara C.; Strom, Erik E.
Subject: Pelosi comments on Laura Richardson defaults
Sensitivity: Confidential

Pelosi comments on Laura Richardson defaults

By Erica Werner The Associated Press

<http://www.dailybreeze.com/ci_9564107>

WASHINGTON - House Speaker Nancy Pelosi, asked Thursday about fellow California Democratic Rep. Laura Richardson's multiple home defaults, said that "every member of Congress is responsible for living up to the highest ethical standards."

Pelosi said she was not familiar with the details of the controversy surrounding Richardson, who won a special election last year to replace the late Rep. Juanita Millender-McDonald in the 37th Congressional District in Long Beach.

But every lawmaker must make "the fullest disclosure of his or her assets as is required by law," Pelosi said.

"Many people in our country are caught in the foreclosure crisis. Members of Congress maybe are as well," she added.

Late last month reports emerged that Richardson, a former state Assemblywoman and member of the Long Beach City Council, had lost her Sacramento home to foreclosure and has two other homes in Southern California that have fallen into default six times.

Last week the Long Beach Press-Telegram reported that Richardson had also left car repair bills unpaid.

Richardson easily won her Democratic primary June 3 and is running unopposed in the November general election, although at least one of her Democratic primary opponents is making plans to challenge her as a write-in candidate.

Richardson defended herself after the first reports of the foreclosure on her Sacramento home, saying it never should have happened and she'd worked out a deal with her lender to buy it back. However the purchaser of the property, James York of Red Rock Mortgage in Sacramento, complained in published reports this week that Richardson had been given favorable terms because she's a congresswoman and that he planned to sue over the issue.

Richardson's spokesman, William Marshall, had no immediate comment Thursday.

California Assembly Speaker Karen Bass, D-Los Angeles, also addressed the Richardson situation Thursday during a visit to Washington. Bass and other Assembly leaders had endorsed Richardson's congressional bid but Bass told reporters she'd had no idea about Richardson's financial issues.

Richardson had a quick rise in politics, moving from the Long Beach City Council to a state Assembly seat in 2006 and to Congress the next year.

"Given the rapid pace of all of that I can understand the financial difficulties, but now more is coming out," Bass said. She said she'd hoped while in Washington to talk to Richardson about the situation but hadn't had the opportunity.

Geri Ann S. Baptista, VP

Corporate Communications

Washington Mutual
1301 Second Avenue, WMC2103
Seattle, WA 98101

206.500.2875 direct, 206.377.2023 fax
geriann.baptista@wamu.net

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Document ID: WAMU-01544470

From: Thorn, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>
To: Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>; Cook, Don
</o=wamu/ou=sea/cn=recipients/cn=u578890>; Gaugl, Sara C.
</o=wamu/ou=sea/cn=recipients/cn=u192170>; Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>
Cc:
Bcc:
Subject: RE: Richardson []
Date: Wed Jun 18 2008 10:40:13 EDT
Attachments:

agree

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Battaglia, Paul J.
Sent: Wednesday, June 18, 2008 10:33 AM
To: Thorn, Ann; Cook, Don; Gaugl, Sara C.; Owen, Jan L.
Subject: Richardson []

Thanks Ann. As she has indicated she will get her information in by Friday, I see no reason to respond to Ms. Richardson's additional emails.

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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From: Thorn, Ann
Sent: Wednesday, June 18, 2008 7:30 AM
To: Battaglia, Paul J.; Cook, Don; Gaugl, Sara C.; Owen, Jan L.
Subject: FW: Loss Mit

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Laura Richardson [mailto:laurarichardson55assembly@yahoo.com]
Sent: Wednesday, June 18, 2008 10:28 AM
To: Thorn, Ann
Subject: Re: Loss Mit

FYI--

My notice of delay AND NO REFERENCE TO TIME DEADLINES.

Laura Richardson

----- Original Message -----

From: "Mathis, Julie A." <julle.mathis@wamu.net>
To: Laura Richardson <laurarichardson55assembly@yahoo.com>
Sent: Thursday, June 12, 2008 1:05:34 PM
Subject: RE: Loss Mit

Thanks, I will let them both know.

Julie

Julie Mathis, VP

Department Manager

Homeownership Preservation

Washington Mutual

904 886-1305

904 886-1325 fax

From: Laura Richardson
Sent: Thursday, June 12, 2008 10:20 AM
To: Mathis, Julie A.
Subject: Re: Loss Mit

Please advise Ann Thorne that I will work on this during the weekend. I apologize for the delay I did not recognize your email / name. I was looking for something from Ann or Ms. Woodcock, so I missed it.

I will be in touch.

Laura

----- Original Message -----

From: "Mathis, Julie A." <julie.mathis@wamu.net>
To: laurarichardson
Cc: "Thorn, Ann" <ann.thorn@wamu.net>; "Woodcock, Wendy A." <wendy.woodcock@wamu.net>
Sent: Friday, June 6, 2008 12:10:05 PM
Subject: Loss Mit

<<Borrower Assistance Form 5.08.pdf>>

Thank you,

Julie

Julie Mathis, VP
Department Manager
Homeownership Preservation
Washington Mutual
904 886-1305
904 886-1325 fax

Richardson, D-Long Beach, has said that the auction should never have been held, because she had worked out a loan modification agreement with her lender beforehand and had begun making payments.

Richardson left nearly \$9,000 in unpaid property taxes on the home, which she bought in January 2007 for \$535,000, shortly after being elected to the Assembly.

Washington Mutual has declined to comment on the specifics of Richardson's case, because she has not waived her privacy rights.

In a statement, spokeswoman Sara Gaugi said the company is "committed to treating all of our customers with the same level of consideration and fairness."

Washington Mutual filed a notice of rescission of the foreclosure sale on June 2.

That puts the bank squarely at odds with York, who has already put money into cleaning up the house and preparing it for resale.

"They owe me the property," York said. "The sale was a good sale."

York said an ordinary person would be unlikely to get the kind of consideration that Richardson has received from her bank.

"They wouldn't even get a phone call back," he said. "They would laugh at somebody who would call and say, 'We had some kind of agreement.' They wouldn't give you 10 cents worth of time."

Leo Nordine, a Hermosa Beach real estate broker who specializes in foreclosed homes, agreed that the rescission was out of the ordinary.

"It's extremely unusual," he said.

"Unless (the borrower) filed bankruptcy beforehand, they'd never do it."

Richardson's staff did not return a call on Monday.

Dustin Hobbs, a spokesman for the California Mortgage Bankers Association, said that while foreclosure rescissions are rarely publicized, they are becoming more common as the rate of foreclosures increases.

"Generally it is going to result in a legal battle," he said.

"Basically you're saying, 'We're willing to fight for our borrower.'"

Hobbs said a lender would be unlikely to go to bat for a borrower who has shown no ability to make future payments.

But if the foreclosure was the result of a temporary hardship or a paperwork mix-up, the lender has every incentive to restore the loan.

"Lenders are concerned about keeping borrowers in homes no matter who they are," he said.

Sara Gaugl

Home Loans Public Relations

WaMu

1301 Second Avenue | WMC40 | Seattle WA 98101

206.500.2822 direct | 206.228.  cell

sara.gaugl@wamu.net

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From: Adams-McElveen, Dena M.
</o=wamu/ou=sea/cn=recipients/cn=u141149>
To: Thorn, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>; Mathis, Julie A.
</o=wamu/ou=sea/cn=recipients/cn=u692185>
Cc: Leviner, Cheryl H.
</o=wamu/ou=sea/cn=recipients/cn=u604153>
Bcc:
Subject: RE: URGENT - Richardson
Date: Mon Feb 09 2009 07:51:25 EST
Attachments:

The tax line was updated to the higher amount after the modification was completed. Neither Escrow Analysis nor Loss Mit had anyway of knowing this increase was going to take place. The modification and the subsequent analysis was based on the amounts the Tax Dept. had loaded on the line at the time of the modification.

Dena Adams-McElveen
LS Section Manager II
Escrow Analysis & FHA Insurance
WaMu, now backed by the strength of JPMorgan Chase

843-673-4057 Business
843-673-3142 Fax

-----Original Message-----

From: Thorn, Ann
Sent: Friday, February 06, 2009 5:25 PM
To: Adams-McElveen, Dena M.; Mathis, Julie A.
Cc: Leviner, Cheryl H.
Subject: Re: URGENT - Richardson

I am still not getting why this was not recognized during the mod process....
We are still telling her she has a \$500 increase

Sent from my BlackBerry Wireless Handheld

----- Original Message -----

From: Adams-McElveen, Dena M.
To: Mathis, Julie A.
Cc: Thorn, Ann; Leviner, Cheryl H.
Sent: Fri Feb 06 13:54:27 2009
Subject: RE: URGENT - Richardson

The escrow account is correct. When the modification occurred, the amount on the tax lines were

\$508.41. The account was analyzed with this information on 9/22/08 effective 10/08. (All appeared correct. Escrow funding had the over/short at \$0.00; which is expected on modifications.) The monthly escrow payment was \$84.74. The total payment was \$4352.32.

When the taxes were paid in 11/08, the line was updated to the billed amount of \$2930.67. (I believe this is an automated process within the Tax Dept.) This disbursement created a large escrow shortage; which triggered an off cycle analysis. The analysis was performed on 11/20/08 effective 1/09. The monthly escrow payment increased from \$84.74 to \$488.45; in addition, there was an escrow shortage of \$4440.81 being collected at \$370.07 per month. The total payment increased from \$4352.32 to \$5126.10.

On 2/2/09, I was contacted by ECC and asked to make an exception for the homeowner and accept the old payment amount (\$4352.32) for 1/09-2/09 and to run a new analysis with a 36 month escrow shortage spread effective for 3/09. I adjusted the payment on PCH1 to the old amount for 1/09-2/09.

On 2/3/09, I ran the new analysis with the effective date of 3/09 and a 36 month escrow shortage spread. The new payment amount is now \$4885.19 beginning 3/09.

Please let me know if you need any additional information.

Thank you,

Dena Adams-McElveen
LS Section Manager II
Escrow Analysis & FHA Insurance
WaMu, now backed by the strength of JPMorgan Chase

843-673-4057 Business
843-673-3142 Fax

-----Original Message-----

From: Mathis, Julie A.
Sent: Friday, February 06, 2009 4:15 PM
To: Adams-McElveen, Dena M.
Cc: Thorn, Ann
Subject: URGENT - Richardson
Importance: High

Dena,

Can you please help us with the issue below on this loan? We just modified the loan and it appears we did not collect enough escrow funding nor is the monthly escrow payment correct.

Thanks,

Julie

Julie Mathis, VP
Department Manager
Loss Mitigation
Home Loans

WaMu, now backed by the strength of JPMorgan Chase
7255 Baymeadows Way, JAXA2000
Jacksonville, FL 32256

904.886.1305 direct, 904. 886.1325 fax
julie.mathis@wamu.net

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-----Original Message-----

From: Waelde, Sean D.
Sent: Friday, February 06, 2009 4:06 PM
To: Mathis, Julie A.
Cc: Thorn, Ann
Subject: RE: Richardson 0729942433

Why yes I do....Dena Adams-McElveen.

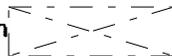
Sean D. Waelde
Default ERT Section Manager II
CARE Team Default Executive Response

WaMu, now backed by the strength of JPMorgan Chase
7255 Baymeadows Way, JAXA3000
Jacksonville, FL 32256
Tel: 904-462-1821 Fax: 866-271-7346

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-----Original Message-----

From: Mathis, Julie A.
Sent: Friday, February 06, 2009 4:04 PM
To: Waelde, Sean D.
Cc: Thorn, Ann
Subject: FW: Richardson
Importance: High



Sean, this the loan I discussed with you last nite, do you have a contact in escrow?

Thanks!

Julie

Julie Mathis, VP
Department Manager
Loss Mitigation

Home Loans

WaMu, now backed by the strength of JPMorgan Chase
7255 Baymeadows Way, JAXA2000
Jacksonville, FL 32256

904.886.1305 direct, 904. 886.1325 fax
julle.mathis@wamu.net

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-----Original Message-----

From: Thomas, Michelle M.
Sent: Friday, February 06, 2009 3:57 PM
To: Thorn, Ann; Rogers, Savannah L.
Cc: Mathis, Julie A.; Pound, Robert A.
Subject: RE: Richardson []

I can't determine if we are collecting the correct amount of escrow. This has to be done in the escrow department. I can confirm that the tax amounts on the lines are correct. Unfortunately, I don't have a contact in the escrow department for you.

Michelle M. Thomas
Real Estate Tax Associate, Sr.
Wamu, now backed by the strength of JP Morgan Chase 1-800-353-3860 ext. 4726 michelle.m.
thomas@wamu.net -----Original Message-----

From: Thorn, Ann
Sent: Friday, February 06, 2009 3:36 PM
To: Rogers, Savannah L.; Thomas, Michelle M.
Cc: Mathis, Julie A.
Subject: RE: Richardson []

Did we get resolution? This is a Congresswoman that we need to get some information to so she can make her payment for Jan. and Feb.

Please advise

Thanks

Ann Thorn, FVP
National Asset Recovery Manager
WaMu, now part of JP Morgan Chase
office: 904-462-2150
cell: 414-418-8174

For Internal Use Only

-----Original Message-----

From: Rogers, Savannah L.
Sent: Friday, February 06, 2009 9:17 AM
To: Thomas, Michelle M.

Cc: Mathis, Julie A.; Thorn, Ann
Subject: Richardson [redacted]
Importance: High

Hi Michelle,

You helped with researching this escrowed property tax bill in July 2008 and since then we have a portion of the tax bill (which I have attached from NETRonline.com). I noticed on TAX2 we last paid \$2,930.67 and the second portion is \$2,930.67 which is due 3/09. This appears on ANA1 making the new escrow payment effective 3/09 \$488.45 and total payment will be \$4,885.19 (PCH2/hpmt).

Would you mind researching to make sure we have escrowed the right amount to cover this mortgagor's taxes? The mortgagor has received notification that her escrow is too low to cover her taxes.

Thank you,

Savannah Rogers
Negotiator-Prime
Loss Mitigation
Home Loans

WaMu, now backed by the strength of JPMorgan Chase
7255 Baymeadows Way
Jacksonville, FL 32256

866.926.8937 x17577, 469.549.5978 fax
savannah.rogers@wamu.net

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-----Original Message-----

From: Mathis, Julie A.
Sent: Thursday, February 05, 2009 5:38 PM
To: Rogers, Savannah L.
Cc: Thorn, Ann
Subject: FW: Emailing: Richardson [redacted] Workbook v10 04 07 08.xls
Importance: High

Savannah,

Please review - the mortgagor's escrow payment is much too low to pay her taxes and she has already received notice of such. Please review and let Ann and I know asap what the escrow payment should be.

Thanks,

Julie

Julie Mathis, VP
Department Manager
Loss Mitigation
Home Loans

WaMu, now backed by the strength of JPMorgan Chase
7255 Baymeadows Way, JAXA2000
Jacksonville, FL 32256

904.886.1305 direct, 904. 886.1325 fax
julie.mathis@wamu.net

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-----Original Message-----

From: Rogers, Savannah L.
Sent: Thursday, February 05, 2009 5:25 PM
To: Mathis, Julie A.
Subject: Emailing: Richardson 0729942433 Workbook v10 04 07 08.xls

The message is ready to be sent with the following file or link attachments:

Richardson  Workbook v10 04 07 08.xls

Note: To protect against computer viruses, e-mail programs may prevent sending or receiving certain types of file attachments. Check your e-mail security settings to determine how attachments are handled.

Document ID: 00710401152

From: Adams-McElveen, Dena M.
</o=wamu/ou=sea/cn=recipients/cn=u141149>
To: Mathis, Julie A.
</o=wamu/ou=sea/cn=recipients/cn=u692185>
Cc: Thorn, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>; Leviner, Cheryl H.
</o=wamu/ou=sea/cn=recipients/cn=u604153>
Bcc:
Subject: RE: URGENT - Richardson
Date: Fri Feb 06 2009 16:54:27 EST
Attachments:

The escrow account is correct. When the modification occurred, the amount on the tax lines were \$508.41. The account was analyzed with this information on 9/22/08 effective 10/08. (All appeared correct. Escrow funding had the over/short at \$0.00; which is expected on modifications.) The monthly escrow payment was \$84.74. The total payment was \$4352.32.

When the taxes were paid in 11/08, the line was updated to the billed amount of \$2930.67. (I believe this is an automated process within the Tax Dept.) This disbursement created a large escrow shortage; which triggered an off cycle analysis. The analysis was performed on 11/20/08 effective 1/09. The monthly escrow payment increased from \$84.74 to \$488.45; in addition, there was an escrow shortage of \$4440.81 being collected at \$370.07 per month.. The total payment increased from \$4352.32 to \$5126.10.

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On 2/3/09, I ran the new analysis with the effective date of 3/09 and a 36 month escrow shortage spread. The new payment amount is now \$4885.19 beginning 3/09.

Please let me know if you need any additional information.

Thank you,

Dena Adams-McElveen
LS Section Manager II
Escrow Analysis & FHA Insurance
WaMu, now backed by the strength of JPMorgan Chase

843-673-4057 Business
843-673-3142 Fax

-----Original Message-----

From: Mathis, Julie A.
Sent: Friday, February 06, 2009 4:15 PM
To: Adams-McElveen, Dena M.
Cc: Thorn, Ann

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JPMC-001136
CONFIDENTIAL

Page 8 of 131

CSOC.RICH.002773

Subject: URGENT - Richardson
Importance: High



Dena,

Can you please help us with the issue below on this loan? We just modified the loan and it appears we did not collect enough escrow funding nor is the monthly escrow payment correct.

Thanks,

Julie

Julie Mathis, VP
Department Manager
Loss Mitigation
Home Loans

WaMu, now backed by the strength of JPMorgan Chase
7255 Baymeadows Way, JAXA2000
Jacksonville, FL 32256

904.886.1305 direct, 904. 886.1325 fax
julie.mathis@wamu.net

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-----Original Message-----

From: Waelde, Sean D.
Sent: Friday, February 06, 2009 4:06 PM
To: Mathis, Julie A.
Cc: Thorn, Ann
Subject: RE: Richardson



Why yes I do....Dena Adams-McElveen.

Sean D. Waelde
Default ERT Section Manager II
CARE Team Default Executive Response

WaMu, now backed by the strength of JPMorgan Chase
7255 Baymeadows Way, JAXA3000
Jacksonville, FL 32256
Tel: 904-462-1821 Fax: 866-271-7346

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Real Estate Tax Associate, Sr.
Wamu, now backed by the strength of JP Morgan Chase 1-800-353-3860 ext. 4726 michelle.m.
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Please advise

Thanks

Ann Thorn, FVP
National Asset Recovery Manager
WaMu, now part of JP Morgan Chase
office: 904-462-2150
cell: [REDACTED]

For Internal Use Only

-----Original Message-----

From: Rogers, Savannah L.
Sent: Friday, February 06, 2009 9:17 AM
To: Thomas, Michelle M.
Cc: Mathis, Julie A.; Thorn, Ann
Subject: Richardson [REDACTED]
Importance: High

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Savannah Rogers
Negotiator-Prime
Loss Mitigation
Home Loans

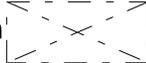
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Thanks,

Julie

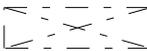
Julie Mathis, VP
Department Manager
Loss Mitigation
Home Loans

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Jacksonville, FL 32256

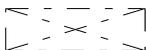
904.886.1305 direct, 904. 886.1325 fax
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Sent: Thursday, February 05, 2009 5:25 PM
To: Mathis, Julie A.
Subject: Emailing: Richardson  Workbook v10 04 07 08.xls

The message is ready to be sent with the following file or link attachments:

Richardson  Workbook v10 04 07 08.xls

Note: To protect against computer viruses, e-mail programs may prevent sending or receiving certain types of file attachments. Check your e-mail security settings to determine how attachments are handled.

Document ID: 1710404640

From: Todd, Kevin C.
</o=wamu/ou=sea/cn=recipients/cn=u15148429895459>
To: Thorn, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>
Cc: Peshoff, Darlene
</o=wamu/ou=sea/cn=recipients/cn=u60320100715655>;
Adams-McElveen, Dena M.
</o=wamu/ou=sea/cn=recipients/cn=u141149>; Rogers, Savannah L.
</o=wamu/ou=sea/cn=recipients/cn=u191622>; Mathis, Julie A.
</o=wamu/ou=sea/cn=recipients/cn=u692185>
Bcc:
Subject: FW: URGENT - Richardson 
Date: Mon Feb 09 2009 16:40:08 EST
Attachments:

Ann,
Please see Tess's comments below in regards to the delinquent tax payments. If you have any further questions please let us know. Thanks!

Kevin C. Todd
LS Section Mgr II
Tax Mitigation - Relationship Mgt.

WaMu, now backed by the strength of JPMorgan Chase

2210 Enterprise Dr.
Florence, SC 29501

(843) 673-3887 direct, (843) 673-3008 fax
<mailto:kevin.todd@wamu.net> kevin.todd@wamu.net

NOTE: This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Palmatier, Tess E.
Sent: Monday, February 09, 2009 4:14 PM
To: Todd, Kevin C.
Subject: RE: URGENT - Richardson 

Per Brianna at Sacramento County Tax Office WaMu posted paid - 07/08 full year secured tax bill total base \$1,016.82, 06/07 full year supplemental bill base \$2,098.35 and a 07/08 full year supplemental bill base \$4,994.64 - total \$8,109.81 with \$977.63 total penalty.

There were 2 consecutive installments which per CA gives the mortgage company the right to force escrow.

Any additional questions please feel free to ask .

Tess Palmatier

Servicing - Real Estate Tax Associate - SR

Tax Mitigation - Priority Research

PH#-843-673-4552

Toll Free 1-800-353-3860 EXN: 4552

Fax# 843-673-3008

WaMu - Now backed by the strength of JPMorgan Chase

"A wise man will make more opportunities than he finds."

Francis Bacon

-----Original Message-----

From: Todd, Kevin C.

Sent: Monday, February 09, 2009 12:49 PM

To: Palmatier, Tess E.

Cc: Peshoff, Darlene; Thorn, Ann

Subject: RE: URGENT - Richardson

Importance: High



Tess,

Please research this loan and respond back ASAP with all the tax details. Thanks!

Kevin C. Todd

LS Section Mgr II

Tax Mitigation - Relationship Mgt.

WaMu, now backed by the strength of JPMorgan Chase

2210 Enterprise Dr.

Florence, SC 29501

(843) 673-3887 direct, (843) 673-3008 fax

kevin.todd@wamu.net

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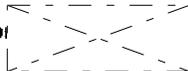
-----Original Message-----

From: Thorn, Ann

Sent: Monday, February 09, 2009 11:58 AM

To: Peshoff, Darlene; Todd, Kevin C.

Subject: FW: URGENT - Richardson



Importance: High

Darlene/Todd-----

This is a Congresswoman that we did a modification on several months ago. She was a non-escrowed account and we ended up paying her delinquent taxes but I can not remember all the details. Her analysis now is increasing her payment by \$500 and I need some details from taxes on the situation.

Can you please let me know what you can find.....

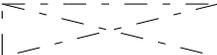
Thanks.

Ann Thorn, FVP

National Asset Recovery Manager

WaMu, now part of JP Morgan Chase

office: 904-462-2150

cell: 

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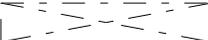
-----Original Message-----

From: Adams-McElveen, Dena M.

Sent: Monday, February 09, 2009 7:51 AM

To: Thorn, Ann; Mathis, Julie A.

Cc: Leviner, Cheryl H.

Subject: RE: URGENT - Richardson 

The tax line was updated to the higher amount after the modification was completed. Neither Escrow Analysis nor Loss Mit had anyway of knowing this increase was going to take place. The modification and the subsequent analysis was based on the amounts the Tax Dept. had loaded on the line at the time of the modification.

Dena Adams-McElveen
LS Section Manager II
Escrow Analysis & FHA Insurance
WaMu, now backed by the strength of JPMorgan Chase

843-673-4057 Business

843-673-3142 Fax

-----Original Message-----

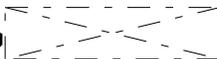
From: Thorn, Ann

Sent: Friday, February 06, 2009 5:25 PM

To: Adams-McElveen, Dena M.; Mathis, Julie A.

Cc: Leviner, Cheryl H.

Subject: Re: URGENT - Richardson



I am still not getting why this was not recognized during the mod process....

We are still telling her she has a \$500 increase

Sent from my BlackBerry Wireless Handheld

----- Original Message -----

From: Adams-McElveen, Dena M.

To: Mathis, Julie A.

Cc: Thorn, Ann; Leviner, Cheryl H.

Sent: Fri Feb 06 13:54:27 2009

Subject: RE: URGENT - Richardson



The escrow account is correct. When the modification occurred, the amount on the tax lines were \$508.41. The account was analyzed with this information on 9/22/08 effective 10/08. (All appeared correct. Escrow funding had the over/short at \$0.00; which is expected on modifications.) The monthly escrow payment was \$84.74. The total payment was \$4352.32.

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On 2/3/09, I ran the new analysis with the effective date of 3/09 and a 36 month escrow shortage spread. The new payment amount is now \$4885.19 beginning 3/09.

Please let me know if you need any additional information.

Thank you,

Dena Adams-McElveen

LS Section Manager II

Escrow Analysis & FHA Insurance

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Page 18 of 131

CSOC.RICH.002783

843-673-4057 Business

843-673-3142 Fax

-----Original Message-----

From: Mathis, Julie A.

Sent: Friday, February 06, 2009 4:15 PM

To: Adams-McElveen, Dena M.

Cc: Thorn, Ann

Subject: URGENT - Richardson



Importance: High

Dena,

Can you please help us with the issue below on this loan? We just modified the loan and it appears we did not collect enough escrow funding nor is the monthly escrow payment correct.

Thanks,

Julie

Julie Mathis, VP

Department Manager

Loss Mitigation

Home Loans

WaMu, now backed by the strength of JPMorgan Chase

7255 Baymeadows Way, JAXA2000

Jacksonville, FL 32256

904.886.1305 direct, 904. 886.1325 fax

julie.mathis@wamu.net

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-----Original Message-----

From: Waelde, Sean D.

Sent: Friday, February 06, 2009 4:06 PM

To: Mathis, Julie A.

Cc: Thorn, Ann

Subject: RE: Richardson



Why yes I do....Dena Adams-McElveen.

Sean D. Waelde

Default ERT Section Manager II

CARE Team Default Executive Response

WaMu, now backed by the strength of JPMorgan Chase

7255 Baymeadows Way, JAXA3000

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Page 20 of 131

CSOC.RICH.002785

Jacksonville, FL 32256

Tel: 904-462- Fax: 866-271-

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Sent: Friday, February 06, 2009 4:04 PM

To: Waelde, Sean D.

Cc: Thorn, Ann

Subject: FW: Richardson 

Importance: High

Sean, this the loan I discussed with you last nite, do you have a contact in escrow?

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Julie

Julie Mathis, VP

Department Manager

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Michelle M. Thomas

Real Estate Tax Associate, Sr.

Wamu, now backed by the strength of JP Morgan Chase 1-800-353-3860 ext. 4726 michelle.m.thomas@wamu.net -----Original Message-----

From: Thorn, Ann

Sent: Friday, February 06, 2009 3:36 PM

To: Rogers, Savannah L.; Thomas, Michelle M.

Cc: Mathis, Julie A.

Subject: RE: Richardson

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JPMC-001150
CONFIDENTIAL

Page 22 of 131

CSOC.RICH.002787

Did we get resolution? This is a Congresswoman that we need to get some information to so she can make her payment for Jan. and Feb.

Please advise

Thanks

Ann Thorn, FVP
National Asset Recovery Manager
WaMu, now part of JP Morgan Chase
office: 904-462-2150
cell: 414-418-8174

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Cc: Mathis, Julie A.; Thorn, Ann
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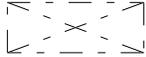
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Cc: Thorn, Ann

Subject: FW: Emailing: Richardson  Workbook v10 04 07 08.xls

Importance: High

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Julie Mathis, VP

Department Manager

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WaMu, now backed by the strength of JPMorgan Chase

7255 Baymeadows Way, JAXA2000

Jacksonville, FL 32256

904.886.1305 direct, 904. 886.1325 fax

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JPMC-001153
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CSOC.RICH.002790

julie.mathis@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----

From: Rogers, Savannah L.

Sent: Thursday, February 05, 2009 5:25 PM

To: Mathis, Julie A.

Subject: Emailing: Richardson  Workbook v10 04 07 08.xls

The message is ready to be sent with the following file or link attachments:

Richardson  Workbook v10 04 07 08.xls

Note: To protect against computer viruses, e-mail programs may prevent sending or receiving certain types of file attachments. Check your e-mail security settings to determine how attachments are handled.

From: Thorn, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>
To: Adams-McElveen, Dena M.
</o=wamu/ou=sea/cn=recipients/cn=u141149>; Mathis, Julie A.
</o=wamu/ou=sea/cn=recipients/cn=u692185>
Cc: Leviner, Cheryl H.
</o=wamu/ou=sea/cn=recipients/cn=u604153>
Bcc:
Subject: Re: URGENT - Richardson
Date: Fri Feb 06 2009 17:25:29 EST
Attachments:

I am still not getting why this was not recognized during the mod process....
We are still telling her she has a \$500 increase

Sent from my BlackBerry Wireless Handheld

----- Original Message -----

From: Adams-McElveen, Dena M.
To: Mathis, Julie A.
Cc: Thorn, Ann; Leviner, Cheryl H.
Sent: Fri Feb 06 13:54:27 2009
Subject: RE: URGENT - Richardson

The escrow account is correct. When the modification occurred, the amount on the tax lines were \$508.41. The account was analyzed with this information on 9/22/08 effective 10/08. (All appeared correct. Escrow funding had the over/short at \$0.00; which is expected on modifications.) The monthly escrow payment was \$84.74. The total payment was \$4352.32.

When the taxes were paid in 11/08, the line was updated to the billed amount of \$2930.67. (I believe this is an automated process within the Tax Dept.) This disbursement created a large escrow shortage; which triggered an off cycle analysis. The analysis was performed on 11/20/08 effective 1/09. The monthly escrow payment increased from \$84.74 to \$488.45; in addition, there was an escrow shortage of \$4440.81 being collected at \$370.07 per month. The total payment increased from \$4352.32 to \$5126.10.

On 2/2/09, I was contacted by ECC and asked to make an exception for the homeowner and accept the old payment amount (\$4352.32) for 1/09-2/09 and to run a new analysis with a 36 month escrow shortage spread effective for 3/09. I adjusted the payment on PCH1 to the old amount for 1/09-2/09.

On 2/3/09, I ran the new analysis with the effective date of 3/09 and a 36 month escrow shortage spread. The new payment amount is now \$4885.19 beginning 3/09.

Please let me know if you need any additional information.

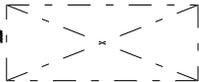
Thank you,

Dena Adams-McElveen
LS Section Manager II
Escrow Analysis & FHA Insurance
WaMu, now backed by the strength of JPMorgan Chase

843-673-4057 Business
843-673-3142 Fax

-----Original Message-----

From: Mathis, Julie A.
Sent: Friday, February 06, 2009 4:15 PM
To: Adams-McElveen, Dena M.
Cc: Thom, Ann
Subject: URGENT - Richardson
Importance: High



Dena,

Can you please help us with the issue below on this loan? We just modified the loan and it appears we did not collect enough escrow funding nor is the monthly escrow payment correct.

Thanks,

Julie

Julie Mathis, VP
Department Manager
Loss Mitigation
Home Loans

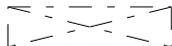
WaMu, now backed by the strength of JPMorgan Chase
7255 Baymeadows Way, JAXA2000
Jacksonville, FL 32256

904.886.1305 direct, 904. 886.1325 fax
julie.mathis@wamu.net

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-----Original Message-----

From: Waelde, Sean D.
Sent: Friday, February 06, 2009 4:06 PM
To: Mathis, Julie A.
Cc: Thom, Ann
Subject: RE: Richardson



Why yes I do....Dena Adams-McElveen.

Sean D. Waelde
Default ERT Section Manager II

CARE Team Default Executive Response

WaMu, now backed by the strength of JPMorgan Chase
7255 Baymeadows Way, JAXA3000
Jacksonville, FL 32256
Tel: 904-462-1821 Fax: 866-271-7346

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----

From: Mathis, Julie A.
Sent: Friday, February 06, 2009 4:04 PM
To: Waelde, Sean D.
Cc: Thorn, Ann
Subject: FW: Richardson
Importance: High



Sean, this the loan I discussed with you last nite, do you have a contact in escrow?

Thanks!

Julie

Julie Mathis, VP
Department Manager
Loss Mitigation
Home Loans

WaMu, now backed by the strength of JPMorgan Chase
7255 Baymeadows Way, JAXA2000
Jacksonville, FL 32256

904.886.1305 direct, 904. 886.1325 fax
julie.mathis@wamu.net

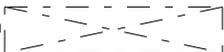
This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----

From: Thomas, Michelle M.
Sent: Friday, February 06, 2009 3:57 PM
To: Thorn, Ann; Rogers, Savannah L.
Cc: Mathis, Julie A.; Pound, Robert A.
Subject: RE: Richardson



I can't determine if we are collecting the correct amount of escrow. This has to be done in the escrow department. I can confirm that the tax amounts on the lines are correct. Unfortunately, I don't have a contact in the escrow department for you.

Michelle M. Thomas
Real Estate Tax Associate, Sr.
Wamu, now backed by the strength of JP Morgan Chase 1-800-353-3860 ext. 4726 michelle.m.thomas@wamu.net -----Original Message-----
From: Thorn, Ann
Sent: Friday, February 06, 2009 3:36 PM
To: Rogers, Savannah L.; Thomas, Michelle M.
Cc: Mathis, Julie A.
Subject: RE: Richardson 

Did we get resolution? This is a Congresswoman that we need to get some information to so she can make her payment for Jan. and Feb.

Please advise

Thanks

Ann Thorn, FVP
National Asset Recovery Manager
WaMu, now part of JP Morgan Chase
office: 904-462-2150
cell: 414-418-8174

For Internal Use Only

-----Original Message-----
From: Rogers, Savannah L.
Sent: Friday, February 06, 2009 9:17 AM
To: Thomas, Michelle M.
Cc: Mathis, Julie A.; Thorn, Ann
Subject: Richardson 
Importance: High

Hi Michelle,

You helped with researching this escrowed property tax bill in July 2008 and since then we have a portion of the tax bill (which I have attached from NETRonline.com). I noticed on TAX2 we last paid \$2,930.67 and the second portion is \$2,930.67 which is due 3/09. This appears on ANA1 making the new escrow payment effective 3/09 \$488.45 and total payment will be \$4,885.19 (PCH2/hpmt).

Would you mind researching to make sure we have escrowed the right amount to cover this mortgagor's taxes? The mortgagor has received notification that her escrow is too low to cover her taxes.

Thank you,

Savannah Rogers
Negotiator-Prime
Loss Mitigation
Home Loans

WaMu, now backed by the strength of JPMorgan Chase
7255 Baymeadows Way
Jacksonville, FL 32256

866.926.8937 x17577, 469.549.5978 fax
savannah.rogers@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----

From: Mathis, Julie A.
Sent: Thursday, February 05, 2009 5:38 PM
To: Rogers, Savannah L.
Cc: Thorn, Ann
Subject: FW: Emailing: Richardson  Workbook v10 04 07 08.xls
Importance: High

Savannah,

Please review - the mortgagor's escrow payment is much too low to pay her taxes and she has already received notice of such. Please review and let Ann and I know asap what the escrow payment should be.

Thanks,

Julie

Julie Mathis, VP
Department Manager
Loss Mitigation
Home Loans

WaMu, now backed by the strength of JPMorgan Chase
7255 Baymeadows Way, JAXA2000
Jacksonville, FL 32256

904.886.1305 direct, 904. 886.1325 fax
julie.mathis@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----

From: Rogers, Savannah L.
Sent: Thursday, February 05, 2009 5:25 PM
To: Mathis, Julie A.
Subject: Emailing: Richardson  Workbook v10 04 07 08.xls

The message is ready to be sent with the following file or link attachments:

Richardson  Workbook v10 04 07 08.xls

Note: To protect against computer viruses, e-mail programs may prevent sending or receiving certain types of file attachments. Check your e-mail security settings to determine how attachments are handled.

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From: Mathis, Julie A.
</o=wamu/ou=sea/cn=recipients/cn=u692185>
To: Mathis, Julie A.
</o=wamu/ou=sea/cn=recipients/cn=u692185>; Rogers, Savannah L.
</o=wamu/ou=sea/cn=recipients/cn=u191622>
Cc:
Bcc:
Subject: Richardson
Date: Fri Jul 11 2008 16:30:26 EDT
Attachments:

StartTime: Tue Jul 15 08:30:00 Eastern Daylight Time 2008
EndTime: Tue Jul 15 09:00:00 Eastern Daylight Time 2008
Location: 562 706-4694
Invitees: Mathis, Julie A.; Rogers, Savannah L.
Recurring: No
ShowReminder: No
Accepted: No

From: Thorn, Ann
 </o=wamu/ou=sea/cn=recipients/cn=u604980>
 To: Woodcock, Wendy A.
 </o=wamu/ou=sea/cn=recipients/cn=u690715>; Mathis, Julie A.
 </o=wamu/ou=sea/cn=recipients/cn=u692185>; Thorn, Ann
 </o=wamu/ou=sea/cn=recipients/cn=u604980>
 Cc:
 Bcc:
 Subject: Congresswoman Richardson
 Date: Thu Jun 05 2008 15:40:34 EDT
 Attachments:

StartTime: Fri Jun 06 12:00:00 Eastern Daylight Time 2008
 EndTime: Fri Jun 06 13:00:00 Eastern Daylight Time 2008
 Location: Ann will join Wendy in her office
 Invitees: Woodcock, Wendy A.; Mathis, Julie A.
 Recurring: No
 ShowReminder: No
 Accepted: Yes
 AcceptedTime: Thu Jun 05 15:41:00 Eastern Daylight Time 2008

When: Friday, June 06, 2008 12:00 PM-1:00 PM (GMT-05:00) Eastern Time (US & Canada).
 Where: Ann will join Wendy in her office

~~*~*~*~*~*~*~*~*

Document ID: 0770201605

From: Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>
To: Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>
Cc:
Bcc:
Subject: Accepted: Richardson Update
Date: Fri May 30 2008 16:05:27 EDT
Attachments:

Document ID: 102014867

From: Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>
To: Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>
Cc:
Bcc:
Subject: Updated: Richardson update
Date: Thu May 29 2008 11:32:59 EDT
Attachments:

Proprietary and Confidential - Do Not Copy

From: Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>
To: Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>; Woodcock, Wendy A.
</o=wamu/ou=sea/cn=recipients/cn=u690715>; GM QSM DTE
</o=wamu/ou=sea/cn=recipients/cn=qsmdte>; Baptista, Geri Ann S.
</o=wamu/ou=sea/cn=recipients/cn=u255251>; Oakley, Susan B.
</o=wamu/ou=sea/cn=recipients/cn=u258746>; Gaugl, Sara C.
</o=wamu/ou=sea/cn=recipients/cn=u192170>; Cook, Don
</o=wamu/ou=sea/cn=recipients/cn=u578890>; Thom, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>; Thom, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>
Cc:
Bcc:
Subject: Updated: Richardson update
Date: Thu May 29 2008 11:32:59 EDT
Attachments:

Document ID: 07-1020-148

From: Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>
To: Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>
Cc:
Bcc:
Subject: Accepted: Updated: Richardson update
Date: Thu May 29 2008 10:34:47 EDT
Attachments:

Document ID: 102614376

From: Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>
To: Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>
Cc:
Bcc:
Subject: Accepted: Updated: Richardson update
Date: Thu May 29 2008 12:35:41 EDT
Attachments:

Document ID: 02015036

From: Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>
To: Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>
Cc:
Bcc:
Subject: Accepted: Updated: Richardson update
Date: Fri May 30 2008 14:49:05 EDT
Attachments:

Legal can join from 12:30 - 1:00.

Body:mailto:0771020075050

From: Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>
To: Gaugl, Sara C.
</o=wamu/ou=sea/cn=recipients/cn=u192170>; Cook, Don
</o=wamu/ou=sea/cn=recipients/cn=u578890>; Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>; Thorn, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>; Woodcock, Wendy A.
</o=wamu/ou=sea/cn=recipients/cn=u690715>; GM QSM DTE
</o=wamu/ou=sea/cn=recipients/cn=qsmdte>
Cc:
Bcc:
Subject: Richardson Update
Date: Fri May 30 2008 16:02:12 EDT
Attachments:

When: Monday, June 02, 2008 9:30 AM-10:00 AM (GMT-08:00) Pacific Time (US & Canada); Tijuana.
Where: 877-709- passcode:

~~*~*~*~*~*~*~*~*

Document ID: 102011629

From: Thorn, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>
To: Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>; Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>; Gaugi, Sara C.
</o=wamu/ou=sea/cn=recipients/cn=u192170>
Cc:
Bcc:
Subject: FW: [REDACTED].xls
Date: Wed Jun 04 2008 17:41:39 EDT
Attachments: EAS

Fyi

Did we hear from 3rd party today. I have not had a chance to call Richardson, but will first thing in the morning

Ann Thom, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Boulton, Elizabeth A.
Sent: Wednesday, June 04, 2008 5:31 PM
To: Thorn, Ann
Cc: Mena, Angie G.
Subject: [REDACTED].xls
Importance: High

Ann, here is the Richardson reinstatement which includes CRC's \$9.00 outstanding costs.

Attachments:
_061508[REDACTED].xls (18054 Bytes)

Document ID: 0.7.1020.16029

Attachment Name: EAS

Locator: .esa.pst/*:D%28\CWACTIVECASES\HUSTON\DEMPSEY_2\PAUL_BATTAGLIA_U209440
UJ209440.PST.00000000746c58ec138c2049af3e5543fef70ade04d62000:
:01005ebbb7d649e3f10b1e8e216499f8b6a880dcc2794ca5e01fd5945f521e6aa51

Reason: : This file is empty (i.e., its length is zero bytes)

JPMC-001174
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Page 164 of 198

CSOC.RICH.002811

From: Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>
To: Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>
Cc:
Bcc:
Subject: Accepted: Updated: Richardson Update
Date: Wed Jun 04 2008 18:17:36 EDT
Attachments:

Document ID: 02093280

From: Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>
To: Gaugl, Sara C.
</o=wamu/ou=sea/cn=recipients/cn=u192170>; Cook, Don
</o=wamu/ou=sea/cn=recipients/cn=u578890>; Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>; Thorn, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>; Woodcock, Wendy A.
</o=wamu/ou=sea/cn=recipients/cn=u690715>; GM QSM DTE
</o=wamu/ou=sea/cn=recipients/cn=qsmdte>
Cc:
Bcc:
Subject: Updated: Richardson Update
Date: Wed Jun 04 2008 17:55:00 EDT
Attachments:

When: Thursday, June 05, 2008 4:00 PM-5:00 PM (GMT-08:00) Pacific Time (US & Canada); Tijuana.
Where: 877-709- passcode:

~~*~*~*~*~*~*~*~*

Document ID: 000002116283

From: Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>
To: Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>; Gaugl, Sara C.
</o=wamu/ou=sea/cn=recipients/cn=u192170>; Cook, Don
</o=wamu/ou=sea/cn=recipients/cn=u578890>; Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>; Thorn, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>; Woodcock, Wendy A.
</o=wamu/ou=sea/cn=recipients/cn=u690715>; GM QSM DTE
</o=wamu/ou=sea/cn=recipients/cn=qsmdte>
Cc:
Bcc:
Subject: Updated: Richardson Update
Date: Wed Jun 04 2008 17:55:00 EDT
Attachments:

Document ID: 002019466

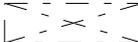
From: Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>
To: Baptista, Geri Ann S.
</o=wamu/ou=sea/cn=recipients/cn=u255251>
Cc:
Bcc:
Subject: Accepted: Richardson Update
Date: Wed Jun 18 2008 20:13:46 EDT
Attachments:

From: Baptista, Geri Ann S.
</o=wamu/ou=sea/cn=recipients/cn=u255251>
To: Baptista, Geri Ann S.
</o=wamu/ou=sea/cn=recipients/cn=u255251>; Gaugl, Sara C.
</o=wamu/ou=sea/cn=recipients/cn=u192170>; Ellas, Alan
</o=wamu/ou=sea/cn=recipients/cn=u62181494974884>; Cook, Don
</o=wamu/ou=sea/cn=recipients/cn=u578890>; Potashnick, Barbara
A. </o=wamu/ou=sea/cn=recipients/cn=u972031>; Battaglia, Paul
J. </o=wamu/ou=sea/cn=recipients/cn=u209440>; Thorn, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>; Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>
Cc:
Bcc:
Subject: Updated: Richardson Update
Date: Thu Jun 19 2008 11:46:50 EDT
Attachments:

changing time to accommodate schedules

Document ID: 10211949

From: Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>
To: Baptista, Geri Ann S.
</o=wamu/ou=sea/cn=recipients/cn=u255251>
Cc:
Bcc:
Subject: Accepted: Updated: Richardson Update
Date: Thu Jun 19 2008 11:47:08 EDT
Attachments:

From: Thomas, Michelle M.
</o=wamu/ou=sea/cn=recipients/cn=u14646652668306>
To: Rogers, Savannah L.
</o=wamu/ou=sea/cn=recipients/cn=u191622>
Cc: Thorn, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>; Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>; Beal, Pamela S.
</o=wamu/ou=sea/cn=recipients/cn=u690674>; Mathis, Julie A.
</o=wamu/ou=sea/cn=recipients/cn=u692185>; Pound, Robert A.
</o=wamu/ou=sea/cn=recipients/cn=u178835>
Bcc:
Subject: RE:  Richardson
Date: Thu Jul 03 2008 10:50:30 EDT
Attachments:

Savannah

From: Rogers, Savannah L.
</o=wamu/ou=sea/cn=recipients/cn=u191622>
To: Thomas, Michelle M.
</o=wamu/ou=sea/cn=recipients/cn=u14646652668306>
Cc: Thorn, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>; Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>; Beal, Pamela S.
</o=wamu/ou=sea/cn=recipients/cn=u690674>; Mathis, Julie A.
</o=wamu/ou=sea/cn=recipients/cn=u692185>
Bcc:
Subject: FW: [] [] [] [] Richardson
Date: Thu Jul 03 2008 10:37:34 EDT
Attachments:

Hi Michelle,

Document ID: 07102073074

From: Rogers, Savannah L.
</o=wamu/ou=sea/cn=recipients/cn=u191622>
To: Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>
Cc: Thorn, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>; Coker, Darlene
</o=wamu/ou=sea/cn=recipients/cn=u60338426157200>; Mathis,
Julle A. </o=wamu/ou=sea/cn=recipients/cn=u692185>; Beal,
Pamela S. </o=wamu/ou=sea/cn=recipients/cn=u690674>
Bcc:
Subject: RE: [REDACTED] Richardson
Date: Tue Jul 08 2008 08:41:51 EDT
Attachments:

Paul,

From: Thorn, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>
To: Rogers, Savannah L.
</o=wamu/ou=sea/cn=recipients/cn=u191622>; Thomas, Michelle M.
</o=wamu/ou=sea/cn=recipients/cn=u14646652668306>
Cc: Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>; Beal, Pamela S.
</o=wamu/ou=sea/cn=recipients/cn=u690674>; Mathis, Julie A.
</o=wamu/ou=sea/cn=recipients/cn=u692185>; Pound, Robert A.
</o=wamu/ou=sea/cn=recipients/cn=u178835>; Coker, Darlene
</o=wamu/ou=sea/cn=recipients/cn=u60338426157200>
Bcc:
Subject: RE: [REDACTED] Richardson
Date: Mon Jul 07 2008 15:49:35 EDT
Attachments:

Michelle, can you please get this changed today as this is a highly escalated matter.

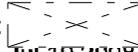
11/09/2008 14:17:15 EDT

From: Mathis, Julie A.
</o=wamu/ou=sea/cn=recipients/cn=u692185>
To: Rogers, Savannah L.
</o=wamu/ou=sea/cn=recipients/cn=u191622>
Cc: Coker, Darlene
</o=wamu/ou=sea/cn=recipients/cn=u60338426157200>; Beal, Pamela S.
</o=wamu/ou=sea/cn=recipients/cn=u690674>; Thorn, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>; Lyman, Daryl W.
</o=wamu/ou=sea/cn=recipients/cn=u209612>; Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>
Bcc:
Subject: RE:  Richardson
Date: Wed Jul 09 2008 14:17:15 EDT
Attachments:

Savannah, please bring the file over.

From: Thorn, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>
To: Lyman, Daryl W.
</o=wamu/ou=sea/cn=recipients/cn=u209612>; Rogers, Savannah L.
</o=wamu/ou=sea/cn=recipients/cn=u191622>
Cc: Coker, Darlene
</o=wamu/ou=sea/cn=recipients/cn=u60338426157200>; Mathis,
Julie A. </o=wamu/ou=sea/cn=recipients/cn=u692185>; Beal,
Pamela S. </o=wamu/ou=sea/cn=recipients/cn=u690674>; Battaglia,
Paul J. </o=wamu/ou=sea/cn=recipients/cn=u209440>
Bcc:
Subject: RE:  Richardson
Date: Wed Jul 09 2008 13:39:23 EDT
Attachments:

great

From: Mathis, Julie A.
</o=wamu/ou=sea/cn=recipients/cn=u692185>
To: Thorn, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>; Lyman, Daryl W.
</o=wamu/ou=sea/cn=recipients/cn=u209612>; Rogers, Savannah L.
</o=wamu/ou=sea/cn=recipients/cn=u191622>
Cc: Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>
Bcc:
Subject: RE:  Richardson
Date: Thu Jul 10 2008 12:46:38 EDT
Attachments:

Calling her again at 1:30.

Cc: Champney, Steven D.; Borens, John; Owen, Jan L.; Elias, Alan
Subject: Research Needed: Congresswoman Richardson/Foreclosure
Importance: High

Brad -

Please see the article embedded below for more detail, but long story short, Congresswoman Laura Richardson appears to have defaulted on her WaMu loan (second home) and on March 19, a notice was filed with the county that her property would be sold at auction.

Congresswoman Richardson initially declined to comment, however, Jan Owen has learned from the Congresswoman that she plans to communicate to The Washington Post that she has established a repayment plan with WaMu.

Would you please look into Congresswoman Richardson's situation as soon as possible so that we understand the facts? Her loan number is [REDACTED]

Many thanks,

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | [REDACTED]
sara.gaugl@wamu.net

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-----Original Message-----

From: Owen, Jan L.
Sent: Wednesday, May 21, 2008 8:36 AM
To: Riley, Olivia; Gaugl, Sara C.; Gaspard, Scott; Watson, Alison
Subject: Fw: Capitol Weekly -- "Foreclosure tale shows that nobody is immune from crisis"

Here we go. I am am in meeting and will call in a minute.

----- Original Message -----

From: Kevin Gould [REDACTED]
To: FSIR Meeting Group [REDACTED]
Sent: Wed May 21 08:01:35 2008
Subject: Capitol Weekly -- "Foreclosure tale shows that nobody is immune from crisis"

Foreclosure tale shows that nobody is immune from crisis

By Anthony York (published Tuesday, May 20, 2008)

As the real estate market softened in 2007, the new owner of a three-bedroom, 1,600-square-foot house in Sacramento's Curtis Park neighborhood ran into trouble. The house that was purchased for \$535,000 in January had lost equity. The owner fell behind in her payments, and eventually, the bank seized the home.

What makes this story different from the thousands like it is that the owner of this house was a member of Congress.

The story of the foreclosure of Long Beach Democrat Laura Richardson's Sacramento home is a tale of a real estate market gone sour. It is also an illustration of how far many candidates will go to seek elected office, even if it means quite literally mortgaging their own financial future.

While being elevated to Congress in a 2007 special election, Richardson apparently stopped making payments on her new Sacramento home, and eventually walked away from it, leaving nearly \$600,000 in unpaid loans and fees.

Richardson's decision to let the house slip into foreclosure was set in motion by an unlikely chain of events, only some of which had to do with Sacramento's crumbling real estate market. Richardson was elected to the Assembly in November 2006, and purchased her new capital home two months later. But in April 2007, Rep. Juanita Millender-McDonald succumbed to cancer, creating a Congressional vacancy in Richardson's district.

Richardson declared her candidacy for the seat, and soon found herself locked in a hotly contested, and very expensive race for Congress against state Sen. Jenny Oropeza, D-Long Beach.

While her campaign heated up, Richardson's house slipped into default. Richardson fell behind on her mortgage payments as she loaned her Congressional campaign \$60,000 - money that has begun to be paid back to Richardson personally from her campaign account, according to records from the Center for Responsive Politics.

Richardson's opponent, Oropeza, loaned herself \$115,000 for her run against Richardson. Oropeza's Congressional committee still shows nearly \$200,000 in debt.

Richardson declined to comment for this story.

But tax records at the Sacramento County assessor's office show that in January 2007, Richardson took out a mortgage for the entire sale price of the house -- \$535,000. The mortgage amount was equal to the sale price of the home, meaning she was able to buy the house without a down payment, even though the housing market was beginning to turn.

A March 19, 2008 notice of trustee's sale indicates that the unpaid balance of Richardson's loan, which is held by Washington Mutual, is more than \$578,000 - \$40,000 more than the original mortgage.

The Curtis Park house is not Richardson's primary residence. She also owns a four-bedroom house in Long Beach, in her Congressional district. Real estate records show she purchased that house in 1999 for \$135,000. An estimate from Zillow.com puts the current value of that house at \$474,000

Like many homes that have gone through foreclosure, Richardson's new residence quickly became an eyesore. With Richardson gone, upkeep on the home lapsed, and neighbors began to get angry.

"The neighbors are extremely unhappy with her," said Sharon Helmar, who sold the home to Richardson. "She didn't mow the lawn or take out the garbage while she was there. We lived there for a long time, 30 years, and we had to hide our heads whenever we came back to the neighborhood."

Helmar and her husband, Mark, sold the Curtis Park home to Richardson because Sharon's arthritis required the couple to move into a one-story house. With the area's real estate market slowing down, the house remained on the market for months, and the Helmars, who lived in the house for more than 30 years, were getting desperate to sell.

Helmar said that she has never met Richardson personally, but dealt with Richardson through her realtor. The Helmars wound up giving Richardson \$15,000 toward closing costs, she said.

And she is still angry over what happened to a home that clearly she never really wanted to leave. "It's kind of silly. You would think people who are making decisions for others would be able to make good decisions for themselves," she said. "She should have known what she could afford and not afford. In this neighborhood, you just don't do that."

While Richardson walked away from her loan, she bested Oropeza in a June special election, and moved on to Congress. As a member of Congress, Richardson has been asked to vote on legislation pertaining to the spike in foreclosures around the country.

On the biggest pieces of legislation having to do with government bailouts for people whose homes have entered foreclosure, Richardson has recused herself. She did not vote on legislation by Rep. Barney Frank, D-Mass, which would direct \$2.7 billion in government funds to help an estimated 500,000 homeowners who are at risk of foreclosure.

Richardson also did not vote on a measure by Rep. Maxine Waters, D-Los Angeles, that would give local governments \$15 billion to purchase, rehab and resell foreclosed properties.

While Richardson walked away from her bank loan, she has begun to pay herself back for the money she personally invested in her initial race. Records show that Richardson spent \$587,000 out of her Congressional campaign committee since declaring her Congressional candidacy through March of this year. Of those expenditures, Richardson has spent \$18,000 of that money to begin repaying herself for the money Richardson loaned to her campaign.

According to documents at the Sacramento County Clerk's office, Richardson first received a default notice in late 2007. By December 2007, less than a year after Richardson purchased the house, she was behind in her payments by more than \$18,000.

Three months later, on March 19, a notice was filed with the county that Richardson's property would be sold at auction. According to the documents, the unpaid balance and other charges Richardson owed the bank was \$587,384.

Document ID: 07-1020133

From: Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>
To: Gaugl, Sara C.
</o=wamu/ou=sea/cn=recipients/cn=u192170>; Baptista, Geri Ann
S. </o=wamu/ou=sea/cn=recipients/cn=u255251>; Cook, Don
</o=wamu/ou=sea/cn=recipients/cn=u578890>; Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>; Gaspard, Scott
</o=wamu/ou=sea/cn=recipients/cn=u173797>; Watson, Alison
</o=wamu/ou=sea/cn=recipients/cn=u193886>; Thorn, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>; Woodcock, Wendy A.
</o=wamu/ou=sea/cn=recipients/cn=u690715>
Cc:
Bcc:
Subject: FW: Debate intensifies over Richardson default
Date: Thu May 22 2008 17:33:58 EDT
Attachments:

This is the reporter who wrote the first article. Thanks, Jan

Jan Lynn Owen
First Vice President
State and Local Government and Industry Relations Manager
801 K Street Suite 110
Sacramento, CA 95814
916-553-4961
916-325-4717 fax
jan.owen@wamu.net

From: Capitol Weekly [mailto:alerts@capitolweekly.net]
Sent: Thursday, May 22, 2008 2:30 PM
To: Owen, Jan L.
Subject: Debate intensifies over Richardson default

Capitol Weekly <<http://lerpos.com/fs/d:/x0rye2v8gr4ci1/x4vs2y9ufa0ei5/0>>

Debate intensifies over Richardson default

A Long Beach congresswoman who walked away from a \$535,000 mortgage in Sacramento said in a written statement distributed by her office that she owns the home, but financial documents show the house was sold at public auction and has been in the possession of the buyer for weeks.

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as a web page » <<http://lerpos.com/fs/d:/x0rye2v8gr4ci1/x4vs2y9ufoaei5/4>>

Document ID: 00208218

From: Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>
To: Martin T. McGuinn
Cc:
Bcc:
Subject: RE: Laura Richardson
Date: Tue May 27 2008 20:19:31 EDT
Attachments:

2008 002 785 104233

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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From: Martin T. McGuinn
Sent: Tuesday, May 27, 2008 5:05 PM
To: Battaglia, Paul J.
Subject: Laura Richardson

Paul when you get a chance please get me Legal Dept. billing no.

Marty

Martin T. McGuinn
Kirby & McGuinn, A P.C.
600 B Street, Ste. 1950
San Diego, CA 92101
mmcguinn@

Direct Dial: (619) 525



Direct Fax: (619) 525

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Document ID: 146276

From: Martin T. McGuinn <[redacted]>
To: Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>; Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>
Cc: Gaugl, Sara C.
</o=wamu/ou=sea/cn=recipients/cn=u192170>
Bcc:
Subject: FW: Washington Mutual/Laura Richardson
Date: Wed May 28 2008 13:17:54 EDT
Attachments: EAS

Martin T. McGuinn

Kirby & McGuinn, A P.C.

600 B Street, Ste. 1950

San Diego, CA 92101

mmcguinn [redacted]

Direct Dial: (619) 525 [redacted]

Direct Fax: (619) 525 [redacted]

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From: Donna Parkinson [redacted]
Sent: Wednesday, May 28, 2008 9:58 AM
To: Beth Ward; Martin T. McGuinn
Subject: RE: Washington Mutual/Laura Richardson

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JPMC-001199
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Page 75 of 198

CSOC.RICH.002836

Mr. York respectfully declines the offer of \$25,000 over his costs. He will accept \$80,000 over his costs at this time. This counter offer will remain open until the close of business on Friday, April 30.

Donna Parkinson

Parkinson Phinney

400 Capitol Mall, 11th Floor Sacramento, CA 95814

T 916.449.1441 F 916.449.1440 C

donna <[http://www.parkinsonphinney.com/](mailto:donna@parkinsonphinney.com)>

www.parkinsonphinney.com

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IF THE ABOVE RELATES TO A TAX MATTER THEN, PURSUANT TO IRS RULES, WE MUST ADVISE YOU OF THE FOLLOWING: THE ADVICE CONTAINED IN THIS COMMUNICATION WAS NOT INTENDED OR WRITTEN TO BE USED AND CANNOT BE USED FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED BY THE INTERNAL REVENUE SERVICE. Under IRS Rules, a taxpayer may rely on our advice to avoid penalties only if the advice is reflected in a more formal tax opinion that conforms to new IRS standards.

From: Beth Ward
Sent: Wednesday, May 28, 2008 9:09 AM
To: Donna Parkinson
Subject: Washington Mutual/Laura Richardson

Good morning, Ms. Parkinson. Attached is Mr. McGuinn's letter of today's date regarding the above matter.

Beth Ward

Paralegal to Martin T. McGuinn

& Kenneth C. Noorigian

Kirby & McGuinn, A P.C.

600 B Street, Suite 1950

San Diego, CA 92101

Direct Line: (619) 398

Direct Fax: (619) 398

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Attachments:

Donna Parkinson (donna [redacted]).vcf (266 Bytes)
image001.jpg (2010 Bytes)

Document ID: 0.7.1020.14583

Attachment Name: EAS

Locator: esa.pst/*D%28\CWACTIVECASES\HUSTON\DEMPSEY_2\PAUL_BATTAGLIA_U209440
\U209440.PST:00000000746c58ec138c2049af3e5543fcf70ade84582200:
:0100c62bd17d883b44af02c79e232afb47ddf34838f94cf5c4596b94324bd3c69103

Reason: : This file is empty (i.e., its length is zero bytes)

JPMC-001202
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Page 78 of 198

CSOC.RICH.002839

Document ID: 0721021239

From: Baptista, Geri Ann S.
</o=wamu/ou=sea/cn=recipients/cn=u255251>
To: Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>
Cc:
Bcc:
Subject: Richardson
Date: Thu May 22 2008 20:02:35 EDT
Attachments:

Hi Paul,
Adrian is our Corp Comm division exec. Could you please share the update with him?

Adrian Rodriguez
adrian.rodriguez@wamu.net

Geri Ann S. Baptista, VP
Corporate Communications
Washington Mutual
1301 Second Avenue, WMC2103
Seattle, WA 98101
206.500.2875 direct, 206.377.2023 fax
geriann.baptista@wamu.net

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From: Thorn, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>
To: Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>; Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>; Gaugl, Sara C.
</o=wamu/ou=sea/cn=recipients/cn=u192170>
Cc:
Bcc:
Subject: FW: Consent
Date: Thu May 22 2008 18:01:58 EDT
Attachments: EAS

Here is the email just sent for the letter consent

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

-----Original Message-----

From: Thorn, Ann
Sent: Thursday, May 22, 2008 6:01 PM
To: 'laura.richardson@wamu.com'
Cc: Woodcock, Wendy A.
Subject: Consent

Congresswoman Richardson, per our conversation, attached is the consent form needed to be signed by you in order to release the attached letter to the third party purchaser to facilitate the rescission of foreclosure sale. If you can please sign and scan back to my attention, I would appreciate it.

Thank you,

Ann Thorn

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

Attachments:
20080522144304877.pdf (64723 Bytes)
Consent.doc (24594 Bytes)

Document ID: 0.7.1020.13333

Attachment Name: EAS

Locator: esa.pst/*:D%28\CWACTIVECASES\HUSTON\DEMPSEY_2\PAUL_BATTAGLIA_U209440
\U209440.PST:0000000746c58ec138c2049aBe5543fcf70adec45e2200:
:01004db6d6e4a4951e3a66ca2ecb00b381c5a6f01422d0b962149a6fda9ff0bc5fd

Reason: : This file is empty (i.e., its length is zero bytes)

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Page 50 of 60

From: Gaugl, Sara C.
</o=wamu/ou=sea/cn=recipients/cn=u192170>
To: Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>; Kallner, Brad
</o=wamu/ou=sea/cn=recipients/cn=u234857>; Cook, Don
</o=wamu/ou=sea/cn=recipients/cn=u578890>; Woodcock, Wendy A.
</o=wamu/ou=sea/cn=recipients/cn=u690715>
Cc:
Bcc:
Subject: RE: (866) 723-PC
Date: Wed May 21 2008 20:43:20 EDT
Attachments:

Embedded below is Congresswoman Laura Richardson's statement to the media for your reference.

CONGRESSWOMAN LAURA RICHARDSON

For Immediate Release

May 21, 2008

The story published in the Capitol Weekly regarding residential property that I own in Sacramento requires clarification.

Within a 12-month period last year (2007-2008), I was a member of Long Beach City Council, the District Director for California Lt. Gov. Cruz Bustamante, a member of the California State Legislature, and, now a member of Congress. While the transitioning has impacted me personally, the residential property in Sacramento California is not in foreclosure and has NOT been seized by the bank.

I have worked with my lender to complete a loan modification and have renegotiated the terms of the agreement -- with no special provisions. I fully intend to fulfill all financial obligations of this property. On two housing bills that were cited by the Capitol Weekly, the allegation is that I recused myself from these votes. I did not. I was absent from Washington, D.C., and my duties in the House of Representatives due to the untimely death of my father and his subsequent funeral in California. I understand that these homeownership issues are a reflection of what many Americans are going through as they fight to keep their homes and to remain financially stable.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228- cell
sara.gaugl@wamu.net

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From: Woodcock, Wendy A.
</o=wamu/ou=sea/cn=recipients/cn=u690715>
To: Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>
Cc:
Bcc:
Subject: FW: Article: Calif. congresswoman's home threatened with repo
Date: Thu May 22 2008 12:25:54 EDT
Attachments:

fyi

Wendy Woodcock, VP
Division Manager
Homeownership Preservation Dept.
904 886-1309 ph
904 886-1325 fax

From: Jenne', Kevin M.
Sent: Thursday, May 22, 2008 12:21 PM
To: Woodcock, Wendy A.
Subject: FW: Article: Calif. congresswoman's home threatened with repo

Wendy, how are you? I'm forwarding this to you because I got Brad's out of office. Again, probably not news to you, but wanted to make sure.

From: Jenne', Kevin M.
Sent: Thursday, May 22, 2008 9:19 AM
To: Champney, Steven D.; Kallner, Brad; Johnson, Renee T.; Gaugl, Sara C.
Cc: Walser, Michael; Scharf, Will D.
Subject: Article: Calif. congresswoman's home threatened with repo

You probably already know all about this, but I never want to assume. There's some confusion about whether her home has been sold or not, and WaMu hasn't responded about it as of this report.

Calif. congresswoman's home threatened with repo
Thursday May 22, 11:49 am ET

By Don Thompson, Associated Press Writer

Calif. congresswoman's home threatened with repossession after she fails to pay mortgage

SACRAMENTO, Calif. (AP) -- Rep. Laura Richardson has an unusual perspective on the housing foreclosure bills moving through Congress: One of her own homes was threatened with repossession after she failed to pay the mortgage.

Richardson, a Southern California Democrat, bought a two-story home in a leafy, upper-middle-class neighborhood of Sacramento in January 2007, just months after winning a seat in the state Assembly.

She bought the three-bedroom, 1 1/2-bath home in the state capital for \$535,500. The bill collectors started knocking soon after, according to records reviewed Wednesday by The Associated Press.

The city utility department placed a lien on her property in June 2007 for \$154 in unpaid bills, according to documents at the Sacramento County recorder's office. In December, she received a default notice on the mortgage from the collection agency of Washington Mutual Inc., her lender. At that point, she owed \$18,356.

At the time, she had left the Legislature after a quick rise from the Long Beach City Council and moved to Washington after winning a special election to fill a vacant congressional seat. Richardson on Wednesday blamed the frequent job-shifting for financial problems related to the Sacramento property.

A default notice in March this year put the "unpaid balance and other expenses" at \$578,384 and said her 1,639-square-foot house would be auctioned at a trustee sale.

County records show the property was sold to a company called Red Rock Mortgage Inc. of Sacramento for \$388,000 -- although the county assessor's office continues to list Richardson as the owner. No listing could be found for Red Rock.

That sale was officially recorded Monday, according to the records. But Richards said the home was not in foreclosure and had not been seized.

"I have worked with my lender to complete a loan modification and have renegotiated the terms of the agreement -- with no special provisions," Richardson said in a statement Wednesday. "I fully intend to fulfill all financial obligations of this property."

Richardson's chief of staff, Kimberly Parker, told the AP that the mortgage on the home had been sold but that the house had not. The collection agency referred inquiries to Washington Mutual, which did not return a call.

A real estate agent's lock box hung Wednesday from the front door of the 1926-vintage house.

Records at a Sacramento County tax office also show Richardson is delinquent in paying \$8,950 in property taxes.

Richardson moved from the Long Beach City Council to her Assembly seat in 2006, and the next year won a special election to represent a heavily Democratic congressional district that includes Long Beach.

Congressional records show Richardson did not cast votes May 8 on three bills related to the Foreclosure Prevention Act. In her statement, she said she was away from Washington because of her father's funeral.

"I understand that these homeownership issues are a reflection of what many Americans are going through as they fight to keep their homes and to remain financially stable," Richardson said in her statement.

Associated Press writers Erica Werner in Washington and Samantha Young and Rich Pedroncelli in Sacramento contributed to this report.

Kevin Jenné | FVP, Market Research Manager

Research & Customer Insight

Washington Mutual

V: 206.500.2615 | E: kevin.jenne@wamu.net <<mailto:kevin.jenne@wamu.net>>

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From: Gaugl, Sara C.
</o=wamu/ou=sea/cn=recipients/cn=u192170>
To: Thorn, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>; Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>; Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>
Cc:
Bcc:
Subject: Re: Update
Date: Tue May 27 2008 10:17:44 EDT
Attachments:

Good morning, Ann. From a media perspective, there has been additional coverage over the weekend (same tone as Friday). And as you are aware, the Congresswoman has chosen to not sign the media consent form that would allow us to discuss her loan situation publicly.

- Sara

Sent from my BlackBerry Wireless Handheld

----- Original Message -----

From: Thorn, Ann
To: Battaglia, Paul J.; Gaugl, Sara C.; Owen, Jan L.
Sent: Tue May 27 06:38:53 2008
Subject: Update

John Berens is looking for an update on the Richardson file this morning. Has there been anything new since the press information Friday night?

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

Document ID: 0218820

From: Thorn, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>
To: Gaugl, Sara C.
</o=wamu/ou=sea/cn=recipients/cn=u192170>; Cook, Don
</o=wamu/ou=sea/cn=recipients/cn=u578890>; Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>; Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>
Cc: Elias, Alan
</o=wamu/ou=sea/cn=recipients/cn=u62181494974884>
Bcc:
Subject: RE: Congresswoman's Financial Report: This Won't Be Pretty.
Date: Thu Jun 12 2008 17:11:51 EDT
Attachments:

i was on a project for Steve all day and just picked up my messages.

Congresswoman left me a message that she has not been home for two weeks and she is going home this weekend and will be turning in her financials to me some time early next week.

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Gaugl, Sara C.
Sent: Thursday, June 12, 2008 11:30 AM
To: Cook, Don; Battaglia, Paul J.; Thorn, Ann; Owen, Jan L.
Cc: Elias, Alan
Subject: Congresswoman's Financial Report: This Won't Be Pretty.

FYI, below. It appears that the House members' annual financial reports are scheduled to be released on Monday, which may include specific information about Ms. Richardson's home loan issues.

Just so you are aware, I communicated to Mary Ann that I couldn't discuss Ms. Richardson's loan situation (not foreclosure sale).

I'll let you know if I receive any media calls today.

Congresswoman's Financial Report: This Won't Be Pretty.

Mary Ann Akers And Paul Kane

12 June 2008

The Washington Post

We may learn more about Rep. Laura Richardson's (D-Calif.) home foreclosure problems Monday, when House members' annual financial reports are scheduled to be released.

Richardson filed her report on time rather than seeking an extension, her spokesman, William Marshall, tells On the Hill. But Marshall says he can "neither confirm nor deny" whether the disclosure report will reflect the full extent of the beleaguered congresswoman's financial woes, which include foreclosure on one home and loan defaults on two others.

Marshall declined to answer questions about how Richardson, who won a special election last August, wound up in such dire straits. She lost her Sacramento home to foreclosure after failing to make payments, at the same time that she reportedly owed Sacramento County some \$9,000 in property taxes and defaulted on loans six times on two other California homes.

In the meantime, however, Richardson rose in one year from Long Beach councilwoman to state assemblywoman to a member of the U.S. Congress.

According to the Long Beach Press-Telegram, Richardson also failed to pay hundreds of dollars worth of car repairs to one mechanic, then ultimately abandoned the car at another auto body shop.

Yesterday, the story took a new twist. The Los Angeles Times reported that the home Richardson lost in foreclosure could be returned to her, because the lender, Washington Mutual <javascript:void(0);>, filed a letter of rescission of the foreclosure sale and asked the new owner for the keys back.

"They took the property back, and they didn't even send back the money," the new owner, real estate investor James York, told the Times. "It's clear what's happening is Ms. Richardson is abusing her political power and using it for her own political needs," he said. "You don't have to be smart to understand what's happening."

Richardson isn't saying anything. Referring to the congresswoman's lender, her spokesman told us, "This is about Washington Mutual. <javascript:void(0);>" He urged us to call Washington Mutual <javascript:void(0);> for comment. But a Washington Mutual <javascript:void(0);> spokeswoman told us she couldn't comment on the foreclosure sale because Congresswoman Richardson "has not provided us with authorization to publicly discuss her loan."

The left-leaning watchdog group Citizens for Responsibility and Ethics in Washington calls Richardson a "deadbeat congresswoman."

Sara Gaugi
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228. cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any

attachments without copying or disclosing the contents. Thank you.

Document ID: 0020-912

From: Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>
To: Thorn, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>; Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>; Cook, Don
</o=wamu/ou=sea/cn=recipients/cn=u578890>; Gaugi, Sara C.
</o=wamu/ou=sea/cn=recipients/cn=u192170>
Cc:
Bcc:
Subject: Re: Loss Mit
Date: Wed Jun 18 2008 10:34:02 EDT
Attachments:

I will schedule a call this week. Thanks, J

----- Original Message -----

From: Thorn, Ann
To: Battaglia, Paul J.; Cook, Don; Gaugi, Sara C.; Owen, Jan L.
Sent: Wed Jun 18 07:30:45 2008
Subject: FW: Loss Mit

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Laura Richardson [mailto:laurarichardson] 
Sent: Wednesday, June 18, 2008 10:30 AM
To: Thorn, Ann
Subject: Fw: Loss Mit

Ann,
FYI---
NO REFERENCE TO TIME DEADLINES.
Laura Richardson

----- Forwarded Message -----
From: "Mathis, Julie A." <julie.mathis@wamu.net>

To: laurarichardsor [redacted]
Cc: "Thorn, Ann" <ann.thorn@wamu.net>; "Woodcock, Wendy A." <wendy.woodcock@wamu.net>
Sent: Friday, June 6, 2008 12:10:05 PM
Subject: Loss Mit

<<Borrower Assistance Form 5.08.pdf>>

Thank you,

Julie

Julie Mathis, VP
Department Manager
Homeownership Preservation
Washington Mutual
904 886-1305
904 886-1325 fax

From: Thorn, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>
To: Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>; Cook, Don
</o=wamu/ou=sea/cn=recipients/cn=u578890>; Gaugi, Sara C.
</o=wamu/ou=sea/cn=recipients/cn=u192170>; Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>
Cc:
Bcc:
Subject: FW: Follow-up on Loss Mit
Date: Wed Jun 18 2008 10:26:26 EDT
Attachments:

Here is her response to the letter.

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Laura Richardson [mailto:laurarichardson@wamu.com]
Sent: Wednesday, June 18, 2008 10:24 AM
To: Thorn, Ann
Subject: Re: Follow-up on Loss Mit

Ms. Thorn,
Due to the numerous issues that have surrounded my agreement and the improper sale of my property, I am working with my original broker to complete the application accurately. I am limited to his availability therefore it is taking longer than I expected. I advised Ms. Mathis of my delay via email and was told you would be notified.

I was quite surprised with your attached letter that requires submittal by Friday which I do not believe was expressed before. If you recall, it was I, that suggested we begin the process prior to the completion of the rescission not WAMU.

I will meet your deadline; however, in the future clear indications of time deadlines is needed.

Laura Richardson

----- Original Message -----
From: "Thorn, Ann" <ann.thorn@wamu.net>

To: Laura Richardson <laurarichardson@...>
Sent: Tuesday, June 17, 2008 3:14:14 PM
Subject: Follow-up on Loss Mit

Congresswoman,

Please see attached.

Thank you,

Ann Thorn

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

Received: 2008-06-18 10:29:53 EDT

From: Thorn, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>
To: Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>; Cook, Don
</o=wamu/ou=sea/cn=recipients/cn=u578890>; Gaugl, Sara C.
</o=wamu/ou=sea/cn=recipients/cn=u192170>; Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>
Cc:
Bcc:
Subject: FW: Loss Mit
Date: Wed Jun 18 2008 10:29:53 EDT
Attachments:

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Laura Richardson
Sent: Wednesday, June 18, 2008 10:28 AM
To: Thorn, Ann
Subject: Re: Loss Mit

FYI--
My notice of delay AND NO REFERENCE TO TIME DEADLINES.
Laura Richardson

----- Original Message -----
From: "Mathis, Julie A." <julie.mathis@wamu.net>
To: Laura Richardson <[redacted]>
Sent: Thursday, June 12, 2008 1:05:34 PM
Subject: RE: Loss Mit

Thanks, I will let them both know.

Julie

Julie Mathis, VP
Department Manager
Homeownership Preservation

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JPMC-001218
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Page 152 of 155

CSOC.RICH.002855

Washington Mutual
904 886-1305
904 886-1325 fax

From: Laura Richardson [redacted]
Sent: Thursday, June 12, 2008 10:20 AM
To: Mathis, Julie A.
Subject: Re: Loss Mit

Please advise Ann Thorne that I will work on this during the weekend. I apologize for the delay I did not recognize your email / name. I was looking for something from Ann or Ms. Woodcock, so I missed it.

I will be in touch.

Laura

----- Original Message -----

From: "Mathis, Julie A." <julie.mathis@wamu.net>
To: laurarichardso [redacted]
Cc: "Thorn, Ann" <ann.thorn@wamu.net>; "Woodcock, Wendy A." <wendy.woodcock@wamu.net>
Sent: Friday, June 6, 2008 12:10:05 PM
Subject: Loss Mit

<<Borrower Assistance Form 5.08.pdf>>

Thank you,

Julie

Julie Mathis, VP
Department Manager
Homeownership Preservation
Washington Mutual
904 886-1305
904 886-1325 fax

Document ID: 0022976

From: Thorn, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>
To: Gaugl, Sara C.
</o=wamu/ou=sea/cn=recipients/cn=u192170>; Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>; Cook, Don
</o=wamu/ou=sea/cn=recipients/cn=u578890>; Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>
Cc:
Bcc:
Subject: FW: Notice of Pendency of Action
Date: Wed Jun 18 2008 19:40:53 EDT
Attachments:

I also got this

From: Laura Richardson [mailto:]
Sent: Wed 06/18/2008 06:34 PM
To: Thorn, Ann
Subject: Notice of Pendency of Action

Ann,
Late yesterday, Red Rock Mortgage, sent a certified letter to my district office in Torrance where my office staff unknowingly signed for which included "Notice of Pendency of Action" papers.

Who in your operation/office should I follow-up with? Please advise at your earliest convenience.

Laura Richardson

From: Thorn, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>
To: Mathis, Julie A.
</o=wamu/ou=sea/cn=recipients/cn=u692185>; Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>; Gaugl, Sara C.
</o=wamu/ou=sea/cn=recipients/cn=u192170>; Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>
Cc:
Bcc:
Subject: RE: Follow-up on Loss Mit
Date: Fri Jun 20 2008 14:57:31 EDT
Attachments:

Julie will be calling her this afternoon and offering her a mod. I am available by cell if anyone needs me, but I have some children duties this afternoon. [REDACTED]

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Thorn, Ann
Sent: Thursday, June 19, 2008 8:41 PM
To: Mathis, Julie A.; Battaglia, Paul J.; Gaugl, Sara C.; Owen, Jan L.
Subject: RE: Follow-up on Loss Mit

Julie, not sure what fax this is, but I will need you to get the information and then you and Wendy call her with any additional questions regarding Loss Mit. My day is full except from 1 to 2 tomorrow. If that works for you, then I will email her and advise her of the time so we do not miss her again. Everyone, is that ok with you?

From: Laura Richardson [REDACTED]
Sent: Thu 06/19/2008 06:38 PM
To: Mathis, Julie A.
Cc: Thorn, Ann
Subject: Fw: Follow-up on Loss Mit

FYI... I am faxing you the document as well with pending clarifying questions and hope to hear from someone tomorrow.
Again, I can be reached at 202-225-7924 or cell [REDACTED]

Thanks, Laura

----- Forwarded Message -----

From: Laura Richardson [redacted]
To: "Thorn, Ann" <ann.thorn@wamu.net>
Sent: Thursday, June 19, 2008 7:36:01 PM
Subject: Re: Follow-up on Loss Mit

Ann,

I just sent the WaMu borrower assistance form via fax to 904-886-1627. I sent three emails to you yesterday and none of them were replied to. Please contact me at your earliest convenience to discuss a few open items. Further, I have a couple questions regarding the assistance form but I wanted to complete it as best as I could today to meet your requested deadline just advised of yesterday for Friday. I look forward to your call tomorrow at either [redacted]

Thanks,
Laura

----- Original Message -----

From: "Thorn, Ann" <ann.thorn@wamu.net>
To: Laura Richardson [redacted]
Sent: Tuesday, June 17, 2008 3:14:14 PM
Subject: Follow-up on Loss Mit

Congresswoman,

Please see attached.

Thank you,

Ann Thorn

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

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From: Thorn, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>
To: Mathis, Julie A.
</o=wamu/ou=sea/cn=recipients/cn=u692185>; Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>; Gaugl, Sara C.
</o=wamu/ou=sea/cn=recipients/cn=u192170>; Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>
Cc:
Bcc:
Subject: RE: Follow-up on Loss Mit
Date: Thu Jun 19 2008 20:40:30 EDT
Attachments:

Julie, not sure what fax this is, but I will need you to get the information and then you and Wendy call her with any additional questions regarding Loss Mit. My day is full except from 1 to 2 tomorrow. If that works for you, then I will email her and advise her of the time so we do not miss her again. Everyone, is that ok with you?

From: Laura Richardson [redacted]
Sent: Thu 06/19/2008 06:38 PM
To: Mathis, Julie A.
Cc: Thorn, Ann
Subject: Fw: Follow-up on Loss Mit

FYI... I am faxing you the document as well with pending clarifying questions and hope to hear from someone tomorrow.
Again, I can be reached at [redacted]
Thanks, Laura

----- Forwarded Message -----
From: Laura Richardson [redacted]
To: "Thorn, Ann" <ann.thorn@wamu.net>
Sent: Thursday, June 19, 2008 7:36:01 PM
Subject: Re: Follow-up on Loss Mit

Ann,
I just sent the WaMu borrower assistance form via fax to 904-886-1627. I sent three emails to you yesterday and none of them were replied to. Please contact me at your earliest convenience to discuss a few open items. Further, I have a couple questions regarding the assistance form but I wanted to complete it as best as I could today to meet your requested deadline just advised of yesterday for Friday. I look forward to your call tomorrow at either [redacted]

Thanks,
Laura

----- Original Message -----

From: "Thorn, Ann" <ann.thorn@wamu.net>

To: Laura Richardson

Sent: Tuesday, June 17, 2008 3:14:14 PM

Subject: Follow-up on Loss Mit

Congresswoman,

Please see attached.

Thank you,

Ann Thorn

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Alvarez, Rosalva R.
</o=wamu/ou=sea/cn=recipients/cn=u111567>
To: Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>; Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>
Cc:
Bcc:
Subject: FW:
Date: Wed May 21 2008 17:08:19 EDT
Attachments: EAS

Rosie Alvarez
Executive Response Team
Customer Relations Manager
Washington Mutual Bank
(800) 225-5497 Opt. 1 Ext. 467
Fax (206) 965-3082

" I long to accomplish great and noble tasks, but it is my chief duty to accomplish humble tasks as though they were great and noble. The world is moved along, not only by the mighty shoves of its heroes, but also by the aggregate of the tiny pushes of each honest worker." Helen Keller-

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Banks, Donna R.
Sent: Wednesday, May 21, 2008 2:07 PM
To: Alvarez, Rosalva R.
Subject:

Donna Banks
Default Specialist II
Washington Mutual Bank

Attachments:
Richardson reinstatement.doc (26130 Bytes)

Document ID: 0.7.1020.13261

Attachment Name: EAS

Locator: esa:pst*:D%28\CWACTIVECASES\HUSTON\DEMPSEY_2\PAUL_BATTAGLIA_U209440
\U209440.PST:00000000746c58ec138c2049af3e5543cf70ade84662200:
:0100401ef36d843b4f4686f4efbb037c04a4981fcfbf37eed716c697d829977e0

Reason: : This file is empty (i.e., its length is zero bytes)

JPMC-001228
CONFIDENTIAL

Page 124 of 155

CSOC.RICH.002865

From: Gaugl, Sara C.
 </o=wamu/ou=sea/cn=recipients/cn=u192170>
 To: Battaglia, Paul J.
 </o=wamu/ou=sea/cn=recipients/cn=u209440>
 Cc: Owen, Jan L.
 </o=wamu/ou=sea/cn=recipients/cn=u146276>
 Bcc:
 Subject: More info re: York
 Date: Thu May 22 2008 13:33:03 EDT
 Attachments:

Money, Finance & Business See other Money, Finance & Business <<http://www.libertypost.org/cgi-bin/listarticles.cgi?1106>> Articles
 Title: Congresswoman defaults on (mortgage) loan Source: Long Beach (Calif.) Press-Telegram URL
 Source: <<http://www.presselegram.com>> Published: May 22, 2008 Author: (unknown) Post Date: 2008-05-22 12:35:46 by glc11733 Comments
 Rep. Laura Richardson lost her Sacramento home in a foreclosure auction two weeks ago, and left behind nearly \$9,000 in unpaid property taxes.
 Richardson, D-Long Beach, appears to have made only a few payments on the house, which she bought in January 2007 for \$535,000.
 After buying the home, Richardson hardly had time to live in it. Three months later, Rep. Juanita Millender-McDonald died and Richardson - then a freshman member of the state Assembly - launched a campaign to replace her in Congress.
 Richardson won the election, pouring in \$77,500 in personal loans to her own campaign. Around the same time, she stopped making payments on the Sacramento house. The bank issued a default notice in December, and the home was sold at a public auction on May 7 for \$388,000.
 Richardson declined Wednesday to be interviewed about the foreclosure, which was first revealed in Capitol Weekly, a Sacramento-based publication. But in a statement, Richardson denied that the home was in foreclosure and said it had not been seized by the bank.
 "I have worked with my lender to complete a loan modification and have renegotiated the terms of the agreement - with no special provisions," Richardson said in the statement. "I fully intend to fulfill all financial obligations on the property."
 That would come as a surprise to James York, the Sacramento real estate broker who bought Richardson's house at auction. York specializes in buying and selling foreclosed homes, and said he eventually intends to resell Richardson's home, which overlooks a park in an upscale neighborhood. York produced a trustee's deed confirming that his company, Red Rock Mortgage Inc., owns the house. York said the house was relatively clean when he found it, at least compared with other foreclosed homes, though the garage was "full of trash to the ceiling." Workers have been cleaning it out and tending to the yard, which had been left unmowed for months.
 When he bought the house at 3622 W. Curtis Drive, York assumed responsibility for Richardson's unpaid property tax bill of \$8,950.79.
 "Tell Laura I'd be happy to have her pay my property tax," York said.
 The real loser in the deal was Washington Mutual Bank, which issued Richardson a \$535,000 loan with no money down in January 2007. By the time the default notice was issued, Richardson was underwater on the loan. She owed about \$575,000, including \$18,000 in missed payments. Washington Mutual ended up writing off nearly \$200,000 of that debt to get rid of the home.
 "They took a beating," York said.
 The previous owner of the home, Sharon Helmar, said the neighbors were "appalled" that Richardson was not maintaining the lawn. Another neighbor said that until recently the grass was about a foot high. "It's kind of heartbreaking to see something you've worked on for 30 years be left and not taken care of," Helmar said. "You would have thought someone like that would have been a little more responsible."

The home is only a few minutes' drive from the Capitol. It is about 1,600 square feet, and has three bedrooms and 1 1/2 baths. It sits on a corner facing Curtis Park.

"It's your typical 1920s house," she said. "Hardwood floors, wallpaper. It's not huge, but it served us for a lot of years."

The neighborhood is known as affluent and politically liberal. A mayoral candidate lives nearby, and a former state senator lives three doors down.

"It is a very stable neighborhood," said Charlene Singley, the Realtor who sold the home to Richardson. "It has been affected by the downturn, however, because it is in the older, more established area of Sacramento, and it is close to the downtown urban core. It is one of the few neighborhoods that has not been hit as hard."

Singley was surprised to hear that the home had gone into foreclosure.

Although Richardson did not pay her property taxes or the balance of her loan, she has begun repaying the loans that she issued to her own political campaign.

Richardson, a former Long Beach city councilwoman, still owns a home in Long Beach.

One of Richardson's first votes upon arriving in Congress last fall was on the Mortgage Forgiveness Debt Relief Act of 2007. The bill helped homeowners by preventing the federal government from charging income tax on debt forgiven in a foreclosure, such as the \$200,000 forgiven in Richardson's foreclosure.

Joining 385 of her colleagues, Richardson voted aye.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gaugl, Sara C.
</o=wamu/ou=sea/cn=recipients/cn=u192170>
To: Thorn, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>; Elias, Alan
</o=wamu/ou=sea/cn=recipients/cn=u62181494974884>; Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>; Cook, Don
</o=wamu/ou=sea/cn=recipients/cn=u578890>; Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>
Cc: Schneider, David C.
</o=wamu/ou=sea/cn=recipients/cn=u215416>; Berens, John
</o=wamu/ou=sea/cn=recipients/cn=u206888>; Champney, Steven D.
</o=wamu/ou=sea/cn=recipients/cn=u214145>
Bcc:
Subject: Update: Congresswoman obtains spokesperson
Date: Tue May 27 2008 22:24:02 EDT
Attachments:

All:
FYI - it appears that Congresswoman Richardson has now engaged a spokesperson -- William Marshall. Among other things, he states that Ms. Richardson is awaiting clarification from WaMu as to whether she had secured new loan terms in time, but that she is still in fact the owner of her Sacramento home (though public records state otherwise).

I'll continue to let you know of any other new developments as reported by the media.

- Sara

Rep. Richardson defaulted on three Calif. home loans - The Hill
By Jared Allen
05/27/08

The tale of Rep. Laura Richardson's (D) personal housing crisis got even more captivating Tuesday as her office said the freshman lawmaker defaulted on loans she took out for not just one, but three, California homes.

The news of one of Richardson's properties recently being sold at auction captured widespread attention last week in the wake of the nation's housing crisis. But that was only part of the story.

Richardson's office said Tuesday she has caught up on her payments and renegotiated the terms of loans she took out to purchase homes in San Pedro and Long Beach, Calif. Her office confirmed that the lawmaker defaulted on both of these homes and was risking foreclosure when she went months without making payments.

A third home that Richardson borrowed heavily to move into in Sacramento was sold at auction earlier this month - at a \$150,000 loss to the bank that issued her the \$535,000 loan.

William Marshall, a spokesman for Richardson, said on Tuesday that she was still awaiting clarification from her lender, Washington Mutual, as to whether she had secured new loan terms in time and was still, in fact, the owner of the home.

Richardson told The Associated Press on Friday that she was surprised to learn that the home was sold at the May 7 auction. She claimed that the sale never should have happened because she had

renegotiated her loan to pay it off.

Even as that was happening, ethics watchdogs were crying foul over Richardson's personal finances and questioning how she was able to lend her campaign to Congress \$77,500 in the midst of multiple home loan defaults.

Federal Election Commission (FEC) reports show that Richardson loaned her campaign a total of \$77,500 - in three installments - between June and July of 2007.

Richardson's year-end FEC filing showed that her campaign still had \$331,000 worth of debt but \$116,000 cash-on-hand.

Marshall was unable to immediately answer questions about whether Richardson borrowed against any of her home equity - from homes she defaulted on - to finance her House campaign.

But he did not dispute reports that Richardson had done the very same thing the year prior when she borrowed \$100,000 against her Long Beach home - whose mortgage she later defaulted on - to loan to her campaign for the California General Assembly. She repaid that personal loan in its entirety, according to Los Angeles media outlets.

Melanie Sloan, executive director of the Citizens for Responsibility and Ethics in Washington, criticized Richardson for falling deeper into debt while choosing to spend more than \$77,500 of her own money on her campaign. She suggested that Richardson's actions only demonstrated her belief that winning a seat in Congress is more important than practicing personal fiscal responsibility.

Sloan added Richardson should not be in the situation she is while making a congressional salary when homeowners around the country making \$50,000 or less are struggling to pay their debts.

"Truthfully, it's appalling," Sloan said.

Meredith McGehee, policy director for the Campaign Legal Center, said it would be reasonable for the FEC to look into the timing of the loan against the timeline of Richardson's home loan defaults.

"In situations like this it's very important for whoever loaned her the money to demonstrate that they treated her equitably, not favorably," McGehee said. "Otherwise, you're getting into a situation of a corporate underwriting of a campaign."

Richardson's FEC reports do not spell out the terms of her personal loans to her campaign.

Richardson originally came under scrutiny last week when it was learned that a home she owned in Sacramento was sold at auction after it went into foreclosure.

As well as her \$536,000 home in Sacramento, a home that Richardson owned in San Pedro - which she borrowed \$359,000 to obtain - went into default in September 2007 when she became more than \$12,000 behind in her payments.

In addition, Richardson's primary residence in Long Beach went into default just two months ago after she failed to make a payment for four months and owed nearly \$20,000 on the property. Marshall declined to give details of the new loans that he said Richardson was able to secure.

Richardson last week told reporters in California that her experience makes her particularly well-suited to help Congress legislate a solution to the nation's housing crisis, saying she hoped to testify before congressional committees on the issue.

And when Congress returns following the Memorial Day recess, reconciling the House and Senate versions of the legislation designed to help the housing market rebound will be on the top of the

agenda.

Richardson did not vote on the version of the Foreclosure Prevention Act that passed the House, but said she missed the vote only because she was attending her father's funeral.

Richardson was a member of the Long Beach City Council when she won a California General Assembly seat in November 2006, months before she purchased the home in Sacramento. She won the congressional seat the following year in the special election to replace the late Rep. Juanita Millender-McDonald (D).

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gaugl, Sara C.
</o=wamu/ou=sea/cn=recipients/cn=u192170>
To: Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>; Cook, Don
</o=wamu/ou=sea/cn=recipients/cn=u578890>; Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>; Woodcock, Wendy A.
</o=wamu/ou=sea/cn=recipients/cn=u690715>; Thorn, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>; Baptista, Geri Ann
S. </o=wamu/ou=sea/cn=recipients/cn=u255251>
Cc: Rodriguez, Adrian
</o=wamu/ou=sea/cn=recipients/cn=u574568>; Elias, Alan
</o=wamu/ou=sea/cn=recipients/cn=u62181494974884>
Bcc:
Subject: Update York Comment Re: Sale
Date: Thu May 22 2008 22:13:27 EDT
Attachments:

All -

Please see below - York has now publicly offered to resell the home for \$535,000 -- the same price Richardson paid for it in 2007. I will scan recent coverage in an effort to uncover additional info and will route to the team in advance of tomorrow's meeting. It also appears that Richardson has refrained from making further comments at this time.

L.A. Land: latimes.com <<http://latimesblogs.latimes.com/laland/>>

Buyer of Rep. Laura Richardson's house: She "walked away" <<http://latimesblogs.latimes.com/laland/2008/05/buyer-of-rep-la.html>>

The Wall Street Journal quotes the buyer of U.S. Rep. Laura Richardson's Sacramento house as saying she walked away from the house, and can have it back if she wants it -- for the same price she paid for it in 2007.

Richardson (pictured) has denied a published report that her house went into foreclosure, <<http://latimesblogs.latimes.com/laland/2008/05/report-lender-t.html>> saying she worked with her lender to renegotiate her mortgage.

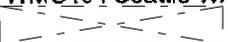
But James York, the Sacramento broker listed on public documents as the new buyer of the home, tells the Journal's "Developments" blog the congresswoman walked away from the mortgage: 'She's walked away from the property,' he said. 'I would be happy to resell her the home for the \$535,000.'

That would represent a tidy profit for York, who reportedly bought the Richardson house at auction for \$388,000.

Richardson's office has not answered questions about the Sacramento home. In a statement Wednesday, the Democrat from Long Beach said the house "is not in foreclosure" and that she had reached an agreement with her lender on a loan modification.

Sara Gaugl
Home Loans Public Relations

WaMu

1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 
sara.gaugl@wamu.net

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DocumentID: 007102012008

From: Champney, Steven D.
</o=wamu/ou=sea/cn=recipients/cn=u214145>
To: Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>
Cc:
Bcc:
Subject: Out of Office AutoReply: Laura Richardson - Attorney Client Privileged Communication
Date: Thu May 22 2008 20:57:20 EDT
Attachments:

Thank you for contacting me. I am presently out of office 5/22 - 5/27, so if this is an urgent matter or an emergency please contact my assistant Susan Samuel at 904-886-6251 or susan.samuel@wamu.net, otherwise I will respond once I've returned. Thank you and have a WaMu day!

Document ID: 1023

From: Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>
To: Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>
Cc:
Bcc:
Subject: Update on Congresswoman Richardson
Date: Thu May 22 2008 19:52:03 EDT
Attachments:

DocumentID: 0000020935

From: Brignac, Deborah P.
</o=wamu/ou=sea/cn=recipients/cn=u096866>
To: Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>
Cc:
Bcc:
Subject: Out of Office AutoReply: Richardson Rescission Notice
Date: Thu May 29 2008 20:24:24 EDT
Attachments:

I will be out of the office Friday, 5/30. If you require immediate assistance please contact Huey-Jen Chiu at (818) 775-2340 or huey-jen.chiu@wamu.net. Thank you.

NOTE: Please direct all DIL, Senior Lien Monitoring and TDUS inquiries to crreferrals@wamu.net. Thank you.

Document ID: [REDACTED]

From: Gaugl, Sara C.
</o=wamu/ou=sea/cn=recipients/cn=u192170>
To: Cook, Don
</o=wamu/ou=sea/cn=recipients/cn=u578890>; Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>; Thorn, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>; Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>
Cc: Elias, Alan
</o=wamu/ou=sea/cn=recipients/cn=u62181494974884>
Bcc:
Subject: Congresswoman's Financial Report: This Won't Be Pretty.
Date: Thu Jun 12 2008 11:30:16 EDT
Attachments:

FYI, below. It appears that the House members' annual financial reports are scheduled to be released on Monday, which may include specific information about Ms. Richardson's home loan issues.

Just so you are aware, I communicated to Mary Ann that I couldn't discuss Ms. Richardson's loan situation (not foreclosure sale).

I'll let you know if I receive any media calls today.

Congresswoman's Financial Report: This Won't Be Pretty.

Mary Ann Akers And Paul Kane

12 June 2008

The Washington Post

We may learn more about Rep. Laura Richardson's (D-Calif.) home foreclosure problems Monday, when House members' annual financial reports are scheduled to be released.

Richardson filed her report on time rather than seeking an extension, her spokesman, William Marshall, tells On the Hill. But Marshall says he can "neither confirm nor deny" whether the disclosure report will reflect the full extent of the beleaguered congresswoman's financial woes, which include foreclosure on one home and loan defaults on two others.

Marshall declined to answer questions about how Richardson, who won a special election last August, wound up in such dire straits. She lost her Sacramento home to foreclosure after failing to make payments, at the same time that she reportedly owed Sacramento County some \$9,000 in property taxes and defaulted on loans six times on two other California homes.

In the meantime, however, Richardson rose in one year from Long Beach councilwoman to state assemblywoman to a member of the U.S. Congress.

According to the Long Beach Press-Telegram, Richardson also failed to pay hundreds of dollars worth of car repairs to one mechanic, then ultimately abandoned the car at another auto body shop.

Yesterday, the story took a new twist. The Los Angeles Times reported that the home Richardson lost in foreclosure could be returned to her, because the lender, Washington Mutual <javascript:void(0);>, filed a letter of rescission of the foreclosure sale and asked the new owner for the keys back.

"They took the property back, and they didn't even send back the money," the new owner, real estate investor James York, told the Times. "It's clear what's happening is Ms. Richardson is abusing her political power and using it for her own political needs," he said. "You don't have to be smart to understand what's happening."

Richardson isn't saying anything. Referring to the congresswoman's lender, her spokesman told us, "This is about Washington Mutual. <javascript:void(0);>" He urged us to call Washington Mutual <javascript:void(0);> for comment. But a Washington Mutual <javascript:void(0);> spokeswoman told us she couldn't comment on the foreclosure sale because Congresswoman Richardson "has not provided us with authorization to publicly discuss her loan."

The left-leaning watchdog group Citizens for Responsibility and Ethics in Washington calls Richardson a "deadbeat congresswoman."

Sara Gaugi
Home Loans Public Relations

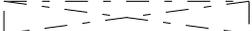
WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 
sara.gaugl@wamu.net

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Document ID: 1720

From: Gaugl, Sara C.
</o=wamu/ou=sea/cn=recipients/cn=u192170>
To: Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>
Cc:
Bcc:
Subject: <http://thedistrictweekly.com/daily/staff-infection/briefing/congresswoman-laura-richardson-gets-her-house-back/>
Date: Tue Jun 10 2008 16:47:42 EDT
Attachments:

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 
sara.gaugl@wamu.net

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From: Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>
To: Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>
Cc:
Bcc:
Subject: Out of Office AutoReply: Laura Richardson
Date: Tue Jun 10 2008 16:31:57 EDT
Attachments:

Thank you for your email. I am out of the office the week of June 9th returning June 16th. I will have sporadic access to email during this week. Should you need immediate attention please call Seattle, Erik Strom at erik.strom@wamu.net. I will respond to your email when I return. Thank you. Jan

Document ID: 07-102018976

From: Prince, Deanna K.
</o=wamu/ou=sea/cn=recipients/cn=u216638>
To: Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>
Cc:
Bcc:
Subject: Accepted: Laura Richardson - Counteroffer from foreclosure purchaser
Date: Mon Jun 16 2008 14:50:09 EDT
Attachments:

Document ID: 07/10/08 1654

From: Samuel, Susan L.
</o=wamu/ou=sea/cn=recipients/cn=u184557>
To: Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>
Cc:
Bcc:
Subject: Declined: Laura Richardson - Counteroffer from foreclosure purchaser
Date: Mon Jun 16 2008 14:54:53 EDT
Attachments:

Paul, Steve Champney will not be able to attend this afternoon.

Document ID: 077-027-385

From: Thornton, Gamae M.
</o=wamu/ou=sea/cn=recipients/cn=u242681>
To: Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>
Cc:
Bcc:
Subject: Accepted: Laura Richardson - Counteroffer from foreclosure purchaser
Date: Mon Jun 16 2008 14:51:26 EDT
Attachments:

Document ID: 0740201889

From: Cook, Don
</o=wamu/ou=sea/cn=recipients/cn=u578890>
To: Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>
Cc:
Bcc:
Subject: Accepted: Laura Richardson - Counteroffer from foreclosure purchaser
Date: Mon Jun 16 2008 15:21:54 EDT
Attachments:

From: Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>
To: Berens, John
</o=wamu/ou=sea/cn=recipients/cn=u206888>; Champney, Steven D.
</o=wamu/ou=sea/cn=recipients/cn=u214145>; Cook, Don
</o=wamu/ou=sea/cn=recipients/cn=u578890>; Stevens, Lawrence W.
</o=wamu/ou=sea/cn=recipients/cn=u068158>; Klein, Jason C.
</o=wamu/ou=sea/cn=recipients/cn=u164802>; Parker, Gary L.
</o=wamu/ou=sea/cn=recipients/cn=u142170>
Cc:
Bcc:
Subject: Laura Richardson - Counteroffer from foreclosure purchaser
Date: Mon Jun 16 2008 14:42:16 EDT
Attachments:

When: Monday, June 16, 2008 12:30 PM-1:00 PM (GMT-08:00) Pacific Time (US & Canada); Tijuana.
Where: Dial in at 1-866-736- Participant passcode is

~~*~*~*~*~*~*~*~*

Telephone conference to discuss the 3rd party purchaser's new counter-offer received today. (Counter offer is \$80k plus "expenses". We're seeking clarification on how much the claimed expenses are and what they include).

Dial in Number: 866-736-
Participant Code:

Seattle Participants meet in small conference room on 34.

Document ID: 0208226

From: Russo, Elizabeth M.
</o=wamu/ou=sea/cn=recipients/cn=u142429>
To: Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>
Cc:
Bcc:
Subject: Accepted: Laura Richardson - Counteroffer from foreclosure purchaser
Date: Mon Jun 16 2008 14:47:57 EDT
Attachments:

From: Thorn, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>
To: Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>; Cook, Don
</o=wamu/ou=sea/cn=recipients/cn=u578890>; Gaugl, Sara C.
</o=wamu/ou=sea/cn=recipients/cn=u192170>; Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>
Cc:
Bcc:
Subject: FW: Loss Mit
Date: Wed Jun 18 2008 10:30:45 EDT
Attachments: EAS

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Laura Richardson
Sent: Wednesday, June 18, 2008 10:30 AM
To: Thorn, Ann
Subject: Fw: Loss Mit

Ann,
FYI--
NO REFERENCE TO TIME DEADLINES.
Laura Richardson

----- Forwarded Message -----

From: "Mathis, Julie A." <julie.mathis@wamu.net>
To: laurarichardson
Cc: "Thorn, Ann" <ann.thorn@wamu.net>; "Woodcock, Wendy A." <wendy.woodcock@wamu.net>
Sent: Friday, June 6, 2008 12:10:05 PM
Subject: Loss Mit

<<Borrower Assistance Form 5.08.pdf>>

Thank you,

Julie

Julie Mathis, VP
Department Manager
Homeownership Preservation
Washington Mutual
904 886-1305
904 886-1325 fax

Attachments:
Borrower Assistance Form 5.08.pdf (241089 Bytes)

Document ID: 0.7.1020.19141

Attachment Name: EAS

Locator: esapst/*D%28\CWACTIVECASES\HUSTON\DEMPSEY_2\PAUL_BATTAGLIA_U209440
UJ209440.PST:00000000746c58ec138c2049af3e5543fcf70adea44a2200:
:0100604acc704234ff0e6cd1d9ebc1091169743344316f28d4ec90b2207b851a0ccb

Reason: : This file is empty (i.e., its length is zero bytes)

JPMC-001252
CONFIDENTIAL

Page 76 of 155

CSOC.RICH.002889

Booth Ann B: 07/20/2006

From: Thom, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>
To: Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>
Cc:
Bcc:
Subject: Out of Office AutoReply: Richardson
Date: Tue Jun 24 2008 16:58:54 EDT
Attachments:

I will be out of the office Wednesday, June 25th with limited access to email. If you need immediate assistant, please contact Sue Oakley at susan.oakley@wamu.net

Thank you
Ann

Document ID: 0201208

From: Mathis, Julie A.
</o=wamu/ou=sea/cn=recipients/cn=u692185>
To: Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>
Cc:
Bcc:
Subject: Out of Office AutoReply:  Richardson
Date: Tue Jun 24 2008 16:58:56 EDT
Attachments:

I will be out of the office Wednesday, June 25th. I will return on Monday, July 7th. If you need immediate attention, please contact Nicol Peters for short sale matters and Pam Beal on modification matters.

Thank you,

Julie Mathis

DocumentID: 07/02/2008 21:58:24

From: Brignac, Deborah P.
</o=wamu/ou=sea/cn=recipients/cn=u096866>
To: Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>
Cc:
Bcc:
Subject: Out of Office AutoReply: Richardson foreclosure -- Red Rock settlement
Date: Wed Jul 02 2008 21:58:24 EDT
Attachments:

I will be out of the office Friday, 7/3. If you require immediate assistance please contact Huey-Jen Chiu at (818) 775- or huey-jen.chiu@wamu.net. Thank you.

Document ID: [REDACTED]

From: Shrewsberry, Jo A.
</o=wamu/ou=sea/cn=recipients/cn=u690833>
To: Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>; Bartoces, Leah
</o=wamu/ou=sea/cn=recipients/cn=u179354>
Cc: GM Paralegal Support
</o=wamu/ou=sea/cn=recipients/cn=sdrsjax>
Bcc:
Subject: RE: Loan # [REDACTED] Laura Richardson
Date: Thu Jul 03 2008 08:30:05 EDT
Attachments:

Hello to All,

Document ID: 10232372

From: Chiu, Huey-Jen
</o=wamu/ou=sea/cn=recipients/cn=u016035>
To: Martin T. McGuinn
<mmcguinn@kirbymac.com>
Cc: Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>
Bcc:
Subject: RE: Richardson foreclosure -- Red Rock settlement
Date: Thu Jul 03 2008 11:48:45 EDT
Attachments:

Good morning,

From: Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>
To: Chiu, Huey-Jen
</o=wamu/ou=sea/cn=recipients/cn=u016035>
Cc: Thorn, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>; Martin T. McGuinn
<mmcguinn@kirbymac.com>; Brignac, Deborah P.
</o=wamu/ou=sea/cn=recipients/cn=u096866>
Bcc:
Subject: RE: Richardson foreclosure -- Red Rock settlement
Date: Thu Jul 03 2008 11:53:29 EDT
Attachments:

Okay.

Document ID: 102922824

From: Bartocos, Leah
</o=wamu/ou=sea/cn=recipients/cn=u179354>
To: Shrewsberry, Jo A.
</o=wamu/ou=sea/cn=recipients/cn=u690833>; Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>
Cc: GM Paralegal Support
</o=wamu/ou=sea/cn=recipients/cn=sdrsjax>
Bcc:
Subject: RE: Loan # [REDACTED] Laura Richardson
Date: Wed Jul 02 2008 17:55:36 EDT
Attachments:

Document ID: 71220112

From: Martin T. McGuinn >
To: Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>
Cc:
Bcc:
Subject: Laura Richardson
Date: Tue May 27 2008 20:05:27 EDT
Attachments:

Paul when you get a chance please get me Legal Dept. billing no.

Marty

Martin T. McGuinn

Kirby & McGuinn, A P.C.

600 B Street, Ste. 1950

San Diego, CA 92101

mmcguinn

Direct Dial: (619) 525-

Direct Fax: (619) 525-

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ANY INFORMATION OBTAINED MAY BE USED FOR THAT PURPOSE.

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From: Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>
To: Gaugi, Sara C.
</o=wamu/ou=sea/cn=recipients/cn=u192170>; Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>; Woodcock, Wendy A.
</o=wamu/ou=sea/cn=recipients/cn=u690715>; Cook, Don
</o=wamu/ou=sea/cn=recipients/cn=u578890>; GM QSM DTE
</o=wamu/ou=sea/cn=recipients/cn=qsmdle>; Baptista, Gerl Ann S.
</o=wamu/ou=sea/cn=recipients/cn=u255251>; Thorn, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>; Thorn, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>; Oakley, Susan B.
</o=wamu/ou=sea/cn=recipients/cn=u258746>
Cc:
Bcc:
Subject: Updated: Richardson update
Date: Thu May 29 2008 10:03:58 EDT
Attachments:

From: Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>
To: Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>
Cc:
Bcc:
Subject: Accepted: Richardson Update
Date: Wed May 28 2008 13:30:35 EDT
Attachments:

Document ID: 0010281266

From: Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>
To: Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>
Cc:
Bcc:
Subject: Accepted: Richardson update
Date: Wed May 28 2008 12:40:30 EDT
Attachments:

From: Owen, Jan L.
 </o=wamu/ou=sea/cn=recipients/cn=u146276>
 To: Gaugl, Sara C.
 </o=wamu/ou=sea/cn=recipients/cn=u192170>; Battaglia, Paul J.
 </o=wamu/ou=sea/cn=recipients/cn=u209440>; Thorn, Ann
 </o=wamu/ou=sea/cn=recipients/cn=u604980>; Woodcock, Wendy A.
 </o=wamu/ou=sea/cn=recipients/cn=u690715>; Cook, Don
 </o=wamu/ou=sea/cn=recipients/cn=u578890>; GM QSM DTE
 </o=wamu/ou=sea/cn=recipients/cn=qsmdte>; Baptista, Geri Ann S.
 </o=wamu/ou=sea/cn=recipients/cn=u255251>
 Cc:
 Bcc:
 Subject: Richardson update
 Date: Wed May 28 2008 12:39:14 EDT
 Attachments:

When: Thursday, May 29, 2008 10:00 AM-11:00 AM (GMT-08:00) Pacific Time (US & Canada);

Tijuana.

Where: { [] }

~~*~*~*~*~*~*~*~*

From: Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>
To: Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>; Gaugi, Sara C.
</o=wamu/ou=sea/cn=recipients/cn=u192170>; Baptista, Geri Ann
S. </o=wamu/ou=sea/cn=recipients/cn=u255251>; Thorn, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>; Woodcock, Wendy A.
</o=wamu/ou=sea/cn=recipients/cn=u690715>; Cook, Don
</o=wamu/ou=sea/cn=recipients/cn=u578890>; Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>
Cc:
Bcc:
Subject: Update on Richardson
Date: Fri May 23 2008 16:51:02 EDT
Attachments:

From: Thorn, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>
To: Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>; Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>; Gaugl, Sara C.
</o=wamu/ou=sea/cn=recipients/cn=u192170>
Cc:
Bcc:
Subject: FW: [REDACTED]
Date: Wed Jun 04 2008 17:41:39 EDT
Attachments: EAS

Fyi

Did we hear from 3rd party today. I have not had a chance to call Richardson, but will first thing in the morning

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Boulton, Elizabeth A.
Sent: Wednesday, June 04, 2008 5:31 PM
To: Thorn, Ann
Cc: Mena, Angie G.
Subject: 0729942433_.xls
Importance: High

Ann, here is the Richardson reinstatement which includes CRC's \$9.00 outstanding costs.

Attachments:
[REDACTED].xls (18054 Bytes)

Document ID: 0.7.1020.16029

Attachment Name: EAS

Locator: esa:pst/*:D%28\CWACTIVECASES\HUSTON\DEMPSEY_2\PAUL_BATTAGLIA_U209440
\U209440.PST;00000000746c58ec138c2049af3e5543fef70ade04d62000:
:01005ebbb7d649e3f10b1e8e216499f8b6a880dcc2794ca5e01fd5945f4521e6aa51

Reason: : This file is empty (i.e., its length is zero bytes)

JPMC-001270
CONFIDENTIAL

Page 3 of 253

From: Thorn, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>
To: Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>
Cc:
Bcc:
Subject: Fw: Richardson
Date: Tue Jun 24 2008 11:44:42 EDT
Attachments:

Sent from my BlackBerry Wireless Handheld

----- Original Message -----

From: Mathis, Julie A.
To: Thorn, Ann
Sent: Tue Jun 24 06:53:52 2008
Subject: FW: Richardson

FYI

From: Rogers, Savannah L.
Sent: Tuesday, June 24, 2008 9:39 AM
To: Johnson, Wonza L.
Cc: Haywood, Oriska S.; Mathis, Julie A.
Subject: 0729942433 Richardson
Importance: High

Hi Wonza,
There were two checks returned 4/21/08 for delinquent property taxes \$8109.81 + \$405.49. This loan went to fc sale which has been rescinded and we will be modifying this loan. Who can send the task to set up the escrow for these taxes and possibly research if those taxes are still delinquent since the checks came back from Sacramento County?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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CSOC.RICH.002908

DocId: 32468

From: Mathis, Julie A.
</o=wamu/ou=sea/cn=recipients/cn=u692185>
To: Thorn, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>; Lyman, Daryl W.
</o=wamu/ou=sea/cn=recipients/cn=u209612>; Rogers, Savannah L.
</o=wamu/ou=sea/cn=recipients/cn=u191622>
Cc: Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>
Bcc:
Subject: RE: Richardson
Date: Thu Jul 10 2008 12:46:38 EDT
Attachments:

Calling her again at 1:30.

Document ID: 977102022

From: Thorn, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>
To: Lyman, Daryl W.
</o=wamu/ou=sea/cn=recipients/cn=u209612>; Rogers, Savannah L.
</o=wamu/ou=sea/cn=recipients/cn=u191622>
Cc: Coker, Darlene
</o=wamu/ou=sea/cn=recipients/cn=u60338426157200>; Mathis,
Julie A. </o=wamu/ou=sea/cn=recipients/cn=u692185>; Beal,
Pamela S. </o=wamu/ou=sea/cn=recipients/cn=u690674>; Battaglia,
Paul J. </o=wamu/ou=sea/cn=recipients/cn=u209440>
Bcc:
Subject: RE: [REDACTED] richardson
Date: Wed Jul 09 2008 13:39:23 EDT
Attachments:

great

From: Mathis, Julie A.
</o=wamu/ou=sea/cn=recipients/cn=u692185>
To: Rogers, Savannah L.
</o=wamu/ou=sea/cn=recipients/cn=u191622>
Cc: Coker, Darlene
</o=wamu/ou=sea/cn=recipients/cn=u60338426157200>; Beal, Pamela
S. </o=wamu/ou=sea/cn=recipients/cn=u690674>; Thom, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>; Lyman, Daryl W.
</o=wamu/ou=sea/cn=recipients/cn=u209612>; Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>
Bcc:
Subject: RE: [REDACTED] Richardson
Date: Wed Jul 09 2008 14:17:15 EDT
Attachments:

Savannah, please bring the file over.

From: Rogers, Savannah L.
</o=wamu/ou=sea/cn=recipients/cn=u191622>
To: Thomas, Michelle M.
</o=wamu/ou=sea/cn=recipients/cn=u14646652668306>
Cc: Thorn, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>; Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>; Beal, Pamela S.
</o=wamu/ou=sea/cn=recipients/cn=u690674>; Mathis, Julie A.
</o=wamu/ou=sea/cn=recipients/cn=u692185>; Pound, Robert A.
</o=wamu/ou=sea/cn=recipients/cn=u178835>
Bcc:
Subject: FW:  Richardson
Date: Mon Jul 07 2008 15:38:34 EDT
Attachments: EAS

Michelle,

Attachments:
Picture (Metafile) (30298 Bytes)

Document ID: 0.7.1020.23059

Attachment Name: EAS

Locator: esa.pst/*D%28\CWACTIVECASES\HUSTON\DEMPSEY_2\PAUL_BATTAGLIA_U209440
\U209440.PST:00000000746c58cc138c2049af3e5543fcf70adea4432200:
:0100db259b29033d4718a4ea29da998029458268517f1086e7b023433be94a4a425b

Reason: : This file is empty (i.e., its length is zero bytes)

JPMC-001276
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Page 221 of 253

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From: Thom, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>
To: Rogers, Savannah L.
</o=wamu/ou=sea/cn=recipients/cn=u191622>; Thomas, Michelle M.
</o=wamu/ou=sea/cn=recipients/cn=u14646652668306>
Cc: Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>; Beal, Pamela S.
</o=wamu/ou=sea/cn=recipients/cn=u690674>; Mathis, Julie A.
</o=wamu/ou=sea/cn=recipients/cn=u692185>; Pound, Robert A.
</o=wamu/ou=sea/cn=recipients/cn=u178835>; Coker, Darlene
</o=wamu/ou=sea/cn=recipients/cn=u60338426157200>
Bcc:
Subject: RE: [REDACTED] Richardson
Date: Mon Jul 07 2008 15:49:35 EDT
Attachments:

Michelle, can you please get this changed today as this is a highly escalated matter.

Document ID: 0770202074

From: Rogers, Savannah L.
</o=wamu/ou=sea/cn=recipients/cn=u191622>
To: Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>
Cc: Thorn, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>; Coker, Darlene
</o=wamu/ou=sea/cn=recipients/cn=u60338426157200>; Mathis,
Julie A. </o=wamu/ou=sea/cn=recipients/cn=u692185>; Beal,
Pamela S. </o=wamu/ou=sea/cn=recipients/cn=u690674>
Bcc:
Subject: RE: [] [] [] Richardson
Date: Tue Jul 08 2008 08:41:51 EDT
Attachments:

Paul,

DocumentID: 02022367

From: Thomas, Michelle M.
</o=wamu/ou=sea/cn=recipients/cn=u14646652668306>
To: Rogers, Savannah L.
</o=wamu/ou=sea/cn=recipients/cn=u191622>
Cc: Thorn, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>; Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>; Beal, Pamela S.
</o=wamu/ou=sea/cn=recipients/cn=u690674>; Mathis, Julie A.
</o=wamu/ou=sea/cn=recipients/cn=u692185>; Pound, Robert A.
</o=wamu/ou=sea/cn=recipients/cn=u178835>
Bcc:
Subject: RE: [] [] [] Richardson
Date: Thu Jul 03 2008 10:50:30 EDT
Attachments:

Savannah

Document ID: 1021036

From: Rogers, Savannah L.
</o=wamu/ou=sea/cn=recipients/cn=u191622>
To: Thomas, Michelle M.
</o=wamu/ou=sea/cn=recipients/cn=u14646652668306>
Cc: Thorn, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>; Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>; Beal, Pamela S.
</o=wamu/ou=sea/cn=recipients/cn=u690674>; Mathis, Julie A.
</o=wamu/ou=sea/cn=recipients/cn=u692185>
Bcc:
Subject: FW: [redacted] Richardson
Date: Thu Jul 03 2008 10:37:34 EDT
Attachments:

Hi Michelle,

Attachment ID: 20080703101840

From: Thom, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>
To: Rogers, Savannah L.
</o=wamu/ou=sea/cn=recipients/cn=u191622>; Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>
Cc: Beal, Pamela S.
</o=wamu/ou=sea/cn=recipients/cn=u690674>; Mathis, Julie A.
</o=wamu/ou=sea/cn=recipients/cn=u692185>
Bcc:
Subject: RE: [REDACTED] Richardson
Date: Thu Jul 03 2008 10:18:40 EDT
Attachments:

Ok, that is probably going to be a problem.....

Document ID: 67102120815

From: Mathis, Julie A.
</o=wamu/ou=sea/cn=recipients/cn=u692185>
To: Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>
Cc:
Bcc:
Subject: Out of Office AutoReply: [Richardson]
Date: Tue Jun 24 2008 16:58:56 EDT
Attachments:

I will be out of the office Wednesday, June 25th. I will return on Monday, July 7th. If you need immediate attention, please contact Nicol Peters for short sale matters and Pam Beal on modification matters.

Thank you,

Julie Mathis

DocId:31015710

From: Thorn, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>
To: Gaugl, Sara C.
</o=wamu/ou=sea/cn=recipients/cn=u192170>; Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>; Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>; Cook, Don
</o=wamu/ou=sea/cn=recipients/cn=u578890>
Cc:
Bcc:
Subject: Richardson
Date: Fri Jun 06 2008 12:27:38 EDT
Attachments:

She was not prepared to discuss financials today. We sent her the financial package via email and she said she will have it done by Tuesday or Wednesday.

Moving onto Evander.....

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Gaugl, Sara C.
Sent: Tuesday, May 27, 2008 12:31 PM
To: Schneider, David C.; Berens, John; Champney, Steven D.
Cc: Thorn, Ann; Owen, Jan L.; Elias, Alan
Subject: Richardson Coverage: Calculated Risk Blog

All:

As expected, coverage on Congresswoman Richardson's financial situation has continued to evolve after it was reported on Friday that she has defaulted on other loans -- including her primary residence. I'm forwarding the blog posting embedded below in particular, as it reflects the current viewpoint among other journalists and links to key articles/postings published to date.

- Sara

UPDATED: A Congressional Speculator? - Calculated Risk
by Tanta
<http://calculatedrisk.blogspot.com/2008/05/congressional-speculator.html>

This is an update to post below on Rep. Laura Richardson's foreclosure woes.

Gene Maddaus of the Daily Breeze <http://www.dailybreeze.com/ci_9366061> kindly forwarded today's additions to the saga. There are not two, but three homes owned by Richardson in foreclosure. And yes, she appears to have cashed out her primary residence back in 2006 to fund her campaign for State Assembly. So it looks like a pattern.

I have been watching the story of Representative Laura Richardson and her foreclosure woes for a while now, while heretofore hesitating to post on it. For one thing, the original story--a member of Congress losing her expensive second home to foreclosure--had that kind of celebrity car-crash quality to it that I'm not especially interested in for the purposes of this blog. For another thing, posting about anything even tangentially related to politics invites the kind of comments that personally bore me to tears.

All that is still true, but the story has taken such an unfortunate turn that I feel obligated to weigh in on it. Specifically, Rep. Richardson is threatening us <http://origin.mercurynews.com/breakingnews/ci_9363126>:

Rather than shy away from voting on mortgage-related bills, Richardson said her experiences could help her craft legislation to make sure others don't experience what she did. For example, she sees a need to add steps to inform property owners before their property can be sold.

"We have to ensure that lenders and lendees have the tools with proper timing to resolve this," she said.

If Rep. Richardson is going to base legislative proposals on her own experience, then it matters to the rest of us what that experience was. So click the link below if you can stand to hear about it.

The story was originally reported in the Sacramento Capitol Weekly <http://www.capitolweekly.net/article.php?_adctId=v%7Cjq2g43wvsi855o%7Cx4vss6731uskip&issueld=x4tyolqkrlw0m0&xid=x4ptlrmv0w0r6x>, and picked up by the Wall Street Journal <<http://blogs.wsj.com/developments/2008/05/22/congresswomans-home-sold-in-foreclosure->

auction/>, and thence covered by a number of blogs, with the storyline being that Rep. Richardson "walked away" from her home, a second home she purchased in Sacramento after being elected to the State Assembly. The "walk away" part came from a remark made by the real estate investor who purchased the home at the foreclosure auction, not Rep. Richardson or anyone who could be expected to understand her financial situation, but that didn't stop the phrase "walk away" from headlining <<http://globaleconomicanalysis.blogspot.com/2008/05/congresswoman-walks-away.html>> blog <<http://optionarmageddon.blogspot.com/2008/05/update-on-walk-away-congresswoman.html>> posts <<http://latimesblogs.latimes.com/aland/2008/05/buyer-of-rep-la.html>>.

Rep. Richardson has variously claimed at different times that the house was not in foreclosure, that she had worked out a modification with the lender, and that the lender improperly foreclosed after having agreed to accept her payments. Frankly, unless and until Rep. Richardson gives her lender, Washington Mutual, permission to tell its side of the story--I'm not holding my breath on that--we're unlikely to be able to sort out this mess of claims to my satisfaction, at least.

It's possible that WaMu screwed this up--that it accepted payments on a workout plan with the understanding that foreclosure was "on hold" and then sold the property at auction the next week anyway. It's possible that Richardson's version of what went on is muddled, too. Without some more hard information I'm not inclined to assume the servicer did most of the screwing up, if for no other reason that we didn't find out until late yesterday, courtesy of the L.A. Land <<http://latimesblogs.latimes.com/aland/2008/05/richardson-says.html>> and Foreclosure Truth <<http://www.foreclosuretruth.com/blog/sean/foreclosure-crisis-gets-personal-rep-laura-richardson>> blogs, that Richardson's other home--her primary residence--was also in foreclosure proceedings as recently as March of this year, a detail that as far as I can tell Richardson never disclosed in all the previous discussion of the facts surrounding the foreclosure of her second home.

What part of this I am most interested in, right now, is the question of what in the hell exactly Richardson was thinking when she bought the Sacramento home in the first place. Since the story is quite complex, let's get straight on a few details. Richardson was a Long Beach City Council member who was elected to the state legislature in November of 2006. In January of 2007 she purchased a second home in Sacramento, presumably to live in during the Assembly session. In April 2007, the U.S. Congressional Representative from Richardson's district died, and Richardson entered an expensive race for that seat, winning in a special election in August of 2007. By December 2007 the Sacramento home was in default, and it was foreclosed in early May of 2008. The consensus in the published reports seems to be that Richardson spent what money she had on her campaign, not her bills.

According to the AP <http://origin.mercurynews.com/breakingnews/cj_9363126>: Richardson, 46, makes nearly \$170,000 as a member of Congress and was paid \$113,000 during the eight months she served in the state Assembly in 2007 before her election to Congress. She also received a per diem total of \$20,000 from California, according to a financial disclosure form she filed with the House of Representatives clerk.

It seems to me that all this focus on what happened after she bought the Sacramento home--running for the suddenly-available Congressional seat, changing jobs, etc.--is obscuring the issue of the original transaction.

In November of 2006, Richardson already owned a home in Long Beach. As a newly-elected state representative, she would have been required to maintain her principal residence in her district, but she would also have had to make some arrangements for staying in Sacramento during Assembly sessions, given the length of the commute from L.A. County to the state capitol. She seems to have told the AP reporter that "Lawmakers are required to maintain two residences while other people don't have to," which is not exactly the way I'd have put it. Lawmakers are required to maintain one primary residence (which need not be owned) in their district. They are not required to buy a home at the capitol (of California or the U.S.); many legislators do rent. Richardson is a single woman with no children, yet she felt "required" to purchase a 3-bedroom, 1 1/2 bathroom home in what sounds like one of Sacramento's pricier neighborhoods for \$535,500, with no downpayment and with \$15,000 in closing cost

contributions from the property seller. (The NAR median price in Sacramento in the first quarter of 2007 was \$365,300 <http://www.usatoday.com/money/economy/housing/2008-05-13-q1-homeprices_N.htm>.)

I have no idea what loan terms Richardson got for a 100% LTV second home purchase in January 2007, but I'm going to guess that if she got something like a 7.00% interest only loan (without additional mortgage insurance), she got a pretty darn good deal. If she got that good a deal, her monthly interest payment would have been \$3123.75. Assuming taxes and insurance of 1.50% of the property value, her total payment would have been \$3793.13.

The AP reports that Richardson's salary as a state representative was \$113,000 in 2007, and she received \$20,000 in per diem payments (which are, of course, intended to offset the additional expense of traveling to and staying in the Capitol during sessions). I assume the per diem is non-taxable, so I'll gross it up to \$25,000. That gives me an annual income of \$138,000 or a gross monthly income of \$11,500.

The total payment on the second home, then, with my sunny assumptions about loan terms, comes to 33% of Richardson's gross income. I have no idea what the payment is for her principal residence in Long Beach. I have no idea what other debt she might have. I am ignoring her congressional race and job changes and all that because at the point she took out this mortgage, that was all in the future and Richardson didn't know that the incumbent would die suddenly and all that. I'm just trying to figure out what went through this woman's mind when she decided it was a wise financial move to spend one-third of her pre-tax income on a second home. (There's no point trying to figure out what went through the lender's mind at the time. There just isn't.)

Now, Richardson has this <http://origin.mercurynews.com/breakingnews/ci_9363126> to say about herself:

"I'm Laura Richardson. I'm an American, I'm a single woman who had four employment changes in less than four months," Richardson told the AP. "I had to figure out just like every other American how I could restructure the obligations that I had with the income I had."

Yeah, well, I'm Tanta, I'm an American, I'm a single woman, and I say you're full of it. You need to show us what your plan for affording this home was before the job changes, girlfriend. You might also tell me why you felt you needed such an expensive second home when you had no money to put down on it or even to pay your own closing costs. As it happens, the Mercury News/AP <http://www.mercurynews.com/breakingnews/ci_9337389?nclink_check=1> reported that by June of 2007--five months after purchase--you had a lien filed for unpaid utility bills. You didn't budget for the lights?

But what are we going to get? We're going to get Richardson all fired up in Congress about tinkering with foreclosure notice timing, which is last I knew a question of state, not federal, law, and which has as far as I can see squat to do with why this loan failed.

Quite honestly, if WaMu did give Richardson some loan modification deal, I'd really like to know what went through the Loss Mit Department's collective and individual minds when they signed off on that. Sure, Richardson's salary went up to \$170,000 when she became a member of the U.S. Congress, but what does she need a home in Sacramento for after that? Where's she going to live in Washington, DC? And, well, her principal residence was also in the process of foreclosure at the same time. I suppose I might have offered a short sale or deed-in-lieu here, but a modification? Why would anybody do that? Because she's a Congresswoman?

I'm quite sure Richardson wants to be treated like just a plain old American and not get special treatment. Well, I was kind of hard on a plain old American the other day who wrote a "hardship letter" <<http://calculatedrisk.blogspot.com/2008/05/how-not-to-write-hardship-letter.html>> that didn't pass muster with me. I feel obligated to tell Richardson that she sounds like a real estate speculator who bought a home she obviously couldn't afford, defaulted on it, and now wants WaMu to basically subsidize her Congressional campaign by lowering her mortgage payment or forgiving debt. And that's .

.. disgusting. At the risk of sounding like Angelo.

I know some of you are thinking that maybe poor Ms. Richardson got taken advantage of by some fast-talking REALTOR who encouraged her to buy more house than she could afford.

According to Pete Viles at L.A. Land <<http://latimesblogs.latimes.com/laland/2008/05/us-rep-laura-ri.html>>, She likes the Realtors, and they like her. She filed financial disclosure forms with the House Ethics Committee reporting the National Assn. of Realtors flew her to Las Vegas in November to help swear in the new president of the association, Realtor Dick Gaylord of Long Beach.

In suggested remarks* at the NAR gathering, also filed with the House, Richardson's script read: "I might be one of the newest members of Congress but I am not a new member of the REALTOR Party. When I needed help to win a tough primary, REALTORS stood up and backed me even though I was the underdog."

-Real estate industry professionals have given her \$39,500 in campaign contributions in the current election cycle, according to Open Secrets.

No wonder she's blaming the lender.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228. cell
sara.gaugl@wamu.net

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From: Adams, Carolyn
</o=wamu/ou=sea/cn=recipients/cn=u126602>
To: Gaugl, Sara C.
</o=wamu/ou=sea/cn=recipients/cn=u192170>
Cc: Cook, Don
</o=wamu/ou=sea/cn=recipients/cn=u578890>; Hyde, Arlene M.
</o=wamu/ou=sea/cn=recipients/cn=u227900>
Bcc:
Subject: RE: Richardson Coverage: Calculated Risk Blog
Date: Tue May 27 2008 19:12:45 EDT
Attachments:

We won't be able to get Ops input by EOD.

From: Gaugl, Sara C.
Sent: Tuesday, May 27, 2008 3:19 PM
To: Adams, Carolyn
Cc: Cook, Don; Hyde, Arlene M.
Subject: RE: Richardson Coverage: Calculated Risk Blog

Many thanks.

In terms of timing, David has asked for this information by EOD (today).

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228. cell
sara.gaugl@wamu.net

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From: Adams, Carolyn
Sent: Tuesday, May 27, 2008 3:09 PM
To: Gaugl, Sara C.
Cc: Cook, Don; Hyde, Arlene M.
Subject: RE: Richardson Coverage: Calculated Risk Blog

Sure. What is your turn-around on this review? I don't think we've had anyone from ops look at the file yet - I think their input would be very helpful based on the HUD-1 I saw last week - do we have time?

From: Gaugl, Sara C.
Sent: Tuesday, May 27, 2008 3:01 PM
To: Adams, Carolyn
Cc: Cook, Don; Hyde, Arlene M.
Subject: RE: Richardson Coverage: Calculated Risk Blog

Yes, please.

Thank you, Carolyn.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228. cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Adams, Carolyn
Sent: Tuesday, May 27, 2008 2:40 PM
To: Gaugl, Sara C.
Cc: Cook, Don; Hyde, Arlene M.
Subject: RE: Richardson Coverage: Calculated Risk Blog

Sorry - I was at a meeting on 13 and just got back - do you need the origination file reviewed?

From: Gaugl, Sara C.
Sent: Tuesday, May 27, 2008 1:17 PM
To: Adams, Carolyn
Cc: Cook, Don; Hyde, Arlene M.; Champney, Steven D.; Elias, Alan
Subject: FW: Richardson Coverage: Calculated Risk Blog

Hi, Carolyn.

As a follow-up to our brief conversation earlier this morning, please see David's request below. I will give you a call shortly.

Best,

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228. cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Schneider, David C.
Sent: Tuesday, May 27, 2008 12:46 PM
To: Gaugl, Sara C.
Cc: Champney, Steven D.; Hyde, Arlene M.
Subject: RE: Richardson Coverage: Calculated Risk Blog

Can you get me the information on the original loan? Today please.

You can have this done by the channel that originated the deal.

ds

From: Gaugl, Sara C.
Sent: Tuesday, May 27, 2008 12:31 PM
To: Schneider, David C.; Berens, John; Champney, Steven D.
Cc: Thorn, Ann; Owen, Jan L.; Elias, Alan
Subject: Richardson Coverage: Calculated Risk Blog

All:

As expected, coverage on Congresswoman Richardson's financial situation has continued to evolve after it was reported on Friday that she has defaulted on other loans -- including her primary residence. I'm forwarding the blog posting embedded below in particular, as it reflects the current viewpoint among other journalists and links to key articles/postings published to date.

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UPDATED: A Congressional Speculator? - Calculated Risk
by Tanta
<http://calculatedrisk.blogspot.com/2008/05/congressional-speculator.html>

This is an update to post below on Rep. Laura Richardson's foreclosure woes.

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Document ID: 1015-28760

From: Gaugl, Sara C.
</o=wamu/ou=sea/cn=recipients/cn=u192170>
To: Adams, Carolyn
</o=wamu/ou=sea/cn=recipients/cn=u126602>
Cc: Cook, Don
</o=wamu/ou=sea/cn=recipients/cn=u578890>; Hyde, Arlene M.
</o=wamu/ou=sea/cn=recipients/cn=u227900>
Bcc:
Subject: RE: Richardson Coverage: Calculated Risk Blog
Date: Tue May 27 2008 18:19:03 EDT
Attachments:

Many thanks.

In terms of timing, David has asked for this information by EOD (today).

Sara Gaugl
Home Loans Public Relations

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Sent: Tuesday, May 27, 2008 3:09 PM
To: Gaugl, Sara C.
Cc: Cook, Don; Hyde, Arlene M.
Subject: RE: Richardson Coverage: Calculated Risk Blog

Sure. What is your turn-around on this review? I don't think we've had anyone from ops look at the file yet - I think their input would be very helpful based on the HUD-1 I saw last week - do we have time?

From: Gaugl, Sara C.
Sent: Tuesday, May 27, 2008 3:01 PM
To: Adams, Carolyn
Cc: Cook, Don; Hyde, Arlene M.
Subject: RE: Richardson Coverage: Calculated Risk Blog

Yes, please.

Thank you, Carolyn.

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Best,

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You can have this done by the channel that originated the deal.

ds

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</o=wamu/ou=sea/cn=recipients/cn=u227900>
Bcc:
Subject: RE: Richardson Coverage: Calculated Risk Blog
Date: Tue May 27 2008 18:01:20 EDT
Attachments:

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Subject: Richardson Coverage: Calculated Risk Blog

All:

As expected, coverage on Congresswoman Richardson's financial situation has continued to evolve after it was reported on Friday that she has defaulted on other loans -- including her primary residence. I'm forwarding the blog posting embedded below in particular, as it reflects the current viewpoint among other journalists and links to key articles/postings published to date.

- Sara

UPDATED: A Congressional Speculator? - Calculated Risk
by Tanta
<http://calculatedrisk.blogspot.com/2008/05/congressional-speculator.html>

This is an update to post below on Rep. Laura Richardson's foreclosure woes.

Gene Maddaus of the Daily Breeze <http://www.dailybreeze.com/ci_9366061> kindly forwarded today's

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additions to the saga. There are not two, but three homes owned by Richardson in foreclosure. And yes, she appears to have cashed out her primary residence back in 2006 to fund her campaign for State Assembly. So it looks like a pattern.

I have been watching the story of Representative Laura Richardson and her foreclosure woes for a while now, while heretofore hesitating to post on it. For one thing, the original story--a member of Congress losing her expensive second home to foreclosure--had that kind of celebrity car-crash quality to it that I'm not especially interested in for the purposes of this blog. For another thing, posting about anything even tangentially related to politics invites the kind of comments that personally bore me to tears.

All that is still true, but the story has taken such an unfortunate turn that I feel obligated to weigh in on it. Specifically, Rep. Richardson is threatening us <http://origin.mercurynews.com/breakingnews/ci_9363126>:

Rather than shy away from voting on mortgage-related bills, Richardson said her experiences could help her craft legislation to make sure others don't experience what she did. For example, she sees a need to add steps to inform property owners before their property can be sold.

"We have to ensure that lenders and lenders have the tools with proper timing to resolve this," she said.

If Rep. Richardson is going to base legislative proposals on her own experience, then it matters to the rest of us what that experience was. So click the link below if you can stand to hear about it.

The story was originally reported in the Sacramento Capitol Weekly <http://www.capitolweekly.net/article.php?_adctid=v%7Cjq2q43wvsl855o%7Cx4vss6731uskip&issuelid=x4tyolqkrw0m0&xid=x4ptlrmv0w0r6x>, and picked up by the Wall Street Journal <<http://blogs.wsj.com/developments/2008/05/22/congresswomans-home-sold-in-foreclosure-auction/>>, and thence covered by a number of blogs, with the storyline being that Rep. Richardson "walked away" from her home, a second home she purchased in Sacramento after being elected to the State Assembly. The "walk away" part came from a remark made by the real estate investor who purchased the home at the foreclosure auction, not Rep. Richardson or anyone who could be expected to understand her financial situation, but that didn't stop the phrase "walk away" from headlining <<http://globaleconomicanalysis.blogspot.com/2008/05/congresswoman-walks-away.html>> blog <<http://optionarmageddon.blogspot.com/2008/05/update-on-walk-away-congresswoman.html>> posts <<http://latimesblogs.latimes.com/laland/2008/05/buyer-of-rep-la.html>>.

Rep. Richardson has variously claimed at different times that the house was not in foreclosure, that she had worked out a modification with the lender, and that the lender improperly foreclosed after having agreed to accept her payments. Frankly, unless and until Rep. Richardson gives her lender, Washington Mutual, permission to tell its side of the story--I'm not holding my breath on that--we're unlikely to be able to sort out this mess of claims to my satisfaction, at least.

It's possible that WaMu screwed this up--that it accepted payments on a workout plan with the understanding that foreclosure was "on hold" and then sold the property at auction the next week anyway. It's possible that Richardson's version of what went on is muddled, too. Without some more hard information I'm not inclined to assume the servicer did most of the screwing up, if for no other reason that we didn't find out until late yesterday, courtesy of the L.A. Land <<http://latimesblogs.latimes.com/laland/2008/05/richardson-says.html>> and Foreclosure Truth <<http://www foreclosuretruth.com/blog/sean/foreclosure-crisis-gets-personal-rep-laura-richardson>> blogs, that Richardson's other home--her primary residence--was also in foreclosure proceedings as recently as March of this year, a

detail that as far as I can tell Richardson never disclosed in all the previous discussion of the facts surrounding the foreclosure of her second home.

What part of this I am most interested in, right now, is the question of what in the hell exactly Richardson was thinking when she bought the Sacramento home in the first place. Since the story is quite complex, let's get straight on a few details. Richardson was a Long Beach City Council member who was elected to the state legislature in November of 2006. In January of 2007 she purchased a second home in Sacramento, presumably to live in during the Assembly session. In April 2007, the U.S. Congressional Representative from Richardson's district died, and Richardson entered an expensive race for that seat, winning in a special election in August of 2007. By December 2007 the Sacramento home was in default, and it was foreclosed in early May of 2008. The consensus in the published reports seems to be that Richardson spent what money she had on her campaign, not her bills.

According to the AP <http://origin.mercurynews.com/breakingnews/ci_9363126>: Richardson, 46, makes nearly \$170,000 as a member of Congress and was paid \$113,000 during the eight months she served in the state Assembly in 2007 before her election to Congress. She also received a per diem total of \$20,000 from California, according to a financial disclosure form she filed with the House of Representatives clerk.

It seems to me that all this focus on what happened after she bought the Sacramento home--running for the suddenly-available Congressional seat, changing jobs, etc.--is obscuring the issue of the original transaction.

In November of 2006, Richardson already owned a home in Long Beach. As a newly-elected state representative, she would have been required to maintain her principal residence in her district, but she would also have had to make some arrangements for staying in Sacramento during Assembly sessions, given the length of the commute from L.A. County to the state capitol. She seems to have told the AP reporter that "Lawmakers are required to maintain two residences while other people don't have to," which is not exactly the way I'd have put it. Lawmakers are required to maintain one primary residence (which need not be owned) in their district. They are not required to buy a home at the capitol (of California or the U.S.); many legislators do rent. Richardson is a single woman with no children, yet she felt "required" to purchase a 3-bedroom, 1 1/2 bathroom home in what sounds like one of Sacramento's pricier neighborhoods for \$535,500, with no downpayment and with \$15,000 in closing cost contributions from the property seller. (The NAR median price in Sacramento in the first quarter of 2007 was \$365,300 <http://www.usatoday.com/money/economy/housing/2008-05-13-q1-homeprices_N.htm.)

I have no idea what loan terms Richardson got for a 100% LTV second home purchase in January 2007, but I'm going to guess that if she got something like a 7.00% interest only loan (without additional mortgage insurance), she got a pretty darn good deal. If she got that good a deal, her monthly interest payment would have been \$3123.75. Assuming taxes and insurance of 1.50% of the property value, her total payment would have been \$3793.13.

The AP reports that Richardson's salary as a state representative was \$113,000 in 2007, and she received \$20,000 in per diem payments (which are, of course, intended to offset the additional expense of traveling to and staying in the Capitol during sessions). I assume the per diem is non-taxable, so I'll gross it up to \$25,000. That gives me an annual income of \$138,000 or a gross monthly income of \$11,500.

The total payment on the second home, then, with my sunny assumptions about loan terms, comes to 33% of Richardson's gross income. I have no idea what the payment is for her principal residence in Long Beach. I have no idea what other debt she might have. I am ignoring her congressional race and job changes and all that because at the point she took out this mortgage, that was all in the future and Richardson didn't know that the incumbent would die suddenly and all that. I'm just trying to figure out what went through this woman's mind when she decided it was a wise financial move to spend one-third of her pre-tax income on a second home. (There's no point trying to figure out what went through

the lender's mind at the time. There just isn't.)

Now, Richardson has this <http://origin.mercurynews.com/breakingnews/ci_9363126> to say about herself:

"I'm Laura Richardson. I'm an American, I'm a single woman who had four employment changes in less than four months," Richardson told the AP. "I had to figure out just like every other American how I could restructure the obligations that I had with the income I had."

Yeah, well, I'm Tanta, I'm an American, I'm a single woman, and I say you're full of it. You need to show us what your plan for affording this home was before the job changes, girlfriend. You might also tell me why you felt you needed such an expensive second home when you had no money to put down on it or even to pay your own closing costs. As it happens, the Mercury News/AP <http://www.mercurynews.com/breakingnews/ci_9337389?nclink_check=1> reported that by June of 2007--five months after purchase--you had a lien filed for unpaid utility bills. You didn't budget for the lights?

But what are we going to get? We're going to get Richardson all fired up in Congress about tinkering with foreclosure notice timing, which is last I knew a question of state, not federal, law, and which has as far as I can see squat to do with why this loan failed.

Quite honestly, if WaMu did give Richardson some loan modification deal, I'd really like to know what went through the Loss Mit Department's collective and individual minds when they signed off on that. Sure, Richardson's salary went up to \$170,000 when she became a member of the U.S. Congress, but what does she need a home in Sacramento for after that? Where's she going to live in Washington, DC? And, well, her principal residence was also in the process of foreclosure at the same time. I suppose I might have offered a short sale or deed-in-lieu here, but a modification? Why would anybody do that? Because she's a Congresswoman?

I'm quite sure Richardson wants to be treated like just a plain old American and not get special treatment. Well, I was kind of hard on a plain old American the other day who wrote a "hardship letter" <<http://calculatedrisk.blogspot.com/2008/05/how-not-to-write-hardship-letter.html>>" that didn't pass muster with me. I feel obligated to tell Richardson that she sounds like a real estate speculator who bought a home she obviously couldn't afford, defaulted on it, and now wants WaMu to basically subsidize her Congressional campaign by lowering her mortgage payment or forgiving debt. And that's . . . disgusting. At the risk of sounding like Angelo.

I know some of you are thinking that maybe poor Ms. Richardson got taken advantage of by some fast-talking REALTOR who encouraged her to buy more house than she could afford.

According to Pete Viles at L.A. Land <<http://latimesblogs.latimes.com/laland/2008/05/us-rep-laura-ri.html>>, She likes the Realtors, and they like her. She filed financial disclosure forms with the House Ethics Committee reporting the National Assn. of Realtors flew her to Las Vegas in November to help swear in the new president of the association, Realtor Dick Gaylord of Long Beach.

In suggested remarks* at the NAR gathering, also filed with the House, Richardson's script read: "I might be one of the newest members of Congress but I am not a new member of the REALTOR Party. When I needed help to win a tough primary, REALTORS stood up and backed me even though I was the underdog."

--Real estate industry professionals have given her \$39,500 in campaign contributions in the current election cycle, according to Open Secrets.

No wonder she's blaming the lender.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228 cell
sara.gaugl@wamu.net

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said.

"Many people in our country are caught in the foreclosure crisis. Members of Congress maybe are as well," she added.

Late last month reports emerged that Richardson, a former state Assemblywoman and member of the Long Beach City Council, had lost her Sacramento home to foreclosure and has two other homes in Southern California that have fallen into default six times.

Last week the Long Beach Press-Telegram reported that Richardson had also left car repair bills unpaid.

Richardson easily won her Democratic primary June 3 and is running unopposed in the November general election, although at least one of her Democratic primary opponents is making plans to challenge her as a write-in candidate.

Richardson defended herself after the first reports of the foreclosure on her Sacramento home, saying it never should have happened and she'd worked out a deal with her lender to buy it back. However the purchaser of the property, James York of Red Rock Mortgage in Sacramento, complained in published reports this week that Richardson had been given favorable terms because she's a congresswoman and that he planned to sue over the issue.

Richardson's spokesman, William Marshall, had no immediate comment Thursday.

California Assembly Speaker Karen Bass, D-Los Angeles, also addressed the Richardson situation Thursday during a visit to Washington. Bass and other Assembly leaders had endorsed Richardson's congressional bid but Bass told reporters she'd had no idea about Richardson's financial issues.

Richardson had a quick rise in politics, moving from the Long Beach City Council to a state Assembly seat in 2006 and to Congress the next year.

"Given the rapid pace of all of that I can understand the financial difficulties, but now more is coming out," Bass said. She said she'd hoped while in Washington to talk to Richardson about the situation but hadn't had the opportunity.

Geri Ann S. Baptista, VP
Corporate Communications
Washington Mutual
1301 Second Avenue, WMC2103
Seattle, WA 98101
206.500.2875 direct, 206.377.2023 fax
geriann.baptista@wamu.net

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Debate intensifies over Richardson home default

By Anthony York <http://www.capitolweekly.net/author.php?_adctlid=v%7Cjq2q43wvsl855o%7Cx4xst9degisvl5&xid=2> (published Thursday, May 22, 2008)

A Long Beach congresswoman who fell behind in her payments on a \$535,000 mortgage in Sacramento said in a written statement that she owns the home, but financial documents show the house was sold at public auction and has been in the possession of the buyer for weeks.

The auction for Rep. Laura Richardson's house, in Sacramento's Curtis Park neighborhood, took place on May 7. The transaction was detailed in public records filed with the county.

Richardson, a Democrat, a former Assembly member who was elected to the House last year, bought the 1,600-square-foot, three-bedroom house in January 2007, but soon fell behind in the payments.

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The story of Richardson's Sacramento home is more than a tale of a real estate market gone sour. It is also an illustration of how far many candidates will go to seek elected office, even if it means quite literally mortgaging their own financial future.

While being elevated to Congress in a 2007 special election, Richardson apparently stopped making payments on her new Sacramento home, leaving nearly \$600,000 in unpaid loans and fees, including nearly \$9,000 in property taxes.

Richardson's decision to allow the loan to slide into default was set in motion by an unlikely chain of events, only some of which had to do with Sacramento's crumbling real estate market. Richardson was elected to the Assembly in November 2006, and purchased her new capital home two months later. But in April 2007, Rep. Juanita Millender-McDonald succumbed to cancer, creating a Congressional vacancy in Richardson's district.

Richardson declared her candidacy for the seat, and soon found herself locked in a hotly contested, and very expensive race for Congress against state Sen. Jenny Oropeza, D-Long Beach.

While her campaign heated up, Richardson's house slipped into default. Richardson fell behind on her mortgage payments as she loaned her Congressional campaign \$60,000 - money that has begun to be paid back to Richardson personally from her campaign account, according to records from the Center for Responsive Politics.

Richardson's opponent, Oropeza, loaned herself \$115,000 for her run against Richardson. Oropeza's Congressional committee still shows nearly \$200,000 in debt.

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Richardson declined requests over several days to discuss her real estate transaction. She also was not immediately available to comment Thursday, according to her office.

In a carefully written statement released Wednesday evening, she challenged Capitol Weekly's story about "the residential property that I own in Sacramento," and said that it had not been subjected to foreclosure. She also said that she renegotiated a loan in connection with the transaction, but did not provide details.

"I have worked with my lender to complete a loan modification and have renegotiated the terms of the agreement -- with no special provisions. I fully intend to fulfill all financial obligations of this property," she said.

But financial records on file with the county show that Richardson does not own the home. The house was sold on May 7 at a public foreclosure auction for \$388,001.

That auction originally had been scheduled for April 7, but was delayed a month, said James York, a Sacramento real estate broker who purchased the house from the trustee, the California Reconveyance Company. That transaction was officially recorded on May 9, and the deed transfer and sale were recorded on May 19. Documents associated with the transaction can be viewed here. <http://www.capitolweekly.net/fs/global:file/article/jq2q6aq0qasen6_files/file/id/x4vnhwqm2okig?_adctlid=v%7Cjq2q43wvsl855o%7Cx4xst9degisvl5>

"It was a foreclosure auction. I took possession of the house as of May 7," said York, who has conducted numerous similar purchases, according to county records. (York is not related to the author of this article).

York, whose firm specializes in foreclosure sales, said that Richardson did not participate in the transaction, that the house had been vacant for some time and that he paid the funds to California Reconveyance, which handles foreclosure property and is owned by Washington Mutual, the original lender.

The sale forced the bank to "take a \$200,000 write-off," York noted. In an earlier interview with the Daily Breeze of Torrance, which reported a detailed account of the transaction, he said the bank "took a

beating."

Tax records at the Sacramento County assessor's office show that in January 2007, Richardson took out a mortgage for the entire sale price of the house -- \$535,000. The mortgage amount was equal to the sale price of the home, meaning she was able to buy the house without a down payment. At the time, the housing market was beginning to turn, but the severest impacts had not yet been felt. No-interest, "jumbo" loans-those more than \$417,000-were still available from some lenders.

Richardson received a default notice in late 2007. By December 2007, less than a year after Richardson purchased the house, she was behind in her payments by more than \$18,000.

Three months later, on March 19, 2008, a notice was filed with the county that Richardson's property would be sold at auction on April 7. According to the documents, the unpaid balance and other charges Richardson owed the bank was \$587,384.

The March 19 notice of trustee's sale also described the unpaid balance of Richardson's loan, held by Washington Mutual, at more than \$578,000 - \$40,000 more than the original mortgage. Tax records show \$8,950 in unpaid property taxes.

The Curtis Park house is not Richardson's primary residence. She also owns a four-bedroom house in Long Beach, in her congressional district. Real estate records show she purchased that house in 1999 for \$135,000. An estimate from Zillow.com puts the current value of that house at \$474,000.

Like many homes that have gone through foreclosure, Richardson's new residence quickly became an eyesore. With Richardson gone, upkeep on the home lapsed, and neighbors began to get angry.

"The neighbors are extremely unhappy with her," said Sharon Helmar, who sold the home to Richardson. "She didn't mow the lawn or take out the garbage while she was there. We lived there for a long time, 30 years, and we had to hide our heads whenever we came back to the neighborhood."

Helmar and her husband, Mark, sold the Curtis Park home to Richardson because Sharon's arthritis required the couple to move into a one-story house. With the area's real estate market slowing down, the house remained on the market for months, and the Helmars, who lived in the house for more than 30 years, were getting desperate to sell.

Helmar said that she has never met Richardson personally, but dealt with Richardson through her realtor. The Helmars wound up giving Richardson \$15,000 toward closing costs, she said.

And she is still angry over what happened to a home that clearly she never really wanted to leave. "It's kind of silly. You would think people who are making decisions for others would be able to make good decisions for themselves," she said. "She should have known what she could afford and not afford. In this neighborhood, you just don't do that."

While Richardson walked away from her loan, she bested Oropeza in a June special election, and moved on to Congress. As a member of Congress, Richardson has been asked to vote on legislation pertaining to the spike in foreclosures around the country.

On the biggest pieces of legislation having to do with government bailouts for people whose homes have entered foreclosure, Richardson did not vote. She also did not vote on legislation by Rep. Barney Frank, D-Mass, which would direct \$2.7 billion in government funds to help an estimated 500,000 homeowners who are at risk of foreclosure. Richardson said she missed the votes because of the death

of her father.

Richardson did not vote on a measure by Rep. Maxine Waters, D-Los Angeles, that would give local governments \$15 billion to purchase, rehab and resell foreclosed properties.

While Richardson walked away from her bank loan, she has begun to pay herself back for the money she personally invested in her initial race. Records show that Richardson spent \$587,000 out of her congressional campaign committee since declaring her congressional candidacy through March of this year. Of those expenditures, Richardson has spent \$18,000 of that money to begin repaying herself for the money Richardson loaned to her campaign.

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* Many in Half Moon Bay question decision not to appeal developer case

* Big Daddy <http://www.capitolweekly.net/article.php?_adctlid=v%7Cjq2q43wvsl855o%7Cx4xst9degisvl5&issueId=x4tyolqkrw0m0&xid=x4u5hu7m7wgfsa> by Big Daddy

* Medical marijuana bills moving forward <http://www.capitolweekly.net/article.php?_adctlid=v%7Cjq2q43wvsl855o%7Cx4xst9degisvl5&issueId=x4tyolqkrw0m0&xid=x4u39535f80b6g> by Malcolm Maclachlan

* Saldana, Leno bills would restrict cooperation with federal authorities and rules

* Facilitating assisted suicide is not the way to go <http://www.capitolweekly.net/article.php?_adctlid=v%7Cjq2q43wvsl855o%7Cx4xst9degisvl5&issueId=x4tyolqkrw0m0&xid=x4u6470wbq8h4b> by Marilyn Golden

* The I-5 fix: It's all a matter of timing <http://www.capitolweekly.net/article.php?_adctlid=v%7Cjq2q43wvsl855o%7Cx4xst9degisvl5&issueId=x4tyolqkrw0m0&xid=x4u3ksz4hrkbsv> by Capitol Staff

* Starting May 30, commuters will be tested to the max

* The Skinny <http://www.capitolweekly.net/article.php?_adctlid=v%7Cjq2q43wvsl855o%7Cx4xst9degisvl5&issueId=x4tyolqkrw0m0&xid=x4u5bt1laofdg> by Anthony York

* Seven animal initiatives fail to qualify for ballot <http://www.capitolweekly.net/article.php?_adctlid=v%7Cjq2q43wvsl855o%7Cx4xst9degisvl5&issueId=x4tyolqkrw0m0&xid=x4dqn3so3o0lp5> by Malcolm Maclachlan

Opponents of Levine's spay/neuter bill pledge they'll be back

* John Garamendi: movin' on up? <http://www.capitolweekly.net/article.php?_adctlid=v%7Cjq2q43wvsl855o%7Cx4xst9degisvl5&issueId=x4tyolqkrw0m0&xid=x4u2s9o3a4ga70> by Nick Brokaw

* The Lt. Gov. talks about the governorship, insurers

* Experts Expound <http://www.capitolweekly.net/article.php?_adctlid=v%7Cjq2q43wvsl855o%7Cx4xst9degisvl5&issueId=x4tyolqkrw0m0&xid=x4u5o8fpqdwg83> by Capitol Readers

* Skaters, bikers: A free pass to avoid the I-5 crunch <<http://www.capitolweekly.net/article.php?>

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* Insurers: After-market parts are key to savings <http://www.capitolweekly.net/article.php?_adctlid=v%7Cjq2q43wvsl855o%7Cx4xst9degisvl5&issuelid=x4tyolqkrlw0m0&xid=x4uxqsg5ms5x3> by Michael Gunning

The parts are just as good, but cheaper: Think generic versus brand-name drugs.

* Personnel Profile: Nicole Rice <http://www.capitolweekly.net/article.php?_adctlid=v%7Cjq2q43wvsl855o%7Cx4xst9degisvl5&issuelid=x4tyolqkrlw0m0&xid=x4u5wlsk628gpn> by Capitol Staff

* Medi-Cal cuts hurt all Californians <http://www.capitolweekly.net/article.php?_adctlid=v%7Cjq2q43wvsl855o%7Cx4xst9degisvl5&issuelid=x4tyolqkrlw0m0&xid=x4ufwryaelwzwb> by Lynn Rolston

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CSOC.RICH.002955

DocumentID: 007210154866

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To: Baptista, Geri Ann S.
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</o=wamu/ou=sea/cn=recipients/cn=u578890>
Cc:
Bcc:
Subject: AP: Laura Richardson
Date: Fri May 23 2008 22:07:52 EDT
Attachments:

Hi team -
FYI, below.

From: Verdin, Tom [mailto:taverdin@ap.org]
Sent: Fri 05/23/2008 7:02 PM
To: Gaugl, Sara C.
Subject: RE: Laura Richardson

Sara, here's our first take on the Laura Richardson story tonight. Subsequent versions will have greater detail. Please let me know if WaMu wants to issue an updated statement.

Tom

¶ BC-CA--Congresswoman's House
¶ URGENT
¶ AP Interview: Calif. congresswoman says home sale 'improper'
¶ AP Interview: Calif. congresswoman claims sale of her Sacramento house shouldn't have happened
¶ Eds: APNewsNow. Will be led.
¶ ewfodtfotav1
¶ By ERICA WERNER
¶ Associated Press Writer
¶ 05-23-2008 18:36
¶ WASHINGTON (AP) _ California Congresswoman Laura Richardson claims the foreclosure auction of her Sacramento house was improper and contrary to a written agreement she had with her lender.

¶ In a lengthy interview with The Associated Press on Friday, the Southern California Democrat struck back against several days of negative publicity over reports she defaulted on her mortgage. Her house was sold at auction earlier this month.

¶ Richardson said that sale never should have happened and that she has renegotiated her loan to pay it off.
¶ She insisted that she is not getting special terms because she's a congresswoman.
¶ In fact, Richardson said the experience has allowed her to relate to the thousands of other Americans _ including many in her Los Angeles-area district _ confronted with foreclosures. She even

wants to testify before Congress about it.

¶

From: Verdin, Tom
Sent: Friday, May 23, 2008 6:27 PM
To: sara.gaugl@wamu.net
Subject: Laura Richardson

Sara, thank you for calling us back earlier this evening.

As it happens, our reporter in Washington who covers California's congressional delegation was on the phone with Laura Richardson while you and I were talking. In brief, Richardson is blaming WaMu. She claims she did not know her Sacramento house was being sold at auction and says WaMu told her no action would be taken on it until sometime next month.

She also claims to have documentation to support this claim but has yet to provide it to us.

We'll be moving a story based on Richardson's comments shortly.

Because AP did not have her statement when we spoke previously, I wanted to give WaMu an opportunity to respond.

We'll be sending our story in takes (individual bites will move before the final writethru), and I can send you those so you can see exactly what Richardson claims.

Regards,

Tom

Tom Verdin

Correspondent

Sacramento bureau
916-448-9555

<< OLE Object: Picture (Metafile) >>

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Document ID: 7016342

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</o=wamu/ou=sea/cn=recipients/cn=u192170>
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Cc:
Bcc:
Subject: RE: (866) 723-2600 BC
Date: Wed May 21 2008 20:43:20 EDT
Attachments:

Embedded below is Congresswoman Laura Richardson's statement to the media for your reference.
CONGRESSWOMAN LAURA RICHARDSON

For Immediate Release
May 21, 2008

The story published in the Capitol Weekly regarding residential property that I own in Sacramento requires clarification.

Within a 12-month period last year (2007-2008), I was a member of Long Beach City Council, the District Director for California Lt. Gov. Cruz Bustamante, a member of the California State Legislature, and, now a member of Congress. While the transitioning has impacted me personally, the residential property in Sacramento California is not in foreclosure and has NOT been seized by the bank.

I have worked with my lender to complete a loan modification and have renegotiated the terms of the agreement – with no special provisions. I fully intend to fulfill all financial obligations of this property. On two housing bills that were cited by the Capitol Weekly, the allegation is that I recused myself from these votes. I did not. I was absent from Washington, D.C., and my duties in the House of Representatives due to the untimely death of my father and his subsequent funeral in California. I understand that these homeownership issues are a reflection of what many Americans are going through as they fight to keep their homes and to remain financially stable.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228-2600 cell
sara.gaugl@wamu.net

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</o=wamu/ou=sea/cn=recipients/cn=u578890>
To: Baptista, Geri Ann S.
</o=wamu/ou=sea/cn=recipients/cn=u255251>
Cc:
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Subject: Declined: Updated: Richardson Update
Date: Thu Jun 19 2008 11:48:39 EDT
Attachments:

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Date: Thu Jun 19 2008 22:37:36 EDT
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EndTime: Thu Jun 19 13:30:00 Eastern Daylight Time 2008

Location:

Invitees: Baptista, Geri Ann S.; Gaugl, Sara C.; Elias, Alan; Cook, Don; Potashnick, Barbara A.;

Battaglia, Paul J.; Thorn, Ann; Owen, Jan L.

Recurring: No

ShowReminder: No

Accepted: No

changing time to accommodate schedules

Document ID: 07-10-14921

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To: Baptista, Geri Ann S.
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Date: Wed Jun 18 2008 20:17:34 EDT
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Date: Wed Jun 18 2008 20:10:30 EDT
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When: Thursday, June 19, 2008 9:00 AM-9:30 AM (GMT-08:00) Pacific Time (US & Canada); Tijuana.

Document ID: 10152432

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S. </o=wamu/ou=sea/cn=recipients/cn=u255251>
Bcc:
Subject: Email from Richardson
Date: Wed Jun 18 2008 19:38:11 EDT
Attachments:

All:

1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228. cell
sara.gaugl@wamu.net

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</o=wamu/ou=sea/cn=recipients/cn=u126602>
To: Gaugl, Sara C.
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Cc: Cook, Don
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Bcc:
Subject: AP story - excerpt below
Date: Thu May 22 2008 13:50:26 EDT
Attachments:

I'm sure you have seen this - do you need anything from us?

AP

Calif. congresswoman's home threatened with repo
Thursday May 22, 11:49 am ET
By Don Thompson, Associated Press Writer

Calif. congresswoman's home threatened with repossession after she fails to pay mortgage
SACRAMENTO, Calif. (AP) -- Rep. Laura Richardson has an unusual perspective on the housing foreclosure bills moving through Congress: One of her own homes was threatened with repossession after she failed to pay the mortgage.

Richardson, a Southern California Democrat, bought a two-story home in a leafy, upper-middle-class neighborhood of Sacramento in January 2007, just months after winning a seat in the state Assembly. She bought the three-bedroom, 1 1/2-bath home in the state capital for \$535,500. The bill collectors started knocking soon after, according to records reviewed Wednesday by The Associated Press. The city utility department placed a lien on her property in June 2007 for \$154 in unpaid bills, according to documents at the Sacramento County recorder's office. In December, she received a default notice on the mortgage from the collection agency of Washington Mutual Inc., her lender. At that point, she owed \$18,356.

(more posted on yahoo.com)

From: Gaugl, Sara C.
</o=wamu/ou=sea/cn=recipients/cn=u192170>
To: Owen, Jan L.
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Subject: Congresswoman's Home Sold in Foreclosure Auction
Date: Thu May 22 2008 12:29:24 EDT
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FYI. Please see bolded text below.

Congresswoman's Home Sold in Foreclosure Auction - WSJ

Congress has turned its attention to solving the foreclosure crisis even as one of its members has lost a home in a foreclosure auction.

The Sacramento home of Rep. Laura Richardson was sold in a public auction two weeks ago for \$388,000. The Southern California Democrat bought the house for \$535,000 with no money down in January 2007 and owed nearly \$575,000 to Washington Mutual when the mortgage was sold earlier this month at a significant loss to Red Rock Mortgage Inc.

Rep. Richardson, a former Long Beach city council member, bought the home after winning a seat in California's state assembly. She maintains her primary residence, a four-bedroom home, in her Long Beach district. Months later, Rep. Richardson ran in a hard-fought election for the congressional seat, which was vacated when the late Rep. Juanita Millender-McDonald died from cancer. To fund that campaign, Rep. Richardson lent herself more than \$75,000 and stopped making payments on the Sacramento home around the same time.

The story was first reported by the Capitol Weekly, a Sacramento publication.

Rep. Richardson said in a statement Wednesday that the home is not in foreclosure and had not been seized by the bank. "I have worked with my lender to complete a loan modification and have renegotiated the terms of the agreement - with no special provisions. I fully intend to fulfill all financial obligations of this property."

But James York, the Sacramento broker who bought Richardson's house at auction, told the Long Beach Press-Telegram that he planned to resell the home. The three-bedroom, 1.5-bathroom house sits on a 1,600 square foot parcel.

Richardson didn't vote on the housing rescue deal that passed the House of Representatives two weeks ago and in a statement attributed her absence to her father's funeral. But Richardson did vote last fall in favor of the Mortgage Forgiveness Debt Relief Act, which passed and prevents the federal government from charging income tax on debt forgiven as a consequence of foreclosure. -Nick Timiraos

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228- cell
sara.gaugl@wamu.net

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Subject: Comments by York re: Foreclosure Sale
Date: Wed May 28 2008 04:08:30 EDT
Attachments:

Paul and Don -

Gene Maddaus posted an update to his earlier articles about an hour ago - see below. The story, which focuses on the validity of the foreclosure sale, includes numerous comments made by James York re: his current position.

In part, he says he's going to hang on to the house and would be surprised if WaMu sues to get it back. He then goes on to say that in this particular case, there isn't anything for WaMu to gain on the backside except for a congresswoman's good will.

Ann: You should also be aware that Richardson described her agreement with WaMu as a loan modification, and said she had begun making payments on it. I know that you've already discussed this with her directly, but wanted to give you a heads up.

- Sara

Richardson faces fight for house

SOUTH BAY: Odds seem to be against the congresswoman getting her auctioned home back.

By Gene Maddaus

05/27/2008 11:38:22 PM PDT

South Bay Rep. Laura Richardson will face an uphill fight as she tries to reclaim her Sacramento house, which was sold in a foreclosure auction three weeks ago.

Richardson, a first-year Democrat, said last week that she is working with her lender to try to rescind the auction on the grounds that it was held in error.

A real estate broker, James York, bought the house May 7 for \$388,000. Richardson argues that she had previously made an agreement with her lender, Washington Mutual, to reinstate her loan, which should make the auction invalid.

But several attorneys said Tuesday that the law in such cases is stacked in favor of the buyer at a foreclosure auction. Only in rare cases can an auction be overturned.

"It's gonna be very, very hard - even if the sale itself was improper - to get the sale reversed," said Richard Timan, an attorney who has handled similar cases. "People who don't make payments are not beloved by judges."

York said Tuesday that he plans on hanging on to the house and would be surprised if Washington Mutual sues to get it back.

"I'm not too worried about it," he said. "Once you get the deed, it's pretty much a done deal."

In California, two appellate decisions from 2005 deal with such cases.

In *Melendrez v. D&I Investment Inc.*, the court held that a foreclosure sale was valid, even though the Melendrez family, of Watsonville, believed it had agreed to a repayment plan and had begun making payments.

"The Melendrez family had the same claim as the congresswoman does," said Timan, the plaintiff's attorney on the case, "which is that they had actually worked out a deal with the bank, and the bank hadn't documented it properly."

But all that mattered to the appellate court in that case was that D&I Investment was a "bona fide purchaser" - meaning, essentially, that the company bought the house in a fair auction, without committing fraud. The auction was upheld.

The other case, Bank of America v. La Jolla Group II, offers a ray of hope for Richardson. In that case, the Selesla family of Fresno fell behind on a loan with Bank of America. Before an auction was held, the family paid the entire arrearage on the loan. But the auction was erroneously held anyway, and the La Jolla Group II purchased the property.

The court voided the auction.

"Now it opens up the door for almost any sale to be challenged," said Susan Moore, who argued the case for the La Jolla Group II. "The trend seems to be moving more towards favoring the homeowner."

Richardson - who has also defaulted on her two other homes in Long Beach and San Pedro - described her agreement with Washington Mutual as a loan modification, and she said she had begun making payments on it.

Glenn Wechsler, who argued for Bank of America, noted that his case was limited to a reinstatement in which the entire arrearage was paid. He said he was unaware of a precedent that dealt directly with Richardson's circumstances.

But he said that often borrowers think they have an agreement to stop a foreclosure, when they don't. Assuming York is a bona fide purchaser, a judge will start from the "conclusive presumption" that the foreclosure sale was valid, Wechsler said.

York said the Bank of America case does not apply because Richardson did not pay off the entire arrearage.

"I know that for a fact," he said. "If I knew that she sent the money in on time, I would probably be thinking something different. But I know she didn't send it."

Additionally, he said he did not see why Washington Mutual would want to sue him to get the loan back.

"When the market was sky high, we would end up in lawsuits because there was equity in all the homes, and there's actually something to gain," he said. "In this case, there isn't anything to gain on the backside, except for a congresswoman's good will."

Without a reinstatement, Richardson will be unable to repay the \$9,000 in back taxes on the property.

As it stands, York has assumed responsibility for Richardson's tax bill.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228- cell
sara.gaugl@wamu.net

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Bcc:
Subject: Update: Congresswoman obtains spokesperson
Date: Tue May 27 2008 22:24:02 EDT
Attachments:

All:
FYI - it appears that Congresswoman Richardson has now engaged a spokesperson -- William Marshall. Among other things, he states that Ms. Richardson is awaiting clarification from WaMu as to whether she had secured new loan terms in time, but that she is still in fact the owner of her Sacramento home (though public records state otherwise).

I'll continue to let you know of any other new developments as reported by the media.

- Sara

Rep. Richardson defaulted on three Calif. home loans - The Hill
By Jared Allen
05/27/08

The tale of Rep. Laura Richardson's (D) personal housing crisis got even more captivating Tuesday as her office said the freshman lawmaker defaulted on loans she took out for not just one, but three, California homes.

The news of one of Richardson's properties recently being sold at auction captured widespread attention last week in the wake of the nation's housing crisis. But that was only part of the story.

Richardson's office said Tuesday she has caught up on her payments and renegotiated the terms of loans she took out to purchase homes in San Pedro and Long Beach, Calif. Her office confirmed that the lawmaker defaulted on both of these homes and was risking foreclosure when she went months without making payments.

A third home that Richardson borrowed heavily to move into in Sacramento was sold at auction earlier this month - at a \$150,000 loss to the bank that issued her the \$535,000 loan.

William Marshall, a spokesman for Richardson, said on Tuesday that she was still awaiting clarification from her lender, Washington Mutual, as to whether she had secured new loan terms in time and was still, in fact, the owner of the home.

Richardson told The Associated Press on Friday that she was surprised to learn that the home was sold at the May 7 auction. She claimed that the sale never should have happened because she had

renegotiated her loan to pay it off.

Even as that was happening, ethics watchdogs were crying foul over Richardson's personal finances and questioning how she was able to lend her campaign to Congress \$77,500 in the midst of multiple home loan defaults.

Federal Election Commission (FEC) reports show that Richardson loaned her campaign a total of \$77,500 - in three installments - between June and July of 2007.

Richardson's year-end FEC filing showed that her campaign still had \$331,000 worth of debt but \$116,000 cash-on-hand.

Marshall was unable to immediately answer questions about whether Richardson borrowed against any of her home equity - from homes she defaulted on - to finance her House campaign.

But he did not dispute reports that Richardson had done the very same thing the year prior when she borrowed \$100,000 against her Long Beach home - whose mortgage she later defaulted on - to loan to her campaign for the California General Assembly. She repaid that personal loan in its entirety, according to Los Angeles media outlets.

Melanie Sloan, executive director of the Citizens for Responsibility and Ethics in Washington, criticized Richardson for falling deeper into debt while choosing to spend more than \$77,500 of her own money on her campaign. She suggested that Richardson's actions only demonstrated her belief that winning a seat in Congress is more important than practicing personal fiscal responsibility.

Sloan added Richardson should not be in the situation she is while making a congressional salary when homeowners around the country making \$50,000 or less are struggling to pay their debts.

"Truthfully, it's appalling," Sloan said.

Meredith McGehee, policy director for the Campaign Legal Center, said it would be reasonable for the FEC to look into the timing of the loan against the timeline of Richardson's home loan defaults.

"In situations like this it's very important for whoever loaned her the money to demonstrate that they treated her equitably, not favorably," McGehee said. "Otherwise, you're getting into a situation of a corporate underwriting of a campaign."

Richardson's FEC reports do not spell out the terms of her personal loans to her campaign.

Richardson originally came under scrutiny last week when it was learned that a home she owned in Sacramento was sold at auction after it went into foreclosure.

As well as her \$535,000 home in Sacramento, a home that Richardson owned in San Pedro - which she borrowed \$359,000 to obtain - went into default in September 2007 when she became more than \$12,000 behind in her payments.

In addition, Richardson's primary residence in Long Beach went into default just two months ago after she failed to make a payment for four months and owed nearly \$20,000 on the property. Marshall declined to give details of the new loans that he said Richardson was able to secure.

Richardson last week told reporters in California that her experience makes her particularly well-suited to help Congress legislate a solution to the nation's housing crisis, saying she hoped to testify before congressional committees on the issue.

And when Congress returns following the Memorial Day recess, reconciling the House and Senate versions of the legislation designed to help the housing market rebound will be on the top of the

agenda.

Richardson did not vote on the version of the Foreclosure Prevention Act that passed the House, but said she missed the vote only because she was attending her father's funeral.

Richardson was a member of the Long Beach City Council when she won a California General Assembly seat in November 2006, months before she purchased the home in Sacramento. She won the congressional seat the following year in the special election to replace the late Rep. Juanita Millender-McDonald (D).

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228- cell
sara.gaugl@wamu.net

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Complaint Filed 6-12-08

From: Cook, Don
</o=wamu/ou=sea/cn=recipients/cn=u578890>
To: Elias, Alan
</o=wamu/ou=sea/cn=recipients/cn=u62181494974884>; Gaugl, Sara
C. </o=wamu/ou=sea/cn=recipients/cn=u192170>; Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>; Baptista, Geri Ann
S. </o=wamu/ou=sea/cn=recipients/cn=u255251>; Parker, Gary L.
</o=wamu/ou=sea/cn=recipients/cn=u142170>
Cc: Berens, John
</o=wamu/ou=sea/cn=recipients/cn=u206888>; Champney, Steven D.
</o=wamu/ou=sea/cn=recipients/cn=u214145>; Thorn, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>; Brennan, Carey
</o=wamu/ou=sea/cn=recipients/cn=u136338>; Potashnick, Barbara
A. </o=wamu/ou=sea/cn=recipients/cn=u972031>
Bcc:
Subject: FW: 001 Complaint Filed 6-12-08.pdf - Adobe Acrobat Professional
Date: Fri Jun 13 2008 21:19:50 EDT
Attachments: EAS

This is a heads-up for media coverage. Sara received information from the media that Mr. York had filed suit against us relating to the Laura Richardson loan. Our attorney had not received a copy of the complaint (to our knowledge we have not yet been served), but he was advised that he could obtain a copy of it from the court's Web site. I have not yet reviewed the complaint, but it is attached for your information.

Please let me know if you have any questions.

From: Martin T. McGuinn [mailto:mcguinn@redrock.com]
Sent: Friday, June 13, 2008 5:42 PM
To: Battaglia, Paul J.
Cc: Cook, Don
Subject: 001 Complaint Filed 6-12-08.pdf - Adobe Acrobat Professional

Gentlemen:

Copy of complaint which was filed yesterday by Red Rock. I will review it shortly.

Marty

Martin T. McGuinn

Kirby & McGuinn, A P.C.

600 B Street, Ste. 1950

San Diego, CA 92101

mmcguinn

Direct Dial: (619) 525-1659

Direct Fax: (619) 525-1659

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Attachments:

001 Complaint Filed 6-12-08 (1710201 Bytes)

Document ID: 0.7.1015.43505

Attachment Name: EAS

Locator: esa.pst/*;D%28\CWACTIVECASES\HUSTON\DEMPSEY_2\DON_COOK_578990
\U578890.PST:0000000bec5857bdf4c76439548120173afcb924a12700:
:01001c455f6a35990dd8d7ad8010e462a5d9718af85bb609402dd1174cdd6529fb39

Reason: : This file is empty (i.e., its length is zero bytes)

JPMC-001344
CONFIDENTIAL

Page 59 of 121

CSOC.RICH.002981

From: Adams, Carolyn
</o=wamu/ou=sea/cn=recipients/cn=u126602>
To: Gaugl, Sara C.
</o=wamu/ou=sea/cn=recipients/cn=u192170>
Cc: Cook, Don
</o=wamu/ou=sea/cn=recipients/cn=u578890>; Hyde, Arlene M.
</o=wamu/ou=sea/cn=recipients/cn=u227900>
Bcc:
Subject: RE: Richardson Coverage: Calculated Risk Blog
Date: Tue May 27 2008 18:09:16 EDT
Attachments:

Sure. What is your turn-around on this review? I don't think we've had anyone from ops look at the file yet - I think their input would be very helpful based on the HUD-1 I saw last week - do we have time?

From: Gaugl, Sara C.
Sent: Tuesday, May 27, 2008 3:01 PM
To: Adams, Carolyn
Cc: Cook, Don; Hyde, Arlene M.
Subject: RE: Richardson Coverage: Calculated Risk Blog

Yes, please.

Thank you, Carolyn.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228. cell
sara.gaugl@wamu.net

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From: Adams, Carolyn
Sent: Tuesday, May 27, 2008 2:40 PM
To: Gaugl, Sara C.
Cc: Cook, Don; Hyde, Arlene M.
Subject: RE: Richardson Coverage: Calculated Risk Blog

Sorry - I was at a meeting on 13 and just got back - do you need the origination file reviewed?

From: Gaugl, Sara C.
Sent: Tuesday, May 27, 2008 1:17 PM
To: Adams, Carolyn
Cc: Cook, Don; Hyde, Arlene M.; Champney, Steven D.; Elias, Alan
Subject: FW: Richardson Coverage: Calculated Risk Blog

Hi, Carolyn.

As a follow-up to our brief conversation earlier this morning, please see David's request below. I will give you a call shortly.

Best,

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct |  cell
sara.gaugl@wamu.net | 

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From: Schneider, David C.
Sent: Tuesday, May 27, 2008 12:46 PM
To: Gaugl, Sara C.
Cc: Champney, Steven D.; Hyde, Arlene M.
Subject: RE: Richardson Coverage: Calculated Risk Blog

Can you get me the information on the original loan? Today please.

You can have this done by the channel that originated the deal.

ds

From: Gaugl, Sara C.
Sent: Tuesday, May 27, 2008 12:31 PM
To: Schneider, David C.; Berens, John; Champney, Steven D.
Cc: Thorn, Ann; Owen, Jan L.; Elias, Alan
Subject: Richardson Coverage: Calculated Risk Blog

All:

As expected, coverage on Congresswoman Richardson's financial situation has continued to evolve after it was reported on Friday that she has defaulted on other loans – including her primary residence. I'm forwarding the blog posting embedded below in particular, as it reflects the current viewpoint among

other journalists and links to key articles/postings published to date.

- Sara

UPDATED: A Congressional Speculator? - Calculated Risk

by Tanta

<http://calculatedrisk.blogspot.com/2008/05/congressional-speculator.html>

This is an update to post below on Rep. Laura Richardson's foreclosure woes.

Gene Maddaus of the Daily Breeze <http://www.dailybreeze.com/ci_9366061> kindly forwarded today's additions to the saga. There are not two, but three homes owned by Richardson in foreclosure. And yes, she appears to have cashed out her primary residence back in 2006 to fund her campaign for State Assembly. So it looks like a pattern.

I have been watching the story of Representative Laura Richardson and her foreclosure woes for a while now, while heretofore hesitating to post on it. For one thing, the original story--a member of Congress losing her expensive second home to foreclosure--had that kind of celebrity car-crash quality to it that I'm not especially interested in for the purposes of this blog. For another thing, posting about anything even tangentially related to politics invites the kind of comments that personally bore me to tears.

All that is still true, but the story has taken such an unfortunate turn that I feel obligated to weigh in on it. Specifically, Rep. Richardson is threatening us <http://origin.mercurynews.com/breakingnews/ci_9363126>:

Rather than shy away from voting on mortgage-related bills, Richardson said her experiences could help her craft legislation to make sure others don't experience what she did. For example, she sees a need to add steps to inform property owners before their property can be sold.

"We have to ensure that lenders and lenders have the tools with proper timing to resolve this," she said.

If Rep. Richardson is going to base legislative proposals on her own experience, then it matters to the rest of us what that experience was. So click the link below if you can stand to hear about it.

The story was originally reported in the Sacramento Capitol Weekly <http://www.capitolweekly.net/article.php?_adctid=v%7Cj2q43wvsl855o%7Cx4vss6731uskip&issuelid=x4tyolqkriw0m0&xid=x4ptirmv0w0r6x>, and picked up by the Wall Street Journal <<http://blogs.wsj.com/developments/2008/05/22/congresswomans-home-sold-in-foreclosure-auction/>>, and thence covered by a number of blogs, with the storyline being that Rep. Richardson "walked away" from her home, a second home she purchased in Sacramento after being elected to the State Assembly. The "walk away" part came from a remark made by the real estate investor who purchased the home at the foreclosure auction, not Rep. Richardson or anyone who could be expected to understand her financial situation, but that didn't stop the phrase "walk away" from headlining <<http://globeconomicanalysis.blogspot.com/2008/05/congresswoman-walks-away.html>> blog <<http://optionarmageddon.blogspot.com/2008/05/update-on-walk-away-congresswoman.html>> posts <<http://latimesblogs.latimes.com/laland/2008/05/buyer-of-rep-la.html>>.

Rep. Richardson has variously claimed at different times that the house was not in foreclosure, that she had worked out a modification with the lender, and that the lender improperly foreclosed after having agreed to accept her payments. Frankly, unless and until Rep. Richardson gives her lender,

Washington Mutual, permission to tell its side of the story--I'm not holding my breath on that--we're unlikely to be able to sort out this mess of claims to my satisfaction, at least.

It's possible that WaMu screwed this up--that it accepted payments on a workout plan with the understanding that foreclosure was "on hold" and then sold the property at auction the next week anyway. It's possible that Richardson's version of what went on is muddled, too. Without some more hard information I'm not inclined to assume the servicer did most of the screwing up, if for no other reason that we didn't find out until late yesterday, courtesy of the L.A. Land <<http://latimesblogs.latimes.com/laland/2008/05/richardson-says.html>> and Foreclosure Truth <<http://www.foreclosuretruth.com/blog/sean/foreclosure-crisis-gets-personal-rep-laura-richardson>> blogs, that Richardson's other home--her primary residence--was also in foreclosure proceedings as recently as March of this year, a detail that as far as I can tell Richardson never disclosed in all the previous discussion of the facts surrounding the foreclosure of her second home.

What part of this I am most interested in, right now, is the question of what in the hell exactly Richardson was thinking when she bought the Sacramento home in the first place. Since the story is quite complex, let's get straight on a few details. Richardson was a Long Beach City Council member who was elected to the state legislature in November of 2006. In January of 2007 she purchased a second home in Sacramento, presumably to live in during the Assembly session. In April 2007, the U.S. Congressional Representative from Richardson's district died, and Richardson entered an expensive race for that seat, winning in a special election in August of 2007. By December 2007 the Sacramento home was in default, and it was foreclosed in early May of 2008. The consensus in the published reports seems to be that Richardson spent what money she had on her campaign, not her bills.

According to the AP <http://origin.mercurynews.com/breakingnews/ci_9363126>: Richardson, 46, makes nearly \$170,000 as a member of Congress and was paid \$113,000 during the eight months she served in the state Assembly in 2007 before her election to Congress. She also received a per diem total of \$20,000 from California, according to a financial disclosure form she filed with the House of Representatives clerk.

It seems to me that all this focus on what happened after she bought the Sacramento home--running for the suddenly-available Congressional seat, changing jobs, etc.--is obscuring the issue of the original transaction.

In November of 2006, Richardson already owned a home in Long Beach. As a newly-elected state representative, she would have been required to maintain her principal residence in her district, but she would also have had to make some arrangements for staying in Sacramento during Assembly sessions, given the length of the commute from L.A. County to the state capitol. She seems to have told the AP reporter that "Lawmakers are required to maintain two residences while other people don't have to," which is not exactly the way I'd have put it. Lawmakers are required to maintain one primary residence (which need not be owned) in their district. They are not required to buy a home at the capitol (of California or the U.S.); many legislators do rent. Richardson is a single woman with no children, yet she felt "required" to purchase a 3-bedroom, 1 1/2 bathroom home in what sounds like one of Sacramento's pricier neighborhoods for \$535,500, with no downpayment and with \$15,000 in closing cost contributions from the property seller. (The NAR median price in Sacramento in the first quarter of 2007 was \$365,300 <http://www.usatoday.com/money/economy/housing/2008-05-13-q1-homeprices_N.htm>.)

I have no idea what loan terms Richardson got for a 100% LTV second home purchase in January 2007, but I'm going to guess that if she got something like a 7.00% interest only loan (without additional mortgage insurance), she got a pretty darn good deal. If she got that good a deal, her monthly interest payment would have been \$3123.75. Assuming taxes and insurance of 1.50% of the property value, her total payment would have been \$3793.13.

The AP reports that Richardson's salary as a state representative was \$113,000 in 2007, and she received \$20,000 in per diem payments (which are, of course, intended to offset the additional expense

of travelling to and staying in the Capitol during sessions). I assume the per diem is non-taxable, so I'll gross it up to \$25,000. That gives me an annual income of \$138,000 or a gross monthly income of \$11,500.

The total payment on the second home, then, with my sunny assumptions about loan terms, comes to 33% of Richardson's gross income. I have no idea what the payment is for her principal residence in Long Beach. I have no idea what other debt she might have. I am ignoring her congressional race and job changes and all that because at the point she took out this mortgage, that was all in the future and Richardson didn't know that the incumbent would die suddenly and all that. I'm just trying to figure out what went through this woman's mind when she decided it was a wise financial move to spend one-third of her pre-tax income on a second home. (There's no point trying to figure out what went through the lender's mind at the time. There just isn't.)

Now, Richardson has this http://origin.mercurynews.com/breakingnews/ci_9363126 to say about herself:

"I'm Laura Richardson. I'm an American, I'm a single woman who had four employment changes in less than four months," Richardson told the AP. "I had to figure out just like every other American how I could restructure the obligations that I had with the income I had."

Yeah, well, I'm Tanta, I'm an American, I'm a single woman, and I say you're full of it. You need to show us what your plan for affording this home was before the job changes, girlfriend. You might also tell me why you felt you needed such an expensive second home when you had no money to put down on it or even to pay your own closing costs. As it happens, the Mercury News/AP http://www.mercurynews.com/breakingnews/ci_9337389?nclick_check=1 reported that by June of 2007--five months after purchase--you had a lien filed for unpaid utility bills. You didn't budget for the lights?

But what are we going to get? We're going to get Richardson all fired up in Congress about tinkering with foreclosure notice timing, which is last I knew a question of state, not federal, law, and which has as far as I can see squat to do with why this loan failed.

Quite honestly, if WaMu did give Richardson some loan modification deal, I'd really like to know what went through the Loss Mit Department's collective and individual minds when they signed off on that. Sure, Richardson's salary went up to \$170,000 when she became a member of the U.S. Congress, but what does she need a home in Sacramento for after that? Where's she going to live in Washington, DC? And, well, her principal residence was also in the process of foreclosure at the same time. I suppose I might have offered a short sale or deed-in-lieu here, but a modification? Why would anybody do that? Because she's a Congresswoman?

I'm quite sure Richardson wants to be treated like just a plain old American and not get special treatment. Well, I was kind of hard on a plain old American the other day who wrote a "hardship letter" <http://calculatedrisk.blogspot.com/2008/05/how-not-to-write-hardship-letter.html> that didn't pass muster with me. I feel obligated to tell Richardson that she sounds like a real estate speculator who bought a home she obviously couldn't afford, defaulted on it, and now wants WaMu to basically subsidize her Congressional campaign by lowering her mortgage payment or forgiving debt. And that's... disgusting. At the risk of sounding like Angelo.

I know some of you are thinking that maybe poor Ms. Richardson got taken advantage of by some fast-talking REALTOR who encouraged her to buy more house than she could afford.

According to Pete Viles at L.A. Land <http://latimesblogs.latimes.com/laland/2008/05/us-rep-laura-ri.html>, She likes the Realtors, and they like her. She filed financial disclosure forms with the House Ethics Committee reporting the National Assn. of Realtors flew her to Las Vegas in November to help swear in the new president of the association, Realtor Dick Gaylord of Long Beach.

In suggested remarks* at the NAR gathering, also filed with the House, Richardson's script read: "I might be one of the newest members of Congress but I am not a new member of the REALTOR Party.

When I needed help to win a tough primary, REALTORS stood up and backed me even though I was the underdog."

--Real estate industry professionals have given her \$39,500 in campaign contributions in the current election cycle, according to Open Secrets.

No wonder she's blaming the lender.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228-2222 cell
sara.gaugl@wamu.net

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From: Gaugl, Sara C.
</o=wamu/ou=sea/cn=recipients/cn=u192170>
To: Cook, Don
</o=wamu/ou=sea/cn=recipients/cn=u578890>
Cc:
Bcc:
Subject: FW: Research Needed: Congresswoman Richardson/Foreclosure
Date: Wed May 21 2008 15:34:09 EDT
Attachments:

As we're discussing.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228. cell
sara.gaugl@wamu.net

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-----Original Message-----

From: Gaugl, Sara C.
Sent: Wednesday, May 21, 2008 10:24 AM
To: Kallner, Brad
Cc: Champney, Steven D.; Berens, John; Owen, Jan L.; Elias, Alan
Subject: Research Needed: Congresswoman Richardson/Foreclosure
Importance: High

Brad -

Please see the article embedded below for more detail, but long story short, Congresswoman Laura Richardson appears to have defaulted on her WaMu loan (second home) and on March 19, a notice was filed with the county that her property would be sold at auction.

Congresswoman Richardson initially declined to comment, however, Jan Owen has learned from the Congresswoman that she plans to communicate to The Washington Post that she has established a repayment plan with WaMu.

Would you please look into Congresswoman Richardson's situation as soon as possible so that we understand the facts? Her loan number is [REDACTED]

Many thanks,

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228. cell
sara.gaugl@wamu.net

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-----Original Message-----

From: Owen, Jan L.
Sent: Wednesday, May 21, 2008 8:36 AM
To: Riley, Olivia; Gaugl, Sara C.; Gaspard, Scott; Watson, Alison
Subject: Fw: Capitol Weekly -- "Foreclosure tale shows that nobody is immune from crisis"

Here we go. I am in meeting and will call in a minute.

----- Original Message -----

From: Kevin Gould <KGould@CalBankers.com>
To: FSIR Meeting Group <FSIRMeetingGroup@CalBankers.com>
Sent: Wed May 21 08:01:35 2008
Subject: Capitol Weekly -- "Foreclosure tale shows that nobody is immune from crisis"

Foreclosure tale shows that nobody is immune from crisis

By Anthony York (published Tuesday, May 20, 2008)

As the real estate market softened in 2007, the new owner of a three-bedroom, 1,600-square-foot house in Sacramento's Curtis Park neighborhood ran into trouble. The house that was purchased for \$535,000 in January had lost equity. The owner fell behind in her payments, and eventually, the bank seized the home.

What makes this story different from the thousands like it is that the owner of this house was a member of Congress.

The story of the foreclosure of Long Beach Democrat Laura Richardson's Sacramento home is a tale of a real estate market gone sour. It is also an illustration of how far many candidates will go to seek elected office, even if it means quite literally mortgaging their own financial future.

While being elevated to Congress in a 2007 special election, Richardson apparently stopped making payments on her new Sacramento home, and eventually walked away from it, leaving nearly \$600,000 in unpaid loans and fees.

Richardson's decision to let the house slip into foreclosure was set in motion by an unlikely chain of events, only some of which had to do with Sacramento's crumbling real estate market. Richardson was elected to the Assembly in November 2006, and purchased her new capital home two months later. But in April 2007, Rep. Juanita Millender-McDonald succumbed to cancer, creating a Congressional vacancy in Richardson's district.

Richardson declared her candidacy for the seat, and soon found herself locked in a hotly contested, and very expensive race for Congress against state Sen. Jenny Oropeza, D-Long Beach.

While her campaign heated up, Richardson's house slipped into default. Richardson fell behind on her mortgage payments as she loaned her Congressional campaign \$60,000 - money that has begun to be

paid back to Richardson personally from her campaign account, according to records from the Center for Responsive Politics.

Richardson's opponent, Oropeza, loaned herself \$115,000 for her run against Richardson. Oropeza's Congressional committee still shows nearly \$200,000 in debt.

Richardson declined to comment for this story.

But tax records at the Sacramento County assessor's office show that in January 2007, Richardson took out a mortgage for the entire sale price of the house -- \$535,000. The mortgage amount was equal to the sale price of the home, meaning she was able to buy the house without a down payment, even though the housing market was beginning to turn.

A March 19, 2008 notice of trustee's sale indicates that the unpaid balance of Richardson's loan, which is held by Washington Mutual, is more than \$578,000 --\$40,000 more than the original mortgage.

The Curtis Park house is not Richardson's primary residence. She also owns a four-bedroom house in Long Beach, in her Congressional district. Real estate records show she purchased that house in 1999 for \$135,000. An estimate from Zillow.com puts the current value of that house at \$474,000

Like many homes that have gone through foreclosure, Richardson's new residence quickly became an eyesore. With Richardson gone, upkeep on the home lapsed, and neighbors began to get angry.

"The neighbors are extremely unhappy with her," said Sharon Helmar, who sold the home to Richardson. "She didn't mow the lawn or take out the garbage while she was there. We lived there for a long time, 30 years, and we had to hide our heads whenever we came back to the neighborhood."

Helmar and her husband, Mark, sold the Curtis Park home to Richardson because Sharon's arthritis required the couple to move into a one-story house. With the area's real estate market slowing down, the house remained on the market for months, and the Helmars, who lived in the house for more than 30 years, were getting desperate to sell.

Helmar said that she has never met Richardson personally, but dealt with Richardson through her realtor. The Helmars wound up giving Richardson \$15,000 toward closing costs, she said.

And she is still angry over what happened to a home that clearly she never really wanted to leave. "It's kind of silly. You would think people who are making decisions for others would be able to make good decisions for themselves," she said. "She should have known what she could afford and not afford. In this neighborhood, you just don't do that."

While Richardson walked away from her loan, she bested Oropeza in a June special election, and moved on to Congress. As a member of Congress, Richardson has been asked to vote on legislation pertaining to the spike in foreclosures around the country.

On the biggest pieces of legislation having to do with government bailouts for people whose homes have entered foreclosure, Richardson has recused herself. She did not vote on legislation by Rep. Barney Frank, D-Mass, which would direct \$2.7 billion in government funds to help an estimated 500,000 homeowners who are at risk of foreclosure.

Richardson also did not vote on a measure by Rep. Maxine Waters, D-Los Angeles, that would give local governments \$15 billion to purchase, rehab and resell foreclosed properties.

While Richardson walked away from her bank loan, she has begun to pay herself back for the money she personally invested in her initial race. Records show that Richardson spent \$587,000 out of her Congressional campaign committee since declaring her Congressional candidacy through March of this year. Of those expenditures, Richardson has spent \$18,000 of that money to begin repaying herself for

the money Richardson loaned to her campaign.

According to documents at the Sacramento County Clerk's office , Richardson first received a default notice in late 2007. By December 2007, less than a year after Richardson purchased the house, she was behind in her payments by more than \$18,000.

Three months later, on March 19, a notice was filed with the county that Richardson's property would be sold at auction. According to the documents, the unpaid balance and other charges Richardson owed the bank was \$587,384.

Document ID: 15722

From: Gaugl, Sara C.
</o=wamu/ou=sea/cn=recipients/cn=u192170>
To: Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>; Thom, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>; Cook, Don
</o=wamu/ou=sea/cn=recipients/cn=u578890>; Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>
Cc:
Bcc:
Subject: Richardson / Long Beach Press-Telegram
Date: Mon Jun 09 2008 20:00:19 EDT
Attachments:

FYI, below. The latest Richardson update.....

37th District Rep. Laura Richardson left car bills unpaid - Long Beach Press-Telegram

By Paul Eakins, Staff Writer

LONG BEACH - Car trouble takes on a new meaning when it comes to financially distressed Congresswoman Laura Richardson.

In 2005, when she was still on the Long Beach City Council, she left one mechanic in a lurch with an unpaid bill, then later had her badly damaged BMW towed to an auto body shop but didn't pay for any work and abandoned the car there, owners of the businesses said this week.

The next day, Richardson began using a city-owned vehicle - putting almost 31,000 miles on it in about a year - and continued driving the car five days after she had left the council to serve in the state Assembly, city records show.

Richardson, 46, didn't return phone calls seeking comment this week.

These are just the newest revelations of Richardson's ongoing financial problems and instances of her unpaid debts.

Last month, it was reported that Richardson's Sacramento home, where she had lived during her brief Assembly stint before moving on to Congress, had fallen into foreclosure and been sold at auction.

Further investigation revealed she had defaulted on that house and two others in Long Beach and San Pedro a total of eight times since 2004.

Meanwhile, Richardson was lending money to her campaigns as she embarked on an unprecedented rise to power from council to Assembly to Congress in one year. On Tuesday, she won the Democratic nomination to serve her first full, two-year term in Congress, and she is unchallenged in the November general election.

Unpaid and abandoned

Richardson's car problems all started with a shimmy.

In October 2005, her 1999 four-door 740iL BMW had an odd vibration in the front, so she took it to Signal Hill Foreign Auto Service, according to Leo Labreche, the shop owner.

Mechanics there fixed the car and replaced some worn parts, but when Richardson picked up her vehicle, she said she didn't have the money to pay the \$735 bill, Labreche said. Because Richardson was a council member, Labreche let her take the car, assuming that she was good for the money, he said.

"She had picked the car up and was going to come back and pay the bill, and she never did," Labreche said.

Labreche said he spent months leaving messages on Richardson's cell phone voice mail, then he got a collection agency involved, but still the bill went unpaid.

"I couldn't get through to her, and then when the collection agency couldn't do anything, I thought,

"There's nothing I'm going to be able to do," Labreche said.

But on Tuesday, after the Press-Telegram requested an interview with Richardson to discuss the 2 1/2-year-old unpaid bill, she went to the auto shop and paid Labreche, he said.

Similarly, Richardson last week paid off a \$150 printing bill owed to a local company following published reports about the debt.

Richardson also settled a bill Tuesday with another mechanic, Alvin's Auto Body in Signal Hill, only this time she came out ahead, in a sense.

About one month after Richardson had taken her BMW to Labreche for work, she got into a car accident that tore up the front left corner of her car, leaving it undriveable.

She initially had it towed back to Labreche for repairs, even though she still owed him money. But Labreche doesn't do auto body work.

So the car was sent to Alvin's Auto Body, which received the BMW on Nov. 17, 2005, according to owner Bob Lillegard.

But Lillegard never heard from Richardson or her insurance company, he said.

"I'd call her office, and they'd say she was too busy," Lillegard said. "I couldn't get through to her."

The BMW's extensive damage would have cost about \$9,000 to repair, Lillegard said, which he suggested might have been more than the car was worth. The "Kelley Blue Book" Web site says a 1999 740iL BMW with standard options and 100,000 miles has a retail value of about \$15,000 today.

In December 2005, Lillegard filed for a mechanic's lien on Richardson's car to pay the towing, storage and administrative costs, he said. Lillegard said the lien was finalized in February 2006 and he sold the car to a junkyard, though a few days later - too late - Richardson sent him money to put toward the bill. The junkyard bought the BMW for \$3,500, so Lillegard took the \$2,100 he said was owed him, and when Richardson went to the body shop on Tuesday, he paid her the difference, he said.

A city ride

After the accident that led to Richardson abandoning her car, she apparently was without transportation.

So, on Nov. 18, one day after her BMW was towed to Lillegard's shop, she checked out a city-owned Toyota Prius to use for her council business, according to city Fleet Services Bureau records cited by city spokeswoman Meredith Reynolds.

Reynolds said that the Prius was issued to Richardson that day, and that it was returned more than a year later, a few days after Richardson had ended her council tenure.

In a letter acquired by the Press-Telegram from then-City Manager Jerry Miller to Richardson dated Dec. 5, 2006, Miller asks Richardson to return her city vehicle, identified as a Prius.

According to the letter, Richardson's last day as a council member was Dec. 3, 2006. She was sworn into the Assembly the following day.

City Fleet Services records show that Richardson turned in the car on Dec. 8, 2006, Reynolds said. During the one year and almost three weeks that Richardson had the Prius, she drove it 30,920 miles, Reynolds said. That amounts to an average of more than 80 miles per day, or about 2,400 miles per month, for Richardson's part-time council job in a 50-square-mile city.

By comparison, the only other two council members who used city vehicles during part or all of the same time period averaged 900 miles per month in one case and less than 400 miles per month in the other, according to figures provided by Reynolds.

Council members can either use their own vehicles for council business and receive a monthly car allowance from the city, or they may use city vehicles. However, city policy doesn't allow city vehicles to be used for personal use.

Richardson has never been shy about using city cars.

In 2001 and 2002, she had the highest vehicle expenses of any council member, in part by putting nearly 7,000 personal miles on her car in 2002. At the time, she and other council members told the Press-Telegram that they hadn't been aware of the no-personal-use rule.

In 2003, Richardson had been using a gas-guzzling Ford Expedition owned by the city, but switched to a Toyota Solara to save money. She told the Press-Telegram then that she soon would stop using a city vehicle altogether and would switch to a monthly car allowance.

She scrapped that effort in 2005 when she left her BMW at the auto body shop and again got behind the wheel of a city car.

Sara Gaugl
Home Loans Public Relations

WaMu

1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228. cell
sara.gaugl@wamu.net

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Document ID: 015-01-20

From: Gaugl, Sara C.
</o=wamu/ou=sea/cn=recipients/cn=u192170>
To: Cook, Don
</o=wamu/ou=sea/cn=recipients/cn=u578890>; Elias, Alan
</o=wamu/ou=sea/cn=recipients/cn=u62181494974884>
Cc:
Bcc:
Subject: CNN Inquiry Re: Richardson
Date: Tue Jun 24 2008 17:49:45 EDT
Attachments:

Good afternoon.

From: Adams, Carolyn
</o=wamu/ou=sea/cn=recipients/cn=u126602>
To: Gaugl, Sara C.
</o=wamu/ou=sea/cn=recipients/cn=u192170>
Cc: Cook, Don
</o=wamu/ou=sea/cn=recipients/cn=u578890>; Hyde, Arlene M.
</o=wamu/ou=sea/cn=recipients/cn=u227900>
Bcc:
Subject: RE: Richardson Coverage: Calculated Risk Blog
Date: Tue May 27 2008 17:39:31 EDT
Attachments:

Sorry - I was at a meeting on 13 and just got back - do you need the origination file reviewed?

From: Gaugl, Sara C.
Sent: Tuesday, May 27, 2008 1:17 PM
To: Adams, Carolyn
Cc: Cook, Don; Hyde, Arlene M.; Champney, Steven D.; Elias, Alan
Subject: FW: Richardson Coverage: Calculated Risk Blog

Hi, Carolyn.
As a follow-up to our brief conversation earlier this morning, please see David's request below. I will give you a call shortly.

Best,

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228- cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Schneider, David C.
Sent: Tuesday, May 27, 2008 12:46 PM
To: Gaugl, Sara C.
Cc: Champney, Steven D.; Hyde, Arlene M.
Subject: RE: Richardson Coverage: Calculated Risk Blog

Can you get me the information on the original loan? Today please.

You can have this done by the channel that originated the deal.

ds

From: Gaugl, Sara C.
Sent: Tuesday, May 27, 2008 12:31 PM
To: Schneider, David C.; Berens, John; Champney, Steven D.
Cc: Thorn, Ann; Owen, Jan L.; Elias, Alan
Subject: Richardson Coverage: Calculated Risk Blog

All:

As expected, coverage on Congresswoman Richardson's financial situation has continued to evolve after it was reported on Friday that she has defaulted on other loans -- including her primary residence. I'm forwarding the blog posting embedded below in particular, as it reflects the current viewpoint among other journalists and links to key articles/postings published to date.

- Sara

UPDATED: A Congressional Speculator? - Calculated Risk
by Tanta
<http://calculatedrisk.blogspot.com/2008/05/congressional-speculator.html>

This is an update to post below on Rep. Laura Richardson's foreclosure woes.

Gene Maddaus of the Daily Breeze <http://www.dailybreeze.com/ci_9366061> kindly forwarded today's additions to the saga. There are not two, but three homes owned by Richardson in foreclosure. And yes, she appears to have cashed out her primary residence back in 2006 to fund her campaign for State Assembly. So it looks like a pattern.

I have been watching the story of Representative Laura Richardson and her foreclosure woes for a while now, while heretofore hesitating to post on it. For one thing, the original story--a member of Congress losing her expensive second home to foreclosure--had that kind of celebrity car-crash quality to it that I'm not especially interested in for the purposes of this blog. For another thing, posting about anything even tangentially related to politics invites the kind of comments that personally bore me to tears.

All that is still true, but the story has taken such an unfortunate turn that I feel obligated to weigh in on it. Specifically, Rep. Richardson is threatening us <http://origin.mercurynews.com/breakingnews/ci_9363126>:

Rather than shy away from voting on mortgage-related bills, Richardson said her experiences could help her craft legislation to make sure others don't experience what she did. For example, she sees a need to add steps to inform property owners before their property can be sold.

"We have to ensure that lenders and lendees have the tools with proper timing to resolve this," she said.

If Rep. Richardson is going to base legislative proposals on her own experience, then it matters to the rest of us what that experience was. So click the link below if you can stand to hear about it.

The story was originally reported in the Sacramento Capitol Weekly <http://www.capitolweekly.net/article.php?_adctid=v%7Cjq2q43wvs1855o%7Cx4vss6731uskip&issueld=x4tyoiqkrlw0m0&xid=x4ptlrmv0w0r6x>, and picked up by the Wall Street Journal <<http://blogs.wsj.com/developments/2008/05/22/congresswomans-home-sold-in-foreclosure-auction/>>, and thence covered by a number of blogs, with the storyline being that Rep. Richardson "walked away" from her home, a second home she purchased in Sacramento after being elected to the State Assembly. The "walk away" part came from a remark made by the real estate investor who purchased the home at the foreclosure auction, not Rep. Richardson or anyone who could be expected to understand her financial situation, but that didn't stop the phrase "walk away" from headlining <<http://globeconomicanalysis.blogspot.com/2008/05/congresswoman-walks-away.html>> blog <<http://optionarmageddon.blogspot.com/2008/05/update-on-walk-away-congresswoman.html>> posts <<http://latimesblogs.latimes.com/aland/2008/05/buyer-of-rep-la.html>>.

Rep. Richardson has variously claimed at different times that the house was not in foreclosure, that she had worked out a modification with the lender, and that the lender improperly foreclosed after having agreed to accept her payments. Frankly, unless and until Rep. Richardson gives her lender, Washington Mutual, permission to tell its side of the story--I'm not holding my breath on that--we're unlikely to be able to sort out this mess of claims to my satisfaction, at least.

It's possible that WaMu screwed this up--that it accepted payments on a workout plan with the understanding that foreclosure was "on hold" and then sold the property at auction the next week anyway. It's possible that Richardson's version of what went on is muddled, too. Without some more hard information I'm not inclined to assume the servicer did most of the screwing up, if for no other reason that we didn't find out until late yesterday, courtesy of the L.A. Land <<http://latimesblogs.latimes.com/aland/2008/05/richardson-says.html>> and Foreclosure Truth <<http://www foreclosuretruth.com/blog/sean/foreclosure-crisis-gets-personal-rep-laura-richardson>> blogs, that Richardson's other home--her primary residence--was also in foreclosure proceedings as recently as March of this year, a detail that as far as I can tell Richardson never disclosed in all the previous discussion of the facts surrounding the foreclosure of her second home.

What part of this I am most interested in, right now, is the question of what in the hell exactly Richardson was thinking when she bought the Sacramento home in the first place. Since the story is quite complex, let's get straight on a few details. Richardson was a Long Beach City Council member who was elected to the state legislature in November of 2006. In January of 2007 she purchased a second home in Sacramento, presumably to live in during the Assembly session. In April 2007, the U.S. Congressional Representative from Richardson's district died, and Richardson entered an expensive race for that seat, winning in a special election in August of 2007. By December 2007 the Sacramento home was in default, and it was foreclosed in early May of 2008. The consensus in the published reports seems to be that Richardson spent what money she had on her campaign, not her bills.

According to the AP <http://origin.mercurynews.com/breakingnews/ci_9363126>: Richardson, 46, makes nearly \$170,000 as a member of Congress and was paid \$113,000 during the eight months she served in the state Assembly in 2007 before her election to Congress. She also received a per diem total of \$20,000 from California, according to a financial disclosure form she filed with the House of Representatives clerk.

It seems to me that all this focus on what happened after she bought the Sacramento home--running for the suddenly-available Congressional seat, changing jobs, etc.--is obscuring the issue of the original transaction.

In November of 2006, Richardson already owned a home in Long Beach. As a newly-elected state representative, she would have been required to maintain her principal residence in her district, but she would also have had to make some arrangements for staying in Sacramento during Assembly sessions,

given the length of the commute from L.A. County to the state capitol. She seems to have told the AP reporter that "Lawmakers are required to maintain two residences while other people don't have to," which is not exactly the way I'd have put it. Lawmakers are required to maintain one primary residence (which need not be owned) in their district. They are not required to buy a home at the capitol (of California or the U.S.); many legislators do rent. Richardson is a single woman with no children, yet she felt "required" to purchase a 3-bedroom, 1 1/2 bathroom home in what sounds like one of Sacramento's pricier neighborhoods for \$535,500, with no downpayment and with \$15,000 in closing cost contributions from the property seller. (The NAR median price in Sacramento in the first quarter of 2007 was \$365,300 <http://www.usatoday.com/money/economy/housing/2008-05-13-q1-homeprices_N.htm>.)

I have no idea what loan terms Richardson got for a 100% LTV second home purchase in January 2007, but I'm going to guess that if she got something like a 7.00% interest only loan (without additional mortgage insurance), she got a pretty darn good deal. If she got that good a deal, her monthly interest payment would have been \$3123.75. Assuming taxes and insurance of 1.50% of the property value, her total payment would have been \$3793.13.

The AP reports that Richardson's salary as a state representative was \$113,000 in 2007, and she received \$20,000 in per diem payments (which are, of course, intended to offset the additional expense of traveling to and staying in the Capitol during sessions). I assume the per diem is non-taxable, so I'll gross it up to \$25,000. That gives me an annual income of \$138,000 or a gross monthly income of \$11,500.

The total payment on the second home, then, with my sunny assumptions about loan terms, comes to 33% of Richardson's gross income. I have no idea what the payment is for her principal residence in Long Beach. I have no idea what other debt she might have. I am ignoring her congressional race and job changes and all that because at the point she took out this mortgage, that was all in the future and Richardson didn't know that the incumbent would die suddenly and all that. I'm just trying to figure out what went through this woman's mind when she decided it was a wise financial move to spend one-third of her pre-tax income on a second home. (There's no point trying to figure out what went through the lender's mind at the time. There just isn't.)

Now, Richardson has this <http://origin.mercurynews.com/breakingnews/ci_9363126> to say about herself:

"I'm Laura Richardson. I'm an American, I'm a single woman who had four employment changes in less than four months," Richardson told the AP. "I had to figure out just like every other American how I could restructure the obligations that I had with the income I had."

Yeah, well, I'm Tanta, I'm an American, I'm a single woman, and I say you're full of it. You need to show us what your plan for affording this home was before the job changes, girlfriend. You might also tell me why you felt you needed such an expensive second home when you had no money to put down on it or even to pay your own closing costs. As it happens, the Mercury News/AP <http://www.mercurynews.com/breakingnews/ci_9337389?nclick_check=1> reported that by June of 2007--five months after purchase--you had a lien filed for unpaid utility bills. You didn't budget for the lights?

But what are we going to get? We're going to get Richardson all fired up in Congress about tinkering with foreclosure notice timing, which is last I knew a question of state, not federal, law, and which has as far as I can see squat to do with why this loan failed.

Quite honestly, if WaMu did give Richardson some loan modification deal, I'd really like to know what went through the Loss Mit Department's collective and individual minds when they signed off on that. Sure, Richardson's salary went up to \$170,000 when she became a member of the U.S. Congress, but what does she need a home in Sacramento for after that? Where's she going to live in Washington, DC? And, well, her principal residence was also in the process of foreclosure at the same time. I suppose I might have offered a short sale or deed-in-lieu here, but a modification? Why would anybody do that? Because she's a Congresswoman?

I'm quite sure Richardson wants to be treated like just a plain old American and not get special treatment. Well, I was kind of hard on a plain old American the other day who wrote a "hardship letter" <<http://calculatedrisk.blogspot.com/2008/05/how-not-to-write-hardship-letter.html>> that didn't pass muster with me. I feel obligated to tell Richardson that she sounds like a real estate speculator who bought a home she obviously couldn't afford, defaulted on it, and now wants WaMu to basically subsidize her Congressional campaign by lowering her mortgage payment or forgiving debt. And that's . . . disgusting. At the risk of sounding like Angelo.

I know some of you are thinking that maybe poor Ms. Richardson got taken advantage of by some fast-talking REALTOR who encouraged her to buy more house than she could afford.

According to Pete Viles at L.A. Land <<http://latimesblogs.latimes.com/land/2008/05/us-rep-laura-ri.html>>, She likes the Realtors, and they like her. She filed financial disclosure forms with the House Ethics Committee reporting the National Assn. of Realtors flew her to Las Vegas in November to help swear in the new president of the association, Realtor Dick Gaylord of Long Beach.

In suggested remarks* at the NAR gathering, also filed with the House, Richardson's script read: "I might be one of the newest members of Congress but I am not a new member of the REALTOR Party. When I needed help to win a tough primary, REALTORS stood up and backed me even though I was the underdog."

--Real estate industry professionals have given her \$39,500 in campaign contributions in the current election cycle, according to Open Secrets.

No wonder she's blaming the lender.

Sara Gaugi
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228. cell
sara.gaugl@wamu.net

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From: Cook, Don
</o=wamu/ou=sea/cn=recipients/cn=u578890>
To: Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>
Cc:
Bcc:
Subject: Accepted: Richardson Update
Date: Wed May 28 2008 16:15:47 EDT
Attachments:

Document ID: 072101-3841

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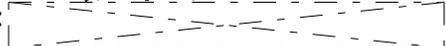
Subject: Congresswoman Richardson Update

Date: Wed May 21 2008 20:30:51 EDT

Attachments:

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</o=wamu/ou=sea/cn=recipients/cn=u146276>
Cc:
Bcc:
Subject: Update on Richardson
Date: Fri May 23 2008 16:51:11 EDT
Attachments:

When: Tuesday, May 27, 2008 9:00 AM-10:00 AM (GMT-08:00) Pacific Time (US & Canada); Tijuana.

Where: 

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Subject: Updated: Richardson update
Date: Thu May 29 2008 10:03:58 EDT
Attachments:

DocumentID: 07/1615/1123

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To: Owen, Jan L.
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Cc:
Bcc:
Subject: Accepted: Updated: Richardson Update
Date: Wed Jun 04 2008 18:00:37 EDT
Attachments:

Document ID: 7740154/289

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To: Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>
Cc:
Bcc:
Subject: Updated: Richardson Update
Date: Wed Jun 04 2008 17:55:12 EDT
Attachments:

When: Thursday, June 05, 2008 4:00 PM-5:00 PM (GMT-08:00) Pacific Time (US & Canada); Tijuana.

Where: []

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Document ID: 7407539801

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Date: Fri May 30 2008 16:05:35 EDT
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To: Owen, Jan L.
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Cc:
Bcc:
Subject: Update on Congresswoman Richardson
Date: Thu May 22 2008 19:51:01 EDT
Attachments:

Confidential

From: Cook, Don
</o=wamu/ou=sea/cn=recipients/cn=u578890>
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Subject: Accepted: Updated: Richardson update
Date: Thu May 29 2008 12:28:36 EDT
Attachments:

Document ID: 0710124954

From: Cook, Don
</o=wamu/ou=sea/cn=recipients/cn=u578890>
To: Parker, Gary L.
</o=wamu/ou=sea/cn=recipients/cn=u142170>
Cc:
Bcc:
Subject: RE: Email from Richardson
Date: Wed Jun 18 2008 21:27:44 EDT
Attachments:

I don't know. We need to ask Sara.

Document ID: 07-001-09/05

From: Cook, Don
</o=wamu/ou=sea/cn=recipients/cn=u578890>
To: Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>
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Bcc:
Subject: Declined: Updated: Richardson update
Date: Fri May 30 2008 15:03:09 EDT
Attachments:

I am on other conference calls until 2:00 p.m.

From: Thorn, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>
To: Baptista, Geri Ann S.
</o=wamu/ou=sea/cn=recipients/cn=u255251>; Gaugl, Sara C.
</o=wamu/ou=sea/cn=recipients/cn=u192170>; Elias, Alan
</o=wamu/ou=sea/cn=recipients/cn=u62181494974884>; Cook, Don
</o=wamu/ou=sea/cn=recipients/cn=u578890>; Potashnick, Barbara
A. </o=wamu/ou=sea/cn=recipients/cn=u972031>; Battaglia, Paul
J. </o=wamu/ou=sea/cn=recipients/cn=u209440>; Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>
Cc:
Bcc:
Subject: RE: Richardson Update
Date: Thu Jun 19 2008 07:36:27 EDT
Attachments:

I will only be available for the first 15 minutes or so.....Fitch is here today

Document ID: 7101578890

From: Gaugl, Sara C.
</o=wamu/ou=sea/cn=recipients/cn=u192170>
To: Cook, Don
</o=wamu/ou=sea/cn=recipients/cn=u578890>
Cc:
Bcc:
Subject: FW: Research Needed: Congresswoman Richardson/Foreclosure
Date: Wed May 21 2008 15:34:09 EDT
Attachments:

As we're discussing.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228. cell
sara.gaugl@wamu.net

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-----Original Message-----

From: Gaugl, Sara C.
Sent: Wednesday, May 21, 2008 10:24 AM
To: Kallner, Brad
Cc: Champney, Steven D.; Berens, John; Owen, Jan L.; Elias, Alan
Subject: Research Needed: Congresswoman Richardson/Foreclosure
Importance: High

Brad -

Please see the article embedded below for more detail, but long story short, Congresswoman Laura Richardson appears to have defaulted on her WaMu loan (second home) and on March 19, a notice was filed with the county that her property would be sold at auction.

Congresswoman Richardson initially declined to comment, however, Jan Owen has learned from the Congresswoman that she plans to communicate to The Washington Post that she has established a repayment plan with WaMu.

Would you please look into Congresswoman Richardson's situation as soon as possible so that we understand the facts? Her loan number is 

Many thanks,

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228. cell
sara.gaugl@wamu.net

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-----Original Message-----

From: Owen, Jan L.
Sent: Wednesday, May 21, 2008 8:36 AM
To: Riley, Olivia; Gaugl, Sara C.; Gaspard, Scott; Watson, Alison
Subject: Fw: Capitol Weekly -- "Foreclosure tale shows that nobody is immune from crisis"

Here we go. I am am in meeting and will call in a minute.

----- Original Message -----

From: Kevin Gould < >
To: FSIR Meeting Group < >
Sent: Wed May 21 08:01:35 2008
Subject: Capitol Weekly -- "Foreclosure tale shows that nobody is immune from crisis"

Foreclosure tale shows that nobody is immune from crisis

By Anthony York (published Tuesday, May 20, 2008)

As the real estate market softened in 2007, the new owner of a three-bedroom, 1,600-square-foot house in Sacramento's Curtis Park neighborhood ran into trouble. The house that was purchased for \$535,000 in January had lost equity. The owner fell behind in her payments, and eventually, the bank seized the home.

What makes this story different from the thousands like it is that the owner of this house was a member of Congress.

The story of the foreclosure of Long Beach Democrat Laura Richardson's Sacramento home is a tale of a real estate market gone sour. It is also an illustration of how far many candidates will go to seek elected office, even if it means quite literally mortgaging their own financial future.

While being elevated to Congress in a 2007 special election, Richardson apparently stopped making payments on her new Sacramento home, and eventually walked away from it, leaving nearly \$600,000 in unpaid loans and fees.

Richardson's decision to let the house slip into foreclosure was set in motion by an unlikely chain of events, only some of which had to do with Sacramento's crumbling real estate market. Richardson was elected to the Assembly in November 2006, and purchased her new capital home two months later. But in April 2007, Rep. Juanita Millender-McDonald succumbed to cancer, creating a Congressional vacancy in Richardson's district.

Richardson declared her candidacy for the seat, and soon found herself locked in a hotly contested, and very expensive race for Congress against state Sen. Jenny Oropeza, D-Long Beach.

While her campaign heated up, Richardson's house slipped into default. Richardson fell behind on her mortgage payments as she loaned her Congressional campaign \$60,000 - money that has begun to be

paid back to Richardson personally from her campaign account, according to records from the Center for Responsive Politics.

Richardson's opponent, Oropeza, loaned herself \$115,000 for her run against Richardson. Oropeza's Congressional committee still shows nearly \$200,000 in debt.

Richardson declined to comment for this story.

But tax records at the Sacramento County assessor's office show that in January 2007, Richardson took out a mortgage for the entire sale price of the house -- \$535,000. The mortgage amount was equal to the sale price of the home, meaning she was able to buy the house without a down payment, even though the housing market was beginning to turn.

A March 19, 2008 notice of trustee's sale indicates that the unpaid balance of Richardson's loan, which is held by Washington Mutual, is more than \$578,000 -- \$40,000 more than the original mortgage.

The Curtis Park house is not Richardson's primary residence. She also owns a four-bedroom house in Long Beach, in her Congressional district. Real estate records show she purchased that house in 1999 for \$135,000. An estimate from Zillow.com puts the current value of that house at \$474,000

Like many homes that have gone through foreclosure, Richardson's new residence quickly became an eyesore. With Richardson gone, upkeep on the home lapsed, and neighbors began to get angry.

"The neighbors are extremely unhappy with her," said Sharon Helmar, who sold the home to Richardson. "She didn't mow the lawn or take out the garbage while she was there. We lived there for a long time, 30 years, and we had to hide our heads whenever we came back to the neighborhood."

Helmar and her husband, Mark, sold the Curtis Park home to Richardson because Sharon's arthritis required the couple to move into a one-story house. With the area's real estate market slowing down, the house remained on the market for months, and the Helmars, who lived in the house for more than 30 years, were getting desperate to sell.

Helmar said that she has never met Richardson personally, but dealt with Richardson through her realtor. The Helmars wound up giving Richardson \$15,000 toward closing costs, she said.

And she is still angry over what happened to a home that clearly she never really wanted to leave. "It's kind of silly. You would think people who are making decisions for others would be able to make good decisions for themselves," she said. "She should have known what she could afford and not afford. In this neighborhood, you just don't do that."

While Richardson walked away from her loan, she bested Oropeza in a June special election, and moved on to Congress. As a member of Congress, Richardson has been asked to vote on legislation pertaining to the spike in foreclosures around the country.

On the biggest pieces of legislation having to do with government bailouts for people whose homes have entered foreclosure, Richardson has recused herself. She did not vote on legislation by Rep. Barney Frank, D-Mass, which would direct \$2.7 billion in government funds to help an estimated 500,000 homeowners who are at risk of foreclosure.

Richardson also did not vote on a measure by Rep. Maxine Waters, D-Los Angeles, that would give local governments \$15 billion to purchase, rehab and resell foreclosed properties.

While Richardson walked away from her bank loan, she has begun to pay herself back for the money she personally invested in her initial race. Records show that Richardson spent \$587,000 out of her Congressional campaign committee since declaring her Congressional candidacy through March of this year. Of those expenditures, Richardson has spent \$18,000 of that money to begin repaying herself for

the money Richardson loaned to her campaign.

According to documents at the Sacramento County Clerk's office , Richardson first received a default notice in late 2007. By December 2007, less than a year after Richardson purchased the house, she was behind in her payments by more than \$18,000.

Three months later, on March 19, a notice was filed with the county that Richardson's property would be sold at auction. According to the documents, the unpaid balance and other charges Richardson owed the bank was \$587,384.

From: Rogers, Savannah L.
</o=wamu/ou=sea/cn=recipients/cn=u191622>
To: Thomas, Michelle M.
</o=wamu/ou=sea/cn=recipients/cn=u14646652668306>
Cc: Thorn, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>; Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>; Beal, Pamela S.
</o=wamu/ou=sea/cn=recipients/cn=u690674>; Mathis, Julie A.
</o=wamu/ou=sea/cn=recipients/cn=u692185>; Pound, Robert A.
</o=wamu/ou=sea/cn=recipients/cn=u178835>
Bcc:
Subject: FW:  Richardson
Date: Mon Jul 07 2008 15:38:34 EDT
Attachments: EAS

Michelle,

Attachments:
Picture (Metafile) (30298 Bytes)

Document ID: 0.7.1020.23059

Attachment Name: EAS

Locator: esa.pst/*:D%28\CWACTIVECASES\HUSTON\DEMPSEY_2\PAUL_BATTAGLIA_U209440
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Reason: : This file is empty (i.e., its length is zero bytes)

JPMC-001382
CONFIDENTIAL

Page 125 of 198

CSOC.RICH.003019

From: Gaugl, Sara C.
</o=wamu/ou=sea/cn=recipients/cn=u192170>
To: Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>; Baptista, Geri Ann
S. </o=wamu/ou=sea/cn=recipients/cn=u255251>; Cook, Don
</o=wamu/ou=sea/cn=recipients/cn=u578890>; Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>; Thorn, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>; Woodcock, Wendy A.
</o=wamu/ou=sea/cn=recipients/cn=u690715>
Cc:
Bcc:
Subject: Media Update: Claim from Richardson
Date: Fri May 23 2008 16:09:29 EDT
Attachments:

All - we just received a call from a reporter indicating that Congresswoman Richardson has said that she was not properly notified by WaMu that her home was going into default.

I'm looking to see if she made an official statement....

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct |  cell
sara.gaugl@wamu.net

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From: Klein, Jason C.
</o=wamu/ou=sea/cn=recipients/cn=u164802>
To: Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>
Cc: Stevens, Lawrence W.
</o=wamu/ou=sea/cn=recipients/cn=u068158>
Bcc:
Subject: RE: Laura Richardson
Date: Fri Jun 13 2008 15:45:04 EDT
Attachments:

Larry should join us.

From: Battaglia, Paul J.
Sent: Friday, June 13, 2008 12:44 PM
To: Klein, Jason C.; 'Martin T. McGuinn'; Cook, Don; Parker, Gary L.
Subject: Laura Richardson

I've spoken to Jason and Marty and left a message with Gary. We'd like to have a 4:00 call to discuss the Laura Richardson matter.

Gary, can you come to our floor and you, Don and I will grab a conference room.

Jason and Marty, please dial in to my conference number.

Number: 866-736-
Participant Code: |

Thanks.

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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Document ID: 0071020080321

From: Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>
To: Klein, Jason C.
</o=wamu/ou=sea/cn=recipients/cn=u164802>
Cc: Stevens, Lawrence W.
</o=wamu/ou=sea/cn=recipients/cn=u068158>
Bcc:
Subject: RE: Laura Richardson
Date: Fri Jun 13 2008 16:23:55 EDT
Attachments:

Excellent. Sorry I didn't use outlook calendaring. The technology is hard.

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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From: Klein, Jason C.
Sent: Friday, June 13, 2008 12:45 PM
To: Battaglia, Paul J.
Cc: Stevens, Lawrence W.
Subject: RE: Laura Richardson

Larry should join us.

From: Battaglia, Paul J.
Sent: Friday, June 13, 2008 12:44 PM
To: Klein, Jason C.; 'Martin T. McGuinn'; Cook, Don; Parker, Gary L.
Subject: Laura Richardson

I've spoken to Jason and Marty and left a message with Gary. We'd like to have a 4:00 call to discuss the Laura Richardson matter.

Gary, can you come to our floor and you, Don and I will grab a conference room.

Jason and Marty, please dial in to my conference number.

Number: []
Participant Code: []

Thanks.

Paul J. Battaglia
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1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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From: Parker, Gary L.
</o=wamu/ou=sea/cn=recipients/cn=u142170>
To: Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>; Klein, Jason C.
</o=wamu/ou=sea/cn=recipients/cn=u164802>; Martin T. McGuinn
<mmcguinn@kirbymac.com>; Cook, Don
</o=wamu/ou=sea/cn=recipients/cn=u578890>
Cc:
Bcc:
Subject: RE: Laura Richardson
Date: Fri Jun 13 2008 15:45:50 EDT
Attachments:

I'll meet you on your floor at 4:00.

Gary Parker
Legal Department
Washington Mutual
1301 Second Ave.
Seattle, WA 98101
206.500.4355 direct, 206.377.2840 fax
gary.parker@wamu.net

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From: Battaglia, Paul J.
Sent: Friday, June 13, 2008 12:44 PM
To: Klein, Jason C.; Martin T. McGuinn; Cook, Don; Parker, Gary L.
Subject: Laura Richardson

I've spoken to Jason and Marty and left a message with Gary. We'd like to have a 4:00 call to discuss the Laura Richardson matter.

Gary, can you come to our floor and you, Don and I will grab a conference room.

Jason and Marty, please dial in to my conference number.

Number: [redacted]
Participant Code: [redacted]

Thanks.

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261

Fax: 206-377-2784

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From: Gaugi, Sara C.
</o=wamu/ou=sea/cn=recipients/cn=u192170>
To: Thorn, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>; Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>; Cook, Don
</o=wamu/ou=sea/cn=recipients/cn=u578890>; Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>; Champney, Steven D.
</o=wamu/ou=sea/cn=recipients/cn=u214145>; Berens, John
</o=wamu/ou=sea/cn=recipients/cn=u206888>; Elias, Alan
</o=wamu/ou=sea/cn=recipients/cn=u62181494974884>
Cc:
Bcc:
Subject: Richardson / Long Beach Press-Telegram
Date: Tue Jun 10 2008 10:42:16 EDT
Attachments:

Good morning,
Embedded below is the article we were expecting from Gene Maddaus. York claims that we've given Ms. Richardson preferential treatment and as reported in the article, plans to file a lawsuit against Richardson and WaMu by the end of the week.

Broker alleges loan favoritism - Press- Telegram (Long Beach)

By Gene Maddaus Staff Writer

June 9, 2008

The real estate broker who bought Rep. Laura Richardson's house at a foreclosure sale last month is accusing her of receiving preferential treatment because her lender has issued a notice to rescind the sale.

James York, owner of Red Rock Mortgage, said he would file a lawsuit against Richardson and her lender, Washington Mutual, by the end of the week, and has every intention of keeping the house.

"I'm just amazed they've done this," York said. "They never would have done this for anybody else."

York bought the Sacramento home at a foreclosure auction on May 7 for \$388,000.

Richardson had not been making payments on the property for nearly a year, and had also gone into default on her two other houses in Long Beach and San Pedro.

Richardson, D-Long Beach, has said that the auction should never have been held, because she had worked out a loan modification agreement with her lender beforehand and had begun making payments.

Richardson left nearly \$9,000 in unpaid property taxes on the home, which she bought in January 2007 for \$535,000, shortly after being elected to the Assembly.

Washington Mutual has declined to comment on the specifics of Richardson's case, because she has not waived her privacy rights.

In a statement, spokeswoman Sara Gaugl said the company is "committed to treating all of our customers with the same level of consideration and fairness."

Washington Mutual filed a notice of rescission of the foreclosure sale on June 2.

That puts the bank squarely at odds with York, who has already put money into cleaning up the house and preparing it for resale.

"They owe me the property," York said. "The sale was a good sale."

York said an ordinary person would be unlikely to get the kind of consideration that Richardson has received from her bank.

"They wouldn't even get a phone call back," he said. "They would laugh at somebody who would call and say, 'We had some kind of agreement.' They wouldn't give you 10 cents worth of time."

Leo Nordine, a Hermosa Beach real estate broker who specializes in foreclosed homes, agreed that the rescission was out of the ordinary.

"It's extremely unusual," he said.

"Unless (the borrower) filed bankruptcy beforehand, they'd never do it."

Richardson's staff did not return a call on Monday.

Dustin Hobbs, a spokesman for the California Mortgage Bankers Association, said that while foreclosure rescissions are rarely publicized, they are becoming more common as the rate of foreclosures increases.

"Generally it is going to result in a legal battle," he said.

"Basically you're saying, 'We're willing to fight for our borrower.'"

Hobbs said a lender would be unlikely to go to bat for a borrower who has shown no ability to make future payments.

But if the foreclosure was the result of a temporary hardship or a paperwork mix-up, the lender has every incentive to restore the loan.

"Lenders are concerned about keeping borrowers in homes no matter who they are," he said.

Sara Gaugl

Home Loans Public Relations

WaMu

1301 Second Avenue | WMC40 | Seattle WA 98101

206.500.2822 direct | 206.228.  cell

sara.gaugl@wamu.net

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been making payments on the property for nearly a year, and had also gone into default on her two other houses in Long Beach and San Pedro.

Richardson, D-Long Beach, has said that the auction should never have been held, because she had worked out a loan modification agreement with her lender beforehand and had begun making payments.

Richardson continues to refuse to authorize WaMu to release any information on her case, although frankly I'm not sure if I were WaMu I'd want to talk about it. This smells terrible, indeed. Perhaps reporters could simply ask some general questions of WaMu about its foreclosure workout policies. Like:

- * How often are modifications or repayment plans offered to owners of vacant investment properties with no or negative equity that have never been listed or rented?
- * How often are modifications offered to borrowers with two other properties currently in foreclosure?
- * How often are modifications arranged in the week before the scheduled trustee's sale, following nearly a year of no contact?
- * Does WaMu's policy on modifications make any reference to requiring a "commitment to homeownership" on the borrower's part? How, normally, is that established?
- * Does WaMu's policy on modifications make any reference to establishing that the borrower does not display a "disregard for debt obligations"? How, normally, is that established?

If, for instance, we had some evidence that stiffing creditors and getting the taxpayers to subsidize her financial imprudence was, like, a pattern of Richardson's long before the house payments went into default, would that, like, indicate that her mortgage problems may not have much to do with "extenuating circumstances"?

WaMu may not be able to read a credit report, but the Press-Telegram ferreted this out: In 2005, when she was still on the Long Beach City Council, she left one mechanic in a lurch with an unpaid bill, then later had her badly damaged BMW towed to an auto body shop but didn't pay for any work and abandoned the car there, owners of the businesses said this week.

The next day, Richardson began using a city-owned vehicle - putting almost 31,000 miles on it in about a year - and continued driving the car five days after she had left the council to serve in the state Assembly, city records show. . . .

Labreche said he spent months leaving messages on Richardson's cell phone voice mail, then he got a collection agency involved, but still the bill went unpaid. . . .

In December 2005, Lillegard filed for a mechanic's lien on Richardson's car to pay the towing, storage and administrative costs, he said. Lillegard said the lien was finalized in February 2006 and he sold the car to a junkyard, though a few days later - too late - Richardson sent him money to put toward the bill.

So in January of 2007, WaMu gave Richardson a 100% loan to purchase a second home, when her credit report would have shown recent derogatories related to the car repair bills, plus the payments on two other homes, on a State Assembly salary that I can't quite see being equal to her existing debts, let alone a new house payment. In other words, she got your basic subprime loan that relied on nothing other than a fervent belief in endless house price appreciation--in January of 2007. Or else she got a loan because she's a VIP.

I continue to want to know why WaMu is bailing out a deadbeat and a speculator at the expense of a good-faith buyer of a foreclosure property, and wasting operational capacity on a deal like this instead of working with struggling owner-occupants who might actually pay back the modified loan. I will leave it to the citizens of California to explain why you want this woman anywhere near fiscal, budgetary, or housing policy power.

(Hat tip to Brian!)

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct |  cell
sara.gaugl@wamu.net

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</o=wamu/ou=sea/cn=recipients/cn=u578890>; Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>
Cc:
Bcc:
Subject: Richardson / Long Beach Press-Telegram
Date: Mon Jun 09 2008 20:00:19 EDT
Attachments:

FYI, below. The latest Richardson update.....

37th District Rep. Laura Richardson left car bills unpaid - Long Beach Press-Telegram
By Paul Eakins, Staff Writer

LONG BEACH - Car trouble takes on a new meaning when it comes to financially distressed
Congresswoman Laura Richardson.

In 2005, when she was still on the Long Beach City Council, she left one mechanic in a lurch with an unpaid bill, then later had her badly damaged BMW towed to an auto body shop but didn't pay for any work and abandoned the car there, owners of the businesses said this week.

The next day, Richardson began using a city-owned vehicle - putting almost 31,000 miles on it in about a year - and continued driving the car five days after she had left the council to serve in the state Assembly, city records show.

Richardson, 46, didn't return phone calls seeking comment this week.

These are just the newest revelations of Richardson's ongoing financial problems and instances of her unpaid debts.

Last month, it was reported that Richardson's Sacramento home, where she had lived during her brief Assembly stint before moving on to Congress, had fallen into foreclosure and been sold at auction.

Further investigation revealed she had defaulted on that house and two others in Long Beach and San Pedro a total of eight times since 2004.

Meanwhile, Richardson was lending money to her campaigns as she embarked on an unprecedented rise to power from council to Assembly to Congress in one year. On Tuesday, she won the Democratic nomination to serve her first full, two-year term in Congress, and she is unchallenged in the November general election.

Unpaid and abandoned

Richardson's car problems all started with a shimmy.

In October 2005, her 1999 four-door 740iL BMW had an odd vibration in the front, so she took it to Signal Hill Foreign Auto Service, according to Leo Labreche, the shop owner.

Mechanics there fixed the car and replaced some worn parts, but when Richardson picked up her vehicle, she said she didn't have the money to pay the \$735 bill, Labreche said. Because Richardson was a council member, Labreche let her take the car, assuming that she was good for the money, he said.

"She had picked the car up and was going to come back and pay the bill, and she never did," Labreche said.

Labreche said he spent months leaving messages on Richardson's cell phone voice mail, then he got a collection agency involved, but still the bill went unpaid.

"I couldn't get through to her, and then when the collection agency couldn't do anything, I thought,

"There's nothing I'm going to be able to do,'" Labreche said.

But on Tuesday, after the Press-Telegram requested an interview with Richardson to discuss the 2 1/2-year-old unpaid bill, she went to the auto shop and paid Labreche, he said.

Similarly, Richardson last week paid off a \$150 printing bill owed to a local company following published reports about the debt.

Richardson also settled a bill Tuesday with another mechanic, Alvin's Auto Body in Signal Hill, only this time she came out ahead, in a sense.

About one month after Richardson had taken her BMW to Labreche for work, she got into a car accident that tore up the front left corner of her car, leaving it undriveable.

She initially had it towed back to Labreche for repairs, even though she still owed him money. But Labreche doesn't do auto body work.

So the car was sent to Alvin's Auto Body, which received the BMW on Nov. 17, 2005, according to owner Bob Lillegard.

But Lillegard never heard from Richardson or her insurance company, he said.

"I'd call her office, and they'd say she was too busy," Lillegard said. "I couldn't get through to her."

The BMW's extensive damage would have cost about \$9,000 to repair, Lillegard said, which he suggested might have been more than the car was worth. The "Kelley Blue Book" Web site says a 1999 740iL BMW with standard options and 100,000 miles has a retail value of about \$15,000 today.

In December 2005, Lillegard filed for a mechanic's lien on Richardson's car to pay the towing, storage and administrative costs, he said. Lillegard said the lien was finalized in February 2006 and he sold the car to a junkyard, though a few days later - too late - Richardson sent him money to put toward the bill. The junkyard bought the BMW for \$3,500, so Lillegard took the \$2,100 he said was owed him, and when Richardson went to the body shop on Tuesday, he paid her the difference, he said.

A city ride

After the accident that led to Richardson abandoning her car, she apparently was without transportation.

So, on Nov. 18, one day after her BMW was towed to Lillegard's shop, she checked out a city-owned Toyota Prius to use for her council business, according to city Fleet Services Bureau records cited by city spokeswoman Meredith Reynolds.

Reynolds said that the Prius was issued to Richardson that day, and that it was returned more than a year later, a few days after Richardson had ended her council tenure.

In a letter acquired by the Press-Telegram from then-City Manager Jerry Miller to Richardson dated Dec. 5, 2006, Miller asks Richardson to return her city vehicle, identified as a Prius.

According to the letter, Richardson's last day as a council member was Dec. 3, 2006. She was sworn into the Assembly the following day.

City Fleet Services records show that Richardson turned in the car on Dec. 8, 2006, Reynolds said. During the one year and almost three weeks that Richardson had the Prius, she drove it 30,920 miles, Reynolds said. That amounts to an average of more than 80 miles per day, or about 2,400 miles per month, for Richardson's part-time council job in a 50-square-mile city.

By comparison, the only other two council members who used city vehicles during part or all of the same time period averaged 900 miles per month in one case and less than 400 miles per month in the other, according to figures provided by Reynolds.

Council members can either use their own vehicles for council business and receive a monthly car allowance from the city, or they may use city vehicles. However, city policy doesn't allow city vehicles to be used for personal use.

Richardson has never been shy about using city cars.

In 2001 and 2002, she had the highest vehicle expenses of any council member, in part by putting nearly 7,000 personal miles on her car in 2002. At the time, she and other council members told the Press-Telegram that they hadn't been aware of the no-personal-use rule.

In 2003, Richardson had been using a gas-guzzling Ford Expedition owned by the city, but switched to a Toyota Solara to save money. She told the Press-Telegram then that she soon would stop using a city vehicle altogether and would switch to a monthly car allowance.

She scrapped that effort in 2005 when she left her BMW at the auto body shop and again got behind the wheel of a city car.

Sara Gaugl
Home Loans Public Relations

WaMu

1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct |  cell
sara.gaugl@wamu.net

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From: Gaugi, Sara C.
</o=wamu/ou=sea/cn=recipients/cn=u192170>
To: Thorn, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>; Woodcock, Wendy A.
</o=wamu/ou=sea/cn=recipients/cn=u690715>; Cook, Don
</o=wamu/ou=sea/cn=recipients/cn=u578890>; Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>; Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>
Cc:
Bcc:
Subject: Richardson Coverage: Wells Fargo
Date: Thu Jun 05 2008 19:26:18 EDT
Attachments:

FYI, below re: Wells Fargo loan.

<http://www.pressetelegram.com/ci_9366009>

Richardson, D-Long Beach, was able to bring her payments up to date on the Long Beach home relatively quickly, but the San Pedro property lingered in the foreclosure process for almost eight months, and still has a pending auction date

County records indicate that the San Pedro home went into default in September 2007, at which point Richardson was behind on her payments by \$12,410.71, and had made no payments since June. A notice of trustee sale was issued on April 17, and an auction was scheduled for May 14 on the courthouse steps in Norwalk. The outstanding loan balance was \$367,436, on an original 2005 loan of \$359,000.

However, the auction was put on hold.

Richardson produced records from Wells Fargo Bank, which holds the note on her San Pedro home. That document, dated March 21, indicated that Richardson had qualified for a loan modification that would prevent the foreclosure from going forward.

Cal Western Reconveyance Corp., which was responsible for collecting the debt, confirmed that a hold had been placed on the auction, and the auction date had been postponed to July 14, pending a workout of the loan.

<<http://thehill.com/leading-the-news/mortgage-non-disclosure-is-trouble-for-richardson-2008-06-02.html>>

In September of that year, Richardson also let her San Pedro home slip into default when she fell \$12,410 behind on her payments.

In January 2008 Richardson defaulted on the San Pedro home a second time, and in April - with Richardson owing \$367,436 on an original loan of \$359,000 - Wells Fargo Bank issued a notice of trustee sale of the home. Records indicate that the home is still scheduled to be sold at a July 14 auction.

Sara Gaugi

Home Loans Public Relations

WaMu

1301 Second Avenue | WMC40 | Seattle WA 98101

206.500.2822 direct | 206.228. cell

sara.gaugl@wamu.net

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 To: Owen, Jan L.
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 Cc:
 Bcc:
 Subject: Richardson Update: Daily Breeze
 Date: Thu May 29 2008 20:50:16 EDT
 Attachments:

All:
 As an update, here's another article written by Gene Maddaus, which posted earlier today.

Gene contacted me a moment ago with follow-up questions - I'll update you after I am able to connect with him.

Best,

Sara

Representative had history of missed loan payments

By Gene Maddaus Staff Writer

Article Launched: 05/29/2008

Rep. Laura Richardson, whose housing woes have been national news for the past week, defaulted a total of eight times on three properties since 2004, a thorough review of county records indicates. Records show she has defaulted five times on her primary residence in Long Beach - including three in the last year, as she diverted her private resources into her campaign for Congress.

Richardson's housing troubles are more extensive than previously reported, and include two defaults from 2004, when she was a Long Beach city councilwoman.

Her habit of missing payments caught up with her earlier this month, when her Sacramento home was sold at a foreclosure auction. Richardson has said she will try to reacquire that property, but the real estate broker who bought it is refusing to give it back, and the law appears to favor his position.

The newly discovered property records indicate that Richardson was already behind on her payments on her Long Beach house before Rep. Juanita Millender-McDonald died in April 2007. The veteran congresswoman's death opened up the seat for Richardson.

Richardson received a default notice on May 10, 2007, indicating she was \$12,326.78 behind on her Long Beach home. She had not made a payment since January, when she bought her Sacramento home with no money down for \$535,000.

The loan against the Long Beach property was issued the previous summer, when Richardson refinanced for a sum of \$446,250.

The original loan, issued in 1999, was for \$108,000.

Richardson took \$100,000 of the proceeds from the refinancing, and lent it to her 2006 Assembly campaign. After winning the election, she raised some money to pay back the loan, but then turned around and put \$77,500 into her congressional campaign.

Richardson made a payment on the Long Beach property in May, and the default was rescinded. But she immediately stopped making payments again and a second default notice, for \$15,101, was issued in October.

Once again, Richardson made a payment on the arrearage but stopped making further payments. The loan defaulted again in March, at which point she owed \$19,921.74.

The default notice was withdrawn again a few days later, and Richardson says she is now current on the Long Beach loan.

Richardson also defaulted twice on the original loan on the Long Beach property in 2004, in the wake of her divorce. She was \$8,376.49 behind on her payments in March 2004. She caught up, but quickly fell behind again and by September owed \$5,815.73. That arrearage was later repaid, and Richardson was able to stay current on the house until 2007.

Last summer and fall, Richardson defaulted twice on her San Pedro property. The first time, in September 2007, she owed \$12,410.71. She made a payment and was able to get that notice rescinded, but stopped making payments again, and a new default notice was issued in January. That default led to a notice that an auction would be held on May 14. Before it got to that point, Richardson said she was able to negotiate a loan modification, and that auction has been put on hold until July.

Richardson has also stiff-armed smaller creditors.

In August 2007, she walked into Sir Speedy Printing in Signal Hill, and made a rush order for 380 invitations announcing her election to Congress.

The print shop dropped other orders and staffers put in overtime to meet the request. The order was filled on time the next day, but Richardson never paid the \$150 invoice, said the print shop's owner, Allen McLean.

McLean said he and his wife call about once a month to try to collect the debt, but are always told by staffers that Richardson doesn't have the money.

"It's just irritating," he said. "She's not just doing this to the big guys. She's doing it to the small guys, too."

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct |     cell
sara.gaugl@wamu.net

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</o=wamu/ou=sea/cn=recipients/cn=u192170>
To: Schneider, David C.
</o=wamu/ou=sea/cn=recipients/cn=u215416>; Berens, John
</o=wamu/ou=sea/cn=recipients/cn=u206888>; Champney, Steven D.
</o=wamu/ou=sea/cn=recipients/cn=u214145>
Cc: Cook, Don
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Bcc:
Subject: Confidential: Richardson Update
Date: Fri May 23 2008 23:48:24 EDT
Attachments:

David, John and Steve:

So you are aware, earlier this evening Congresswoman Richardson talked with a number of media outlets including the Associated Press. As outlined in the AP article embedded below, she's claiming that the foreclosure auction of her Sacramento home was "improper" and contrary to a written agreement she had with WaMu. She also said that we've taken initial steps to rescind the foreclosure action given that she had an "agreement."

Legal, HL PR., Corp. Comm., Servicing and GIR will stay closely aligned as this situation continues to evolve. After discussing this afternoon, we unfortunately are still limited on what we can disclose about Ms. Richardson's loan situation (outside of public record) given that she's won't provide her consent. We have and will continue to emphasize that fact to the media, and will point them back to the public record, which indicates a history of default.

We'll continue to update you on new developments, however in the interim, please let us know if you have any questions.

Best,

Sara

*Please note that this article is in draft form - the reporter provided it to me in advance of publication.

AP Interview: Calif. congresswoman says home sale 'improper'

By ERICA WERNER Associated Press Writer

WASHINGTON (AP) _ Rep. Laura Richardson claimed Friday that her Sacramento home was sold into foreclosure without her knowledge and contrary to an agreement with her lender.

She said that she is like any other American suffering in the mortgage crisis and wants to testify to Congress about her experience as lawmakers craft a foreclosure-prevention bill.

In a lengthy interview with The Associated Press on Friday night, the Southern California Democrat struck back against several days of negative publicity over reports she defaulted on her mortgage, allowing the house to be sold at auction.

Richardson, elected in a special election last August, acknowledged turmoil in her life in the months after an incumbent's death in April opened up the Los Angeles-area House seat.

She used her money to finance her campaign and fell behind in mortgage payments. But Richardson said that makes her like other Americans who have to deal with a sudden death or birth that throws a wrench into their finances.

Now, Richardson said, she has renegotiated her loan to pay it off and promised to fully comply with all its terms. She also said she will pay nearly \$9,000 in delinquent property taxes.

She insisted she's not getting special terms because she's a congresswoman.

"I'm Laura Richardson. I'm an American, I'm a single woman who had four employment changes in less than four months," Richardson told the AP. "I had to figure out just like every other American how I could restructure the obligations that I had with the income I had."

Richardson was a member of the Long Beach City Council when she won a California state Assembly seat in November 2006, months before she bought the three-bedroom, 1½-bath Sacramento home. She won the congressional seat the next year in the special election to replace the late Juanita Millender-McDonald.

The problem is that the 1,600-square-foot home she bought for \$535,500 in January 2007 was sold at auction earlier this month to a Sacramento mortgage lender, who paid \$388,000. The sale was officially recorded on Monday, according to documents on file with the Sacramento County Recorder's Office.

A default notice sent to Richardson in March put her unpaid balance at \$578,384.

Richardson, 46, makes nearly \$170,000 as a member of Congress and was paid \$113,000 during the eight months she served in the state Assembly in 2007 before her election to Congress. She also received a per diem total of \$20,000 from California, according to a financial disclosure form she filed with the House of Representatives clerk.

Although others struggling with mortgages make far less, Richardson said it was "very misleading" to compare her earnings to the national median household income of around \$50,000. The reason: Lawmakers are required to maintain two residences while other people don't have to, she said.

Others also don't have to depend on winning an election to ensure their livelihood, she said.

Richardson provided AP with an April letter that appears to be from Washington Mutual Home Loans telling her there was a hold on foreclosure sales on her property until June 4 of this year.

She said she got another letter asking for payments May 2 and paid them, but did not know the sale was going to happen five days later.

Richardson also provided an e-mail dated Thursday she said was from Washington Mutual that appeared to acknowledge an agreement "to facilitate the rescission of foreclosure sale."

She did not provide documentation of the structure of her new loan.

A Washington Mutual spokeswoman, Sara Gaugl, told AP earlier in the day that the company had "not received consent from Ms. Richardson that would allow us to discuss her loan situation."

Washington Mutual did not respond to a later inquiry seeking comment on Richardson's claims.

Meanwhile, the current owner of the property told AP that his ownership of the house is not in doubt.

James York, owner of Red Rock Mortgage Inc. of Sacramento, declined to discuss any possible negotiations that might be ongoing.

"I've taken possession on the home," York said. "I've been working on it, fixing it up. It had been vacant. It was in cleaner and in better repair than most foreclosures."

The home, built in 1926, is in Sacramento's Curtis Park, a desirable, upper middle-class neighborhood near downtown that sits under a canopy of decades-old trees.

Not long after getting to Congress, Richardson voted in favor of the Mortgage Forgiveness Debt Relief Act of 2007, which subsequently became law. It allows homeowners to escape paying income taxes on debts forgiven by a lender, as happens in foreclosure.

Richardson was absent earlier this month for votes on the Foreclosure Prevention Act, which she said was because of her father's funeral. But she could have another opportunity to vote on the foreclosure package as the House is expected to bring it back up in June once agreement is reached in the Senate.

In most cases, congressional ethics rules don't prevent lawmakers from voting on legislation that might affect or help them economically. Such votes are essentially impossible to avoid.

Rather than shy away from voting on mortgage-related bills, Richardson said her experiences could help her craft legislation to make sure others don't experience what she did. For example, she sees a need to add steps to inform property owners before their property can be sold.

"We have to ensure that lenders and lenders have the tools with proper timing to resolve this," she said.

Melanie Sloan, executive director of the Washington-based Citizens for Responsibility and Ethics, criticized Richardson for falling deeper into debt while choosing to spend more than \$75,000 of her own money on her campaign -- suggesting that it's more important to win a seat in Congress than to be fiscally responsible, a point Richardson disputed.

Sloan also said Richardson should not be in the situation she is while making a congressional salary, when homeowners around the country making \$50,000 or less are struggling to pay their debts.

"Truthfully, it's appalling," Sloan said.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228. cell
sara.gaugl@wamu.net

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From: Gaugl, Sara C.
 </o=wamu/ou=sea/cn=recipients/cn=u192170>
 To: Baptista, Geri Ann S.
 </o=wamu/ou=sea/cn=recipients/cn=u255251>; Owen, Jan L.
 </o=wamu/ou=sea/cn=recipients/cn=u146276>; Battaglia, Paul J.
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 Cc:
 Bcc:
 Subject: AP: Laura Richardson
 Date: Fri May 23 2008 22:07:52 EDT
 Attachments:

Hi team -
 FYI, below.

From: Verdin, Tom [mailto:tom.verdin@wamu.com]
 Sent: Fri 05/23/2008 7:02 PM
 To: Gaugl, Sara C.
 Subject: RE: Laura Richardson

Sara, here's our first take on the Laura Richardson story tonight. Subsequent versions will have greater detail. Please let me know if WaMu wants to issue an updated statement.

Tom

- ¶ BC-CA--Congresswoman's House
- ¶ URGENT
- ¶ AP Interview: Calif. congresswoman says home sale 'improper'
- ¶ AP Interview: Calif. congresswoman claims sale of her Sacramento house shouldn't have happened
- ¶ Eds: APNewsNow. Will be led.
- ¶ ewfodtfotav1
- ¶ By ERICA WERNER
- ¶ Associated Press Writer
- ¶ 05-23-2008 18:36
- ¶ WASHINGTON (AP) _ California Congresswoman Laura Richardson claims the foreclosure auction of her Sacramento house was improper and contrary to a written agreement she had with her lender.
- ¶ In a lengthy interview with The Associated Press on Friday, the Southern California Democrat struck back against several days of negative publicity over reports she defaulted on her mortgage. Her house was sold at auction earlier this month.
- ¶ Richardson said that sale never should have happened and that she has renegotiated her loan to pay it off.
- ¶ She insisted that she is not getting special terms because she's a congresswoman.
- ¶ In fact, Richardson said the experience has allowed her to relate to the thousands of other Americans _ including many in her Los Angeles-area district _ confronted with foreclosures. She even

wants to testify before Congress about it.

¶

From: Verdin, Tom
Sent: Friday, May 23, 2008 6:27 PM
To: sara.gaugl@wamu.net
Subject: Laura Richardson

Sara, thank you for calling us back earlier this evening.

As it happens, our reporter in Washington who covers California's congressional delegation was on the phone with Laura Richardson while you and I were talking. In brief, Richardson is blaming WaMu. She claims she did not know her Sacramento house was being sold at auction and says WaMu told her no action would be taken on it until sometime next month.

She also claims to have documentation to support this claim but has yet to provide it to us.

We'll be moving a story based on Richardson's comments shortly.

Because AP did not have her statement when we spoke previously, I wanted to give WaMu an opportunity to respond.

We'll be sending our story in takes (individual bites will move before the final writethru), and I can send you those so you can see exactly what Richardson claims.

Regards,

Tom

Tom Verdin

Correspondent

Sacramento bureau
916-448-9555

<< OLE Object: Picture (Metafile) >>

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To: Cook, Don
</o=wamu/ou=sea/cn=recipients/cn=u578890>; Owen, Jan L.
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Cc:
Bcc:
Subject: Update: Richardson Interview/Claims
Date: Fri May 23 2008 20:55:48 EDT
Attachments:

Good evening -

As an update to our call late this afternoon, Gene Maddaus, the reporter with the Daily Breeze, said he just finished a 90-minute interview with the Congresswoman and wanted to provide us with the opportunity to clear up some statements Ms. Richardson made with regard to her loan and WaMu.

I informed Gene that we have not received consent from Ms. Richardson that would allow us to discuss the specifics of her loan situation, and I expect to be quoted as such.

Gene then shared a few comments made by the Congresswoman. Her position appears to be that she had been in contact with WaMu representatives both verbally and via email and believes she worked out an agreement that would bring her loan current.

She also mentioned that she was "taken aback" to learn that the house had been sold "right from under her" because she had made an arrangement to prevent the foreclosure sale. She then went on to say that WaMu has taken action to attempt to rescind the foreclosure action, presumably because there was an agreement in place and foreclosure sale proceedings were improperly held.

Though the reporter said he understood our position in terms of providing specifics, he asked if there was any information we could provide about WaMu's process around rescinding foreclosed properties. Given that we haven't yet moved forward with that process (to my knowledge), and that we haven't received consent from Ms. Richardson, I don't believe there is much more we can disclose at this time. Paul/Don - please let me know otherwise.

I believe the story will run tonight - the reporter indicated that he will be finishing up shortly.

- Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228. cell
sara.gaugl@wamu.net

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From: Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>
To: Wilson-Aguilar, Jason
</o=wamu/ou=sea/cn=recipients/cn=u248255>
Cc:
Bcc:
Subject: RE: Richardson
Date: Tue May 27 2008 17:34:11 EDT
Attachments:

Now?

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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From: Wilson-Aguilar, Jason
Sent: Tuesday, May 27, 2008 2:34 PM
To: Battaglia, Paul J.
Subject: Richardson

Can you let me know when you have a sec?

Jason Wilson-Aguilar
Vice President and Counsel
Legal Department
Home Loans and Consumer Lending Division

Washington Mutual
1301 Second Avenue, WMC 3501
Seattle, WA 98101

206.500.4365 direct, 206.377.2786 fax
jason.wilson-aguilar@wamu.net

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Recipient: 740219880

From: Thorn, Ann
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</o=wamu/ou=sea/cn=recipients/cn=u192170>; Owen, Jan L.
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Cc:
Bcc:
Subject: Richardson
Date: Fri Jun 06 2008 12:27:38 EDT
Attachments:

She was not prepared to discuss financials today. We sent her the financial package via email and she said she will have it done by Tuesday or Wednesday.

Moving onto Evander.....

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

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From: Gaugl, Sara C.
</o=wamu/ou=sea/cn=recipients/cn=u192170>
To: Owen, Jan L.
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Cc:
Bcc:
Subject: Latest media coverage on Richardson
Date: Mon Jun 30 2008 13:39:14 EDT
Attachments:

FYI, only. Gene Maddaus is at it again.

Rep's got expensive wheels
By Gene Maddaus, Staff Writer
Article Launched: 06/29/2008

Taxpayers pay for Rep. Laura Richardson's car lease.
When she arrived in Congress last fall, Rep. Laura Richardson sought out a vehicle that would match her newfound status.

She settled on a 2007 Lincoln Town Car - the choice of many representatives who lease their vehicles at taxpayers' expense. But hers was distinct: at \$1,300 a month, it was the most expensive car in the House of Representatives.

Richardson, a Democrat who represents Carson, has since become known for defaulting on two home loans and losing a third house - in an upscale neighborhood in Sacramento - at a foreclosure auction. But her history with vehicles has been similarly fraught. When she was a councilwoman in Long Beach, she crashed her BMW, abandoned it at a body shop, failed to pay a prior repair bill, and then racked up 30,000 miles on a city-owned hybrid in one year - apparently violating a policy against personal use of city cars.

In her brief stint in the Assembly, she leased a 2002 Lincoln LS for \$304 a month - all but \$36 of it paid for by the state. So Richardson was already well versed in the use of government vehicles when she got to Washington.

A protege of Rep. Maxine Waters - she calls Waters "Big Mama" and herself "Little Mama" - Richardson has worked to cultivate an image of success since arriving in Congress last fall. That effort evidently included a major upgrade of her publicly funded car.

About 130 representatives leased cars last year, according to a report compiled earlier this year by Taxpayers for Common Sense. Most were in the range of \$400 to \$800 per month.

Richardson's 2007 lease costs show up on a more recent congressional spending report, because she did not pay the bill until February. According to the report, her first bill was for \$1,299, and covered a one-month period from mid-October to mid-November. She then paid a prorated amount of \$2,035 for the 45-day period from mid-November to the end of the year.

That makes her lease \$300 more expensive than the costliest car in the Taxpayers for Common Sense report. As of last winter, the newest member of Congress had far and away the most expensive car in the House of Representatives.

"A \$1,300 lease is a gold-plated lease," said Keith Ashdown, chief investigator for the watchdog group. "Because it's federal money and not their personal money, they're not looking for the best value."

Rep. Diane Watson, D-Los Angeles, also leases a 2007 Lincoln Town Car, but she pays only \$686 per month for it.

According to a former staff member, Richardson insisted that her Lincoln be specially customized, which may explain the high cost.

Richardson's spokesman, William Marshall, initially stated that Richardson is paying only \$940 per

month for her Town Car, but gave no documentation of that. After he was presented with the expense report showing the \$1,300 lease amount, he declined to answer further questions.

"No comment," he said.

Richardson got the car from a local Enterprise Rent-a-Car office for her use when she needed to travel around her congressional district. The cost would not have been affected by her personal credit history, because it was paid for by the federal government. The price tag also did not include insurance, which Richardson agreed to pay for on her own.

At 8:30 p.m. April 3, a staff member was driving the car on the San Diego (405) Freeway, when he got into a crash. According to a California Highway Patrol report, the staffer, Henry Rogers, reported being struck in the rear by a white sport utility vehicle. The impact caused him to spin out and hit the center median and left major damage to the left rear of the Town Car.

The CHP report gives no information about the insurance on the car, other than to say that it was a "rental." But Richardson's subsequent actions suggest that Rogers may not have been listed as an eligible driver on her insurance policy.

According to the former staffer, after the crash Richardson required her district employees to buy additional insurance so they could legally drive the Lincoln. The former staff member did not want to be identified out of fear of jeopardizing future employment prospects.

Another former staffer said Rogers was not forced to pay for the damage to the car, but did not know how the issue was resolved.

Rogers referred questions about the crash to Richardson's spokesman, who did not return a call about the crash on Friday.

Richardson did not report the crash to Enterprise, but it is not clear that she was required to, given that she was self-insured.

Records also indicate that Richardson owes \$83 for illegally parking the Town Car in Long Beach. The ticket was issued Jan. 23, in the amount of \$40, but has since doubled because it was not paid on time. Richardson also owes \$9,000 in property taxes on the Sacramento home, which she is trying to get back. The new owner of the home has sued her and her lender, Washington Mutual, after the bank moved to rescind the foreclosure sale.

"She's got bigger problems than what she's leasing," said Ashdown of the Taxpayers for Common Sense.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228. cell
sara.gaugl@wamu.net

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Document ID: 102020236

From: Stevens, Lawrence W.
</o=wamu/ou=sea/cn=recipients/cn=u068158>
To: Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>
Cc:
Bcc:
Subject: Richardson
Date: Mon Jun 23 2008 13:49:56 EDT
Attachments:

Paul-- I received Marty McGuinn's bill on this matter. Do you want me to sign off on it, or forward to you? Thanks.

Lawrence W. Stevens
First Vice President and Senior Counsel
Washington Mutual Bank Legal Department
201 Mission Street, 12th Floor
Mail Stop CSSF112
San Francisco, CA 94105
415-278-4585 (Phone)
415-278-6012 (Fax)
lawrence.stevens@wamu.net

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From: Gaugl, Sara C.
</o=wamu/ou=sea/cn=recipients/cn=u192170>
To: Baptista, Geri Ann S.
</o=wamu/ou=sea/cn=recipients/cn=u255251>; Strom, Erik E.
</o=wamu/ou=sea/cn=recipients/cn=u226270>; Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>; Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>; Elias, Alan
</o=wamu/ou=sea/cn=recipients/cn=u62181494974884>; Cook, Don
</o=wamu/ou=sea/cn=recipients/cn=u578890>; Thom, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>
Cc:
Bcc:
Subject: RE: Pelosi comments on Laura Richardson defaults
Date: Thu Jun 12 2008 17:14:30 EDT
Attachments:

Thanks for forwarding, Geri Ann.

Team, FYI below.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228- cell
sara.gaugl@wamu.net

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From: Baptista, Geri Ann S.
Sent: Thursday, June 12, 2008 1:20 PM
To: Gaugl, Sara C.; Strom, Erik E.
Subject: Pelosi comments on Laura Richardson defaults
Sensitivity: Confidential

Pelosi comments on Laura Richardson defaults
By Erica Werner The Associated Press
<http://www.dailybreeze.com/ci_9564107>

WASHINGTON - House Speaker Nancy Pelosi, asked Thursday about fellow California Democratic Rep. Laura Richardson's multiple home defaults, said that "every member of Congress is responsible for living up to the highest ethical standards."
Pelosi said she was not familiar with the details of the controversy surrounding Richardson, who won a special election last year to replace the late Rep. Juanita Millender-McDonald in the 37th Congressional District in Long Beach.
But every lawmaker must make "the fullest disclosure of his or her assets as is required by law," Pelosi

said.

"Many people in our country are caught in the foreclosure crisis. Members of Congress maybe are as well," she added.

Late last month reports emerged that Richardson, a former state Assemblywoman and member of the Long Beach City Council, had lost her Sacramento home to foreclosure and has two other homes in Southern California that have fallen into default six times.

Last week the Long Beach Press-Telegram reported that Richardson had also left car repair bills unpaid.

Richardson easily won her Democratic primary June 3 and is running unopposed in the November general election, although at least one of her Democratic primary opponents is making plans to challenge her as a write-in candidate.

Richardson defended herself after the first reports of the foreclosure on her Sacramento home, saying it never should have happened and she'd worked out a deal with her lender to buy it back. However the purchaser of the property, James York of Red Rock Mortgage in Sacramento, complained in published reports this week that Richardson had been given favorable terms because she's a congresswoman and that he planned to sue over the issue.

Richardson's spokesman, William Marshall, had no immediate comment Thursday.

California Assembly Speaker Karen Bass, D-Los Angeles, also addressed the Richardson situation Thursday during a visit to Washington. Bass and other Assembly leaders had endorsed Richardson's congressional bid but Bass told reporters she'd had no idea about Richardson's financial issues.

Richardson had a quick rise in politics, moving from the Long Beach City Council to a state Assembly seat in 2006 and to Congress the next year.

"Given the rapid pace of all of that I can understand the financial difficulties, but now more is coming out," Bass said. She said she'd hoped while in Washington to talk to Richardson about the situation but hadn't had the opportunity.

Gerl Ann S. Baptista, VP
Corporate Communications
Washington Mutual
1301 Second Avenue, WMC2103
Seattle, WA 98101
206.500.2875 direct, 206.377.2023 fax
geriann.baptista@wamu.net

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From: Chiu, Huey-Jen
</o=wamu/ou=sea/cn=recipients/cn=u016035>
To: mmcguinn@kirbymac.com
<mmcguinn@kirbymac.com>
Cc: Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>; Brignac, Deborah P.
</o=wamu/ou=sea/cn=recipients/cn=u096866>
Bcc:
Subject: RE: Loan No. [redacted] Richardson
Date: Wed Jun 11 2008 16:36:46 EDT
Attachments: EAS

Good afternoon,

I just received the check for \$319,109.05 back from Donna Parkinson along with a letter that I have attached. Please advise what I should do with the check.

Thank you.

Huey-Jen Chiu, Vice President
Department Manager
California Reconveyance Company
Home Loans

California Reconveyance Company
9200 Oakdale Avenue, N110612
Chatsworth, CA 91311

818-775-2340 direct
huey-jen.chiu@wamu.net

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From: Chiu, Huey-Jen
Sent: Tuesday, June 03, 2008 4:45 PM
To: mmcguinn [redacted]
Cc: Battaglia, Paul J.
Subject: Loan No. [redacted] Richardson

Check has been sent out via FedEx, 7910-7974-6682 along with a conformed copy of the rescission of trustee deed, which I am attaching to this email.

Attachments:

Document.pdf (533056 Bytes)

Document ID: 0.7.1020.17615

Attachment Name: EAS

Locator: esa.pst/*:D%28\CWACTIVECASES\HUSTON\DEMPSEY_2\PAUL_BATTAGLIA_U209440
UJ209440.PST:00000000746c58ec138c2049af3e5543fcf70adec44e2200:
:010069130d4b34d74ac4571ca41b8864e26ddc4f766812989105d8b2ef1557a861af

Reason: : This file is empty (i.e., its length is zero bytes)

JPMC-001421
CONFIDENTIAL

Page 194 of 284

CSOC.RICH.003058

From: Thorn, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>
To: Gaugl, Sara C.
</o=wamu/ou=sea/cn=recipients/cn=u192170>; Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>; Cook, Don
</o=wamu/ou=sea/cn=recipients/cn=u578890>; Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>
Cc:
Bcc:
Subject: RE: Richardson / Long Beach Press-Telegram
Date: Mon Jun 09 2008 20:34:54 EDT
Attachments:

Oh my.....how is she still in office?

From: Gaugl, Sara C.
Sent: Mon 06/09/2008 07:00 PM
To: Battaglia, Paul J.; Thorn, Ann; Cook, Don; Owen, Jan L.
Subject: Richardson / Long Beach Press-Telegram

FYI, below. The latest Richardson update.....

37th District Rep. Laura Richardson left car bills unpaid - Long Beach Press-Telegram

By Paul Eakins, Staff Writer

LONG BEACH - Car trouble takes on a new meaning when it comes to financially distressed Congresswoman Laura Richardson.

In 2005, when she was still on the Long Beach City Council, she left one mechanic in a lurch with an unpaid bill, then later had her badly damaged BMW towed to an auto body shop but didn't pay for any work and abandoned the car there, owners of the businesses said this week.

The next day, Richardson began using a city-owned vehicle - putting almost 31,000 miles on it in about a year - and continued driving the car five days after she had left the council to serve in the state Assembly, city records show.

Richardson, 46, didn't return phone calls seeking comment this week.

These are just the newest revelations of Richardson's ongoing financial problems and instances of her unpaid debts.

Last month, it was reported that Richardson's Sacramento home, where she had lived during her brief Assembly stint before moving on to Congress, had fallen into foreclosure and been sold at auction. Further investigation revealed she had defaulted on that house and two others in Long Beach and San Pedro a total of eight times since 2004.

Meanwhile, Richardson was lending money to her campaigns as she embarked on an unprecedented

rise to power from council to Assembly to Congress in one year. On Tuesday, she won the Democratic nomination to serve her first full, two-year term in Congress, and she is unchallenged in the November general election.

Unpaid and abandoned

Richardson's car problems all started with a shimmy.

In October 2005, her 1999 four-door 740iL BMW had an odd vibration in the front, so she took it to Signal Hill Foreign Auto Service, according to Leo Labreche, the shop owner.

Mechanics there fixed the car and replaced some worn parts, but when Richardson picked up her vehicle, she said she didn't have the money to pay the \$735 bill, Labreche said. Because Richardson was a council member, Labreche let her take the car, assuming that she was good for the money, he said.

"She had picked the car up and was going to come back and pay the bill, and she never did," Labreche said.

Labreche said he spent months leaving messages on Richardson's cell phone voice mail, then he got a collection agency involved, but still the bill went unpaid.

"I couldn't get through to her, and then when the collection agency couldn't do anything, I thought, 'There's nothing I'm going to be able to do,'" Labreche said.

But on Tuesday, after the Press-Telegram requested an interview with Richardson to discuss the 2 1/2-year-old unpaid bill, she went to the auto shop and paid Labreche, he said.

Similarly, Richardson last week paid off a \$150 printing bill owed to a local company following published reports about the debt.

Richardson also settled a bill Tuesday with another mechanic, Alvin's Auto Body in Signal Hill, only this time she came out ahead, in a sense.

About one month after Richardson had taken her BMW to Labreche for work, she got into a car accident that tore up the front left corner of her car, leaving it undriveable.

She initially had it towed back to Labreche for repairs, even though she still owed him money. But Labreche doesn't do auto body work.

So the car was sent to Alvin's Auto Body, which received the BMW on Nov. 17, 2005, according to owner Bob Lillegard.

But Lillegard never heard from Richardson or her insurance company, he said.

"I'd call her office, and they'd say she was too busy," Lillegard said. "I couldn't get through to her."

The BMW's extensive damage would have cost about \$9,000 to repair, Lillegard said, which he suggested might have been more than the car was worth. The "Kelley Blue Book" Web site says a 1999 740iL BMW with standard options and 100,000 miles has a retail value of about \$15,000 today.

In December 2005, Lillegard filed for a mechanic's lien on Richardson's car to pay the towing, storage and administrative costs, he said. Lillegard said the lien was finalized in February 2006 and he sold the car to a junkyard, though a few days later - too late - Richardson sent him money to put toward the bill.

The junkyard bought the BMW for \$3,500, so Lillegard took the \$2,100 he said was owed him, and

when Richardson went to the body shop on Tuesday, he paid her the difference, he said.

A city ride

After the accident that led to Richardson abandoning her car, she apparently was without transportation.

So, on Nov. 18, one day after her BMW was towed to Lillegard's shop, she checked out a city-owned Toyota Prius to use for her council business, according to city Fleet Services Bureau records cited by city spokeswoman Meredith Reynolds.

Reynolds said that the Prius was issued to Richardson that day, and that it was returned more than a year later, a few days after Richardson had ended her council tenure.

In a letter acquired by the Press-Telegram from then-City Manager Jerry Miller to Richardson dated Dec. 5, 2006, Miller asks Richardson to return her city vehicle, identified as a Prius.

According to the letter, Richardson's last day as a council member was Dec. 3, 2006. She was sworn into the Assembly the following day.

City Fleet Services records show that Richardson turned in the car on Dec. 8, 2006, Reynolds said.

During the one year and almost three weeks that Richardson had the Prius, she drove it 30,920 miles, Reynolds said. That amounts to an average of more than 80 miles per day, or about 2,400 miles per month, for Richardson's part-time council job in a 50-square-mile city.

By comparison, the only other two council members who used city vehicles during part or all of the same time period averaged 900 miles per month in one case and less than 400 miles per month in the other, according to figures provided by Reynolds.

Council members can either use their own vehicles for council business and receive a monthly car allowance from the city, or they may use city vehicles. However, city policy doesn't allow city vehicles to be used for personal use.

Richardson has never been shy about using city cars.

In 2001 and 2002, she had the highest vehicle expenses of any council member, in part by putting nearly 7,000 personal miles on her car in 2002. At the time, she and other council members told the Press-Telegram that they hadn't been aware of the no-personal-use rule.

In 2003, Richardson had been using a gas-guzzling Ford Expedition owned by the city, but switched to a Toyota Solara to save money. She told the Press-Telegram then that she soon would stop using a city vehicle altogether and would switch to a monthly car allowance.

She scrapped that effort in 2005 when she left her BMW at the auto body shop and again got behind the wheel of a city car.

Sara Gaugl

Home Loans Public Relations

WaMu

1301 Second Avenue | WMC40 | Seattle WA 98101

206.500.2822 direct | 206.228- cell

sara.gaugl@wamu.net

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Document ID: 07/10/2016 10:19

From: Thorn, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>
To: Cook, Don
</o=wamu/ou=sea/cn=recipients/cn=u578890>; Gaugl, Sara C.
</o=wamu/ou=sea/cn=recipients/cn=u192170>; Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>; Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>; Cook, Don
</o=wamu/ou=sea/cn=recipients/cn=u578890>
Cc:
Bcc:
Subject: Richardson
Date: Tue Jun 03 2008 11:08:09 EDT
Attachments:

I just wanted to let you know that I have sent a copy of the rescission to Congresswoman this morning. Once it is recorded, we will get the Loss Mit package out.

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>
To: Gaugl, Sara C.
</o=wamu/ou=sea/cn=recipients/cn=u192170>; Cook, Don
</o=wamu/ou=sea/cn=recipients/cn=u578890>; Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>; Thorn, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>
Cc:
Bcc:
Subject: Laura Richardson
Date: Tue Jun 10 2008 16:31:57 EDT
Attachments:

<<http://calculatedrisk.blogspot.com/>>

FYI regarding the Calculated Risk blog and Laura Richardson

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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From: Gaugl, Sara C.
</o=wamu/ou=sea/cn=recipients/cn=u192170>
To: Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>; Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>; Elias, Alan
</o=wamu/ou=sea/cn=recipients/cn=u62181494974884>; Cook, Don
</o=wamu/ou=sea/cn=recipients/cn=u578890>
Cc:
Bcc:
Subject: Richardson Statement (Draft)
Date: Fri May 30 2008 21:18:18 EDT
Attachments:

Good evening.

As an update to my note from earlier this morning, Gene Maddaus is in the process of writing yet another story on Ms. Richardson's financial situation. His questions are outlined below and his deadline is 5 p.m. on Monday.

Here is a first cut at a draft (and brief) response to Gene's questions. Looking forward to your thoughts/edits/revisions.

My preference continues to be that we attempt to limit WaMu's inclusion in the coverage to the extent possible. However, given that the Notice of Rescission has been sent for recording, it is likely that we'll receive additional media inquiries related to that action on Monday or Tuesday. And at that point, I think we should be prepared to expand our current statement (as appropriate).

Response:

We aren't in a position to discuss the specifics of Ms. Richardson's loan situation as we have not received any authorization from her to do so.

More broadly, if a loan has gone to foreclosure sale in error, we will honor commitments made to the customer and take appropriate measures to rectify the situation.

As a matter of policy, we don't comment on litigation. However, as you would expect, the conditions in which a lender would seek to rescind a foreclosure sale are driven by the specific facts of each case.

Best,

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228. cell
sara.gaugl@wamu.net

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-----Original Message-----

From: Gene Maddaus [mailto:Gene.Maddaus@waMu.com]

Sent: Friday, May 30, 2008 10:28 AM

To: Gaugl, Sara C.

Subject: RE: follow-up

1. Is WaMu aware of situations in which WaMu loans have been foreclosed improperly, either because a loan modification was signed prior to the auction or for some other reason, and if so, what steps is WaMu taking to correct that problem? Would a borrower in that situation be entitled to a refund of any payments made on the loan modification?
2. If WaMu determines that a WaMu loan was foreclosed improperly, will WaMu, as a general practice, sue to overturn the foreclosure? Has that ever happened and if so what was the outcome?
3. Without violating Congresswoman Laura Richardson's privacy rights, can WaMu state unequivocally that Ms. Richardson has received no preferential treatment in the handling of her loan, and will not receive any preferential treatment in the future?
4. Has Ms. Richardson allowed WaMu to discuss her case publicly? (If yes, there will be some other questions.)

Gene

From: Baptista, Geri Ann S.
 </o=wamu/ou=sea/cn=recipients/cn=u255251>
 To: Gaugi, Sara C.
 </o=wamu/ou=sea/cn=recipients/cn=u192170>; Strom, Erik E.
 </o=wamu/ou=sea/cn=recipients/cn=u226270>; Owen, Jan L.
 </o=wamu/ou=sea/cn=recipients/cn=u146276>; Battaglia, Paul J.
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 </o=wamu/ou=sea/cn=recipients/cn=u62181494974884>; Cook, Don
 </o=wamu/ou=sea/cn=recipients/cn=u578890>; Thom, Ann
 </o=wamu/ou=sea/cn=recipients/cn=u604980>
 Cc:
 Bcc:
 Subject: Richardson liability report and comment to senior Democrat
 Date: Fri Jun 13 2008 13:13:52 EDT
 Attachments:

<<http://thehill.com/leading-the-news/richardson-mum-in-the-face-of-mounting-pressure-2008-06-13.html>>

Richardson mum in the face of mounting pressure

By Jared Allen

Posted: 06/13/08 11:50 AM [ET]

Embattled Rep. Laura Richardson (D-Calif.) remained mum on Friday following more news about her personal housing crisis and a warning from House Speaker Nancy Pelosi (D-Calif.) to put her fiscal house back in order. Richardson, who has dodged repeated calls for information regarding her multiple defaults on three home mortgages and her financial disclosure reports, failed to report a heavily indebted mortgage on her initial 2007 financial statement. Official financial reports for House members will be released on Monday, and it remains to be seen if Richardson's official report will have been amended from the one she previously filed. However, Pelosi issued a warning to Richardson on Thursday that she risks whatever repercussions may come from failing to disclose her assets and liabilities to the letter of the law. "Every member of Congress is responsible for living up to the highest ethical standard, to having the fullest disclosure of his or her assets, as is required by law," Pelosi said at her weekly news conference. "And many people in our country are caught in a foreclosure crisis. Members of Congress maybe are as well." After falling too far behind on mortgage payments on a home she purchased in Sacramento in January 2007, Richardson was forced to watch the home sold at auction last month. In the aftermath, it was revealed that Richardson has defaulted on mortgages for three California homes since 1999. According to records pulled from Los Angeles and Sacramento counties, Richardson has defaulted five separate times on her primary residence in Long Beach, a home she purchased in 1999 and refinanced in the summer of 2006 for a new \$446,250 mortgage. The prior summer, Richardson took out a loan from Wells Fargo, in the amount of \$359,000, to purchase a second home in San Pedro. After defaulting twice - in September 2007 and again in January - and owing \$367,436 on an original loan of \$359,000, Richardson received notice from her lender in April that her San Pedro home was going to be sold at auction. According to reports, that auction is scheduled for July 14. But it is Richardson's Sacramento home that has garnered the most attention, and places her in the most immediate risk as a member of Congress who is bound by federal law to disclose certain assets and liabilities. According to Richardson's 2007 financial disclosure statement - which she filed in February - she failed to report her Sacramento home mortgage as a liability even though she owed \$40,000 more than she paid for the home, which was purchased in January of that year. By the end of 2007 - which marks the end of the 2007 financial disclosure reporting period - Richardson had accumulated \$575,000 in total debt after failing to make payments on her original \$535,000 mortgage, according to Sacramento County records. Financial disclosure laws require members of Congress to report home mortgages as liabilities if indebtedness exceeds the purchase

prices of the item, and congressional ethics and finance experts have said that, on a plain reading of the law, Richardson was required to disclose such an indebted mortgage as a liability. Under the section of the report for liabilities, Richardson simply lists, "N/A." A senior House Democrat close to leadership on Thursday afternoon said he had spoken to Richardson about the matter and she had assured him that, with regard to her Sacramento home, the "bank screwed up." On Wednesday the Los Angeles Times reported that James York, the real estate investor who bought Richardson's Sacramento home at a May 7 auction for \$388,000, is now claiming that Richardson's lender, Washington Mutual, reclaimed the property on behalf of Richardson. York had recorded the deed on May 19 and had begun renovations, the Times reported. "They took the property back, and they didn't even send back the money," York was quoted in the Times. "It's clear what's happening is Ms. Richardson is abusing her political power and using it for her own political needs."

Gerri Ann S. Baptista - VP, WaMu Corporate Communications
206.500.2875 direct | [redacted] cell | 206.377.2023 fax | gerriann.baptista@wamu.net

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From: Gaugl, Sara C.
Sent: Thursday, June 12, 2008 2:15 PM
To: Baptista, Geri Ann S.; Strom, Erik E.; Owen, Jan L.; Battaglia, Paul J.; Elias, Alan; Cook, Don; Thorn, Ann
Subject: RE: Pelosi comments on Laura Richardson defaults
Sensitivity: Confidential

Thanks for forwarding, Geri Ann.

Team, FYI below.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | [redacted] cell
sara.gaugl@wamu.net

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From: Baptista, Geri Ann S.
Sent: Thursday, June 12, 2008 1:20 PM
To: Gaugl, Sara C.; Strom, Erik E.
Subject: Pelosi comments on Laura Richardson defaults
Sensitivity: Confidential

Pelosi comments on Laura Richardson defaults
By Erica Werner The Associated Press

<http://www.dailybreeze.com/ci_9564107>

WASHINGTON - House Speaker Nancy Pelosi, asked Thursday about fellow California Democratic Rep. Laura Richardson's multiple home defaults, said that "every member of Congress is responsible for living up to the highest ethical standards."

Pelosi said she was not familiar with the details of the controversy surrounding Richardson, who won a special election last year to replace the late Rep. Juanita Millender-McDonald in the 37th Congressional District in Long Beach.

But every lawmaker must make "the fullest disclosure of his or her assets as is required by law," Pelosi said.

"Many people in our country are caught in the foreclosure crisis. Members of Congress maybe are as well," she added.

Late last month reports emerged that Richardson, a former state Assemblywoman and member of the Long Beach City Council, had lost her Sacramento home to foreclosure and has two other homes in Southern California that have fallen into default six times.

Last week the Long Beach Press-Telegram reported that Richardson had also left car repair bills unpaid.

Richardson easily won her Democratic primary June 3 and is running unopposed in the November general election, although at least one of her Democratic primary opponents is making plans to challenge her as a write-in candidate.

Richardson defended herself after the first reports of the foreclosure on her Sacramento home, saying it never should have happened and she'd worked out a deal with her lender to buy it back. However the purchaser of the property, James York of Red Rock Mortgage in Sacramento, complained in published reports this week that Richardson had been given favorable terms because she's a congresswoman and that he planned to sue over the issue.

Richardson's spokesman, William Marshall, had no immediate comment Thursday.

California Assembly Speaker Karen Bass, D-Los Angeles, also addressed the Richardson situation Thursday during a visit to Washington. Bass and other Assembly leaders had endorsed Richardson's congressional bid but Bass told reporters she'd had no idea about Richardson's financial issues.

Richardson had a quick rise in politics, moving from the Long Beach City Council to a state Assembly seat in 2006 and to Congress the next year.

"Given the rapid pace of all of that I can understand the financial difficulties, but now more is coming out," Bass said. She said she'd hoped while in Washington to talk to Richardson about the situation but hadn't had the opportunity.

Geri Ann S. Baptista, VP
Corporate Communications
Washington Mutual
1301 Second Avenue, WMC2103
Seattle, WA 98101
206.500.2875 direct, 206.377.2023 fax
geriann.baptista@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>
To: Parker, Gary L.
</o=wamu/ou=sea/cn=recipients/cn=u142170>
Cc:
Bcc:
Subject: RE: Richardson
Date: Wed Jun 25 2008 16:58:18 EDT
Attachments:

Sorry Gary, you had asked for this earlier and it slipped my mind.

My file # is

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

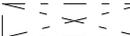
From: Parker, Gary L.
Sent: Wednesday, June 25, 2008 1:53 PM
To: Battaglia, Paul J.
Subject: Richardson

Hi Paul-

Do you have the file number for the Richardson case that I can forward to our outside ethics counsel?
Thanks.

Gary Parker
Legal Department
Washington Mutual
1301 Second Ave.
Seattle, WA 98101
206.500.4355 direct, 206.377.2840 fax
gary.parker@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Mathis, Julie A.
</o=wamu/ou=sea/cn=recipients/cn=u692185>
To: Thorn, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>
Cc: Gaugl, Sara C.
</o=wamu/ou=sea/cn=recipients/cn=u192170>; Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>
Bcc:
Subject:  Richardson
Date: Mon Jun 23 2008 16:22:30 EDT
Attachments:

Savannah and I just spoke to Ms. Richardson, she agrees to the modification terms. I advised her the loan will not reflect current until we receive the signed documents.

Ms. Richardson wants to know if her rights to the property have been restored and if the locks were changed how she can get into the property. She also wants to coordinate a press release with Sara, I provided her with Sara's phone number.

Thanks,

Julie

From: Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>
To: Klein, Jason C.
</o=wamu/ou=sea/cn=recipients/cn=u164802>; Martin T. McGuinn
<mmcguinn@kirbymac.com>; Cook, Don
</o=wamu/ou=sea/cn=recipients/cn=u578890>; Parker, Gary L.
</o=wamu/ou=sea/cn=recipients/cn=u142170>
Cc:
Bcc:
Subject: Laura Richardson
Date: Fri Jun 13 2008 15:44:10 EDT
Attachments:

I've spoken to Jason and Marty and left a message with Gary. We'd like to have a 4:00 call to discuss the Laura Richardson matter.

Gary, can you come to our floor and you, Don and I will grab a conference room.

Jason and Marty, please dial in to my conference number.

Number:
Participant Code:

Thanks.

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

Document ID: 02022410

From: Lyman, Daryl W.
</o=wamu/ou=sea/cn=recipients/cn=u209612>
To: Thorn, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>; Rogers, Savannah L.
</o=wamu/ou=sea/cn=recipients/cn=u191622>
Cc: Coker, Darlene
</o=wamu/ou=sea/cn=recipients/cn=u60338426157200>; Mathis,
Julie A. </o=wamu/ou=sea/cn=recipients/cn=u692185>; Beal,
Pamela S. </o=wamu/ou=sea/cn=recipients/cn=u690674>; Battaglia,
Paul J. </o=wamu/ou=sea/cn=recipients/cn=u209440>
Bcc:
Subject: RE: [] [] [] [] Richardson
Date: Wed Jul 09 2008 13:37:42 EDT
Attachments:

Okay good. I looked at Savannah's numbers and the math adds up, so you're good to go forward and prepare the mod documents based on these numbers. If not already done, I recommend someone make a call to Richardson to inform her that the taxes are included (capitalized) in the MOD and documents are on the way. From her e-mail to Julie and Ann yesterday she is inquiring about the taxes.

From: Thorn, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>
To: Lyman, Daryl W.
</o=wamu/ou=sea/cn=recipients/cn=u209612>; Rogers, Savannah L.
</o=wamu/ou=sea/cn=recipients/cn=u191622>; Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>
Cc: Coker, Darlene
</o=wamu/ou=sea/cn=recipients/cn=u60338426157200>; Mathis,
Julie A. </o=wamu/ou=sea/cn=recipients/cn=u692185>; Beal,
Pamela S. </o=wamu/ou=sea/cn=recipients/cn=u690674>
Bcc:
Subject: RE: [REDACTED] Richardson
Date: Wed Jul 09 2008 13:31:05 EDT
Attachments:

Taxes are included and new mod figs need to be communicated to richardson to let her know that taxes are now included, but we amended the interest and maturity to keep payments the same as originally communicated.

From: Lyman, Daryl W.
</o=wamu/ou=sea/cn=recipients/cn=u209612>
To: Thorn, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>; Rogers, Savannah L.
</o=wamu/ou=sea/cn=recipients/cn=u191622>; Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>
Cc: Coker, Darlene
</o=wamu/ou=sea/cn=recipients/cn=u60338426157200>; Mathis,
Julie A. </o=wamu/ou=sea/cn=recipients/cn=u692185>; Beal,
Pamela S. </o=wamu/ou=sea/cn=recipients/cn=u690674>
Bcc:
Subject: RE: [REDACTED] Richardson
Date: Wed Jul 09 2008 13:23:41 EDT
Attachments:

Ann: Yes. Per my voice mail message, I'm trying to understand the MOD terms as they were communicated to Richardson. Are the terms the same as listed below by Savannah? Or does the recently discovered tax advance create an issue?

Document ID: 07102420081

From: Thorn, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>
To: Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>
Cc:
Bcc:
Subject: Fw: [redacted] Richardson
Date: Tue Jun 24 2008 11:44:42 EDT
Attachments:

Sent from my BlackBerry Wireless Handheld

----- Original Message -----

From: Mathis, Julie A.
To: Thorn, Ann
Sent: Tue Jun 24 06:53:52 2008
Subject: FW: 0729942433 Richardson

FYI

From: Rogers, Savannah L.
Sent: Tuesday, June 24, 2008 9:39 AM
To: Johnson, Wonza L.
Cc: Haywood, Oriska S.; Mathis, Julie A.
Subject: [redacted] Richardson
Importance: High

Hi Wonza,

There were two checks returned 4/21/08 for delinquent property taxes \$8109.81 + \$405.49. This loan went to fc sale which has been rescinded and we will be modifying this loan. Who can send the task to set up the escrow for these taxes and possibly research if those taxes are still delinquent since the checks came back from Sacramento County?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Thorn, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>
To: Baptista, Geri Ann S.
</o=wamu/ou=sea/cn=recipients/cn=u255251>; Gaugl, Sara C.
</o=wamu/ou=sea/cn=recipients/cn=u192170>; Elias, Alan
</o=wamu/ou=sea/cn=recipients/cn=u62181494974884>; Cook, Don
</o=wamu/ou=sea/cn=recipients/cn=u578890>; Potashnick, Barbara
A. </o=wamu/ou=sea/cn=recipients/cn=u972031>; Battaglia, Paul
J. </o=wamu/ou=sea/cn=recipients/cn=u209440>; Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>
Cc:
Bcc:
Subject: RE: Richardson Update
Date: Thu Jun 19 2008 07:36:27 EDT
Attachments:

I will only be available for the first 15 minutes or so.....Fitch is here today

From: Baptista, Geri Ann S.
Sent: Wed 06/18/2008 07:10 PM
To: Gaugl, Sara C.; Elias, Alan; Cook, Don; Potashnick, Barbara A.; Battaglia, Paul J.; Thorn, Ann;
Owen, Jan L.
Subject: Richardson Update

When: Thursday, June 19, 2008 9:00 AM-9:30 AM (GMT-08:00) Pacific Time (US & Canada); Tijuana.
Where:

~~*~*~*~*~*~*~*~*

From: Gaugl, Sara C.
</o=wamu/ou=sea/cn=recipients/cn=u192170>
To: Elias, Alan
</o=wamu/ou=sea/cn=recipients/cn=u62181494974884>; Thorn, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>; Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>; Cook, Don
</o=wamu/ou=sea/cn=recipients/cn=u578890>; Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>
Cc:
Bcc:
Subject: LA Times Blog: Richardson
Date: Tue Jun 17 2008 20:52:24 EDT
Attachments:

This should be interesting....

<<http://latimesblogs.latimes.com/laiand/2008/06/ask-the-congres.html>>

Ask the congresswoman: Your questions for U.S. Rep. Laura Richardson I'm overdue for a session of "Ask the blogger," so here goes. Today, something completely different: Instead of your questions for me, I'd like to hear your questions for U.S. Rep. Laura Richardson, the triple-default Democrat from Long Beach. I sent her office a list of questions in late May (you can see my questions by clicking at the bottom of this post) and haven't heard back, so I'm giving up and turning to you: submit your best (serious) questions for U.S. Rep. Laura Richardson, I'll sort through them and send them along to her congressional office. Fire away.

(Sent by e-mail on June 10 to Kimberly Parker, chief of staff to U.S. Rep. Laura Richardson)

Kimberly: I'm still interested in answers to the questions below, which I first submitted to the congresswoman's office on May 22:

Questions from Peter Viles at the Los Angeles Times:

What kind of mortgage did the congresswoman take on the Sacramento home? (Adjustable Rate Mortgage, Option ARM, 30-year-fixed, etc.)

What was the amount of the loan and the interest rate?

Who was the original lender?

Did she take out one loan or more than one loan?

Did she make a down payment? If so, how much?

A published report quotes the seller of the house saying that Ms. Richardson received \$15,000 from the seller for closing costs. Is this accurate?

What were her monthly payments on the mortgage?

How many payments did she make on the mortgage?

When did she begin missing payments on the mortgage, and why?

When and how did she contact the lender to discuss a loan modification?

Did she contact the lender herself, or did a member of her staff contact the lender?

Documents indicate the amount she owed on the loan was eventually greater than the initial value of the loan itself. Can you explain why the amount she owed increased?

When did she and the lender agree to a loan modification? And what is the exact nature of the loan modification? What is the new interest rate, the new principal amount, and the new monthly payment?

How many payments has the congresswoman made on the loan modification?

Thanks.

Peter Viles

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | [redacted] cell
sara.gaugl@wamu.net

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From: Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>
To: Baptista, Geri Ann S.
</o=wamu/ou=sea/cn=recipients/cn=u255251>; Gaugl, Sara C.
</o=wamu/ou=sea/cn=recipients/cn=u192170>; Cook, Don
</o=wamu/ou=sea/cn=recipients/cn=u578890>; Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>; Thorn, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>
Cc:
Bcc:
Subject: RE: Richardson Disclosure
Date: Mon Jun 16 2008 17:04:13 EDT
Attachments:

So, do we think having our calls again are in order? I can set them up- let me know. Thanks, Jan

Jan Lynn Owen
First Vice President
State and Local Government and Industry Relations Manager
801 K Street Suite 110
Sacramento, CA 95814
916-553-4961
916-325-4717 fax
jan.owen@wamu.net

From: Baptista, Geri Ann S.
Sent: Monday, June 16, 2008 1:56 PM
To: Strom, Erik E.; Owen, Jan L.
Cc: Gaugl, Sara C.
Subject: Richardson Disclosure
Sensitivity: Confidential

June 16, 2008, 3:34 pm

Disclosure Offers No Insight on Lawmaker's Home Woes

Sarah Lueck reports on Congress.

Trackback URL: <<http://blogs.wsj.com/washwire/2008/06/16/disclosure-offers-no-insight-on-lawmakers-home-woes/trackback/>>

House members' annual financial-disclosure forms were released Monday, but the one submitted by California Democratic Rep. Laura Richardson provided no information about her recent mortgage woes.

Multiple accounts have been reported recently <<http://www.latimes.com/news/local/politics/cal/la-me-richardson11-2008jun11,0,3078049.story>> on Richardson's financial troubles, which includes a foreclosure on one of her California homes and defaults on two others.

On the section labeled "Liabilities," Richardson's form says only "N/A." There's no mention of the balance of \$578,384 that Richardson reportedly owes on a Sacramento home she purchased in January 2007. It recently was sold at auction to a mortgage lender for \$388,000, according to the Associated Press.

Members of Congress are not required to report mortgages on their residences, unless the property is the source of rental or investment income. They are, however, required to disclose a mortgage debt or other type of loan when it exceeds the purchase price of the item.

Richardson's form is dated May 19 and covers calendar year 2007. She is among dozens of lawmakers who requested extra time to file information on their assets, debts, travel and income-possibly a sign that more details are on the way. Her new deadline is Monday, June 16. A spokesman didn't immediately return calls for comment.

Richardson told the AP in a May interview that her financial trouble was partly the result of using her own money for her recent run for her House seat. She said she renegotiated her loan and will pay it off, along with nearly \$9,000 in delinquent property taxes. "I'm a single woman who had four employment changes in less than four months," Richardson told the AP. "I had to figure out just like every other American how I could restructure the obligations that I had with the income I had."

Geri Ann S. Baptista - VP, WaMu Corporate Communications
206.500.2875 direct | 206.612. cell | 206.377.2023 fax | geriann.baptista@wamu.net

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From: Gaugl, Sara C.
Sent: Saturday, June 14, 2008 4:30 PM
To: Baptista, Geri Ann S.; Strom, Erik E.; Owen, Jan L.; Battaglia, Paul J.; Elias, Alan; Cook, Don; Thorn, Ann; Potashnick, Barbara A.
Subject: Coverage on Richardson Loan Terms
Sensitivity: Confidential

FYI.

Richardson's loan was subprime - Press Telegram (Long Beach)

By Gene Maddaus, Staff Writer

Rep. Laura Richardson took out a subprime loan to buy her Sacramento house, suggesting she probably was a poor credit risk even before her recent string of loan defaults.

Richardson, D-Long Beach, has defaulted on all three of her homes, and lost the one in Sacramento in a foreclosure auction. She is now engaged in a legal battle with the new owner of the home, after her lender, Washington Mutual Bank, filed to rescind the sale.

James York, owner of Red Rock Mortgage Inc., filed a lawsuit on Thursday against Richardson and Washington Mutual, contesting the foreclosure rescission.

Included in the suit was Richardson's deed of trust, which contains the terms of her home loan. The no-money-down loan was issued for \$535,000 in January 2007. It was adjustable after two years, with an introductory rate of 8.8 percent.

"That's a subprime loan," said Jon Nastro, a real estate broker in nearby Elk Grove. "Those are the ones we're taking back now."

Richardson previously declined to disclose her loan terms.

The average prime mortgage rate at the time was 6.22 percent, according to Freddie Mac.

Without further information, it is difficult to tell whether Richardson's subprime loan terms were the result of a poor credit history, lack of income documentation, or both.

Richardson was an assemblywoman at the time the loan was issued, with an annual salary of \$113,000. She also collected \$28,365 in per diem for living expenses in Sacramento during the nine months she served in the Legislature. She now earns \$169,300 as a member of Congress and rents an apartment in Washington, D.C.

Before her election in 2006, Richardson earned \$80,000 as a legislative director for Lt. Gov. Cruz Bustamante and \$28,000 as a Long Beach city councilwoman, according to a congressional financial disclosure form.

Richardson also owns two homes in San Pedro and Long Beach. In 2006, she took out an equity loan

against the Long Beach home to finance her run for the Legislature.

Richardson has defaulted at least eight times on the three properties since 2004 - six times in the last 14 months. She had also failed to pay smaller debts to a mechanic and a printing shop until reporters began inquiring about them.

Richardson's staffers were unavailable for comment on Friday.

From: Baptista, Geri Ann S.
Sent: Sat 06/14/2008 2:22 PM
To: Gaugl, Sara C.; Strom, Erik E.; Owen, Jan L.; Battaglia, Paul J.; Elias, Alan; Cook, Don; Thorn, Ann; Potashnick, Barbara A.
Subject: Coverage on Richardson Lawsuit

San Jose Mercury News and AP stories (AP story picked up by some online syndication outlets).

<http://www.mercurynews.com/breakingnews/ci_9579869?click_check=1>

Buyer sues Calif. congresswoman over foreclosure

By JULIET WILLIAMS Associated Press Writer

Article Launched: 06/13/2008 05:40:18 PM PDT

SACRAMENTO-A Sacramento investor who bought the foreclosed home of Rep. Laura Richardson has filed a lawsuit against the congresswoman and her bank for rescinding the sale.

James York claims Richardson used her influence as a congresswoman to force Washington Mutual Inc. and a subsidiary to back out of the sale.

York, who operates Red Rock Mortgage Inc., bought the foreclosed home in an upper-middle class Sacramento neighborhood at auction in May for \$388,000 after Richardson failed to make her mortgage payments.

In the lawsuit filed in Sacramento County Superior Court, York is seeking to have the house returned to him, as well as punitive damages and costs. He also claims the bank acted with malice after the legitimate sale of the house.

The Associated Press obtained a copy of his lawsuit on Friday, the day the defendants were served.

Richardson, a Democrat from Long Beach, previously told the AP that the house was sold without her knowledge and after the bank agreed to hold off on any action until at least June.

She bought the house in January 2007 for \$535,000, a few months after she was elected to the state Assembly. She took out an adjustable-rate mortgage with an interest rate that could vary between 8.8 percent and 14 percent, according to documents filed with York's lawsuit.

Richardson's spokesman, William Marshall, said the congresswoman had not been notified of the lawsuit. He declined further comment.

In an interview Friday with the AP, York said he believes Washington Mutual's trustee rescinded the sale solely because Richardson is a member of Congress. He said the savings and loan would not have done that for an average person.

York said he tried to negotiate a settlement but was rebuffed.

"They rescinded the notice of trustee sale and put it back in her name before even telling me," he said. "It's not a difficult case. It's a valid sale."

A spokeswoman for Washington Mutual, Sara Gaugl, said the company would have no comment because Richardson had not authorized it to speak about her case.

Richardson, 46, was a member of the Long Beach City Council when she won the Assembly seat in November 2006, months before she bought the three-bedroom, 1 1/2-bath Sacramento home. She won the congressional seat the next year in a special election to replace the late Juanita Millender-McDonald.

Richardson has acknowledged turmoil in her life during the short time she went from the city council to the state Assembly to Congress. She said she used her own money to finance her campaigns and fell behind in mortgage and property tax payments.

A default notice sent in March put her unpaid balance on the 1,600-square-foot home at \$578,384.

Richardson's financial troubles appear to run deeper, however. The Long Beach Press-Telegram has reported that Richardson has two other homes in San Pedro and Long Beach that have fallen into default six times. Five of the defaults, totaling nearly \$71,000, occurred in the last 13 months.

The newspaper also reported that Richardson has a history of not paying other bills, including failure to pay for car repairs and campaign fliers.

The congresswoman told the AP she believed she had worked out a deal with Washington Mutual to renegotiate her loan on the Sacramento home and pay it off. She also said she intended to pay the nearly \$9,000 in delinquent property taxes.

In the notice of rescission filed as an exhibit in York's lawsuit, the trustee company acknowledges it "had previously agreed to postpone the foreclosure sale until June 4, 2008."

Meanwhile, York said in the lawsuit that he has already started making repairs to the house, including painting, restoring the floors, landscaping and general clean-up that have "significantly increased its value."

He argues it would be unfair to give the house back to Richardson in better condition than she lost it. The amount of money he has spent on the repairs was not specified.

Richardson makes nearly \$170,000 as a member of Congress and was paid \$113,000 during the eight months she served in the state Assembly in 2007 before her election to Congress. She also received a per diem total of \$20,000 from California, according to a financial disclosure form she filed with the House of Representatives clerk.

The home, built in 1926, is in Sacramento's Curtis Park, a desirable, upper middle-class neighborhood near downtown that sits under a canopy of decades-old trees.

Not long after getting to Congress, Richardson voted in favor of the Mortgage Forgiveness Debt Relief Act of 2007, which subsequently became law. It allows homeowners to escape paying income taxes on debts forgiven by a lender, as happens in foreclosure. She has said she would like to testify before Congress as someone victimized by the nation's mortgage crisis.

York notes in his lawsuit that the house now has a cloud over it-making it more difficult to sell if it is eventually returned to him.

"If I had known it was this congresswoman's house, I probably never would have bought it," York said in the telephone interview.

Associated Press Writer Erica Werner in Washington, D.C., contributed to this report.

<http://ap.google.com/article/ALeqM5gjl2vKwhu_mgDQ86mfxohh6oU2gQD919J2OG0>

--- <http://ap.google.com/article/ALeqM5gjl2vKwhu_mgDQ86mfxohh6oU2gQD919J2OG0>

<http://ap.google.com/article/ALeqM5gjl2vKwhu_mgDQ86mfxohh6oU2gQD919J2OG0>

Buyer sues Calif. congresswoman over foreclosure

By JULIET WILLIAMS - 18 hours ago

SACRAMENTO, Calif. (AP) - An investor who bought a congresswoman's foreclosed home filed a lawsuit against the legislator and her bank for rescinding the sale.

James York had purchased the home at auction in May for \$388,000 after Rep. Laura Richardson failed to make her mortgage payments. He claims Richardson used her influence as a congresswoman to force Washington Mutual Inc. and a subsidiary to later back out of the sale.

"They rescinded the notice of trustee sale and put it back in her name before even telling me," York said. "It's not a difficult case. It's a valid sale."

His lawsuit in Sacramento County Superior Court seeks to have the house returned to him, as well as punitive damages and costs.

Richardson, a Democrat from Long Beach, bought the house in January 2007 for \$535,000. She previously told The Associated Press that it was sold without her knowledge and after the bank agreed to delay action.

The lawsuit was served to the defendants Friday.

Richardson's spokesman, William Marshall, said the congresswoman had not seen it and declined to comment. A spokeswoman for Washington Mutual, Sara Gaugi, said the company would have no comment because Richardson had not authorized it to speak about her case.

From: Baptista, Geri Ann S.
Sent: Fri 06/13/2008 10:13 AM
To: Gaugi, Sara C.; Strom, Erik E.; Owen, Jan L.; Battaglia, Paul J.; Elias, Alan; Cook, Don; Thorn, Ann
Subject: Richardson liability report and comment to senior Democrat

<<http://thehill.com/leading-the-news/richardson-mum-in-the-face-of-mounting-pressure-2008-06-13>>

html>

Richardson mum in the face of mounting pressure

By Jared Allen

Posted: 06/13/08 11:50 AM [ET]

Embattled Rep. Laura Richardson (D-Calif.) remained mum on Friday following more news about her personal housing crisis and a warning from House Speaker Nancy Pelosi (D-Calif.) to put her fiscal house back in order.

Richardson, who has dodged repeated calls for information regarding her multiple defaults on three home mortgages and her financial disclosure reports, failed to report a heavily indebted mortgage on her initial 2007 financial statement.

Official financial reports for House members will be released on Monday, and it remains to be seen if Richardson's official report will have been amended from the one she previously filed.

However, Pelosi issued a warning to Richardson on Thursday that she risks whatever repercussions may come from failing to disclose her assets and liabilities to the letter of the law.

"Every member of Congress is responsible for living up to the highest ethical standard, to having the fullest disclosure of his or her assets, as is required by law," Pelosi said at her weekly news conference. "And many people in our country are caught in a foreclosure crisis. Members of Congress maybe are as well."

After falling too far behind on mortgage payments on a home she purchased in Sacramento in January 2007, Richardson was forced to watch the home sold at auction last month.

In the aftermath, it was revealed that Richardson has defaulted on mortgages for three California homes since 1999.

According to records pulled from Los Angeles and Sacramento counties, Richardson has defaulted five separate times on her primary residence in Long Beach, a home she purchased in 1999 and refinanced in the summer of 2006 for a new \$446,250 mortgage.

The prior summer, Richardson took out a loan from Wells Fargo, in the amount of \$359,000, to purchase a second home in San Pedro.

After defaulting twice - in September 2007 and again in January - and owing \$367,436 on an original loan of \$359,000, Richardson received notice from her lender in April that her San Pedro home was going to be sold at auction. According to reports, that auction is scheduled for July 14.

But it is Richardson's Sacramento home that has garnered the most attention, and places her in the most immediate risk as a member of Congress who is bound by federal law to disclose certain assets and liabilities.

According to Richardson's 2007 financial disclosure statement - which she filed in February - she failed to report her Sacramento home mortgage as a liability even though she owed \$40,000 more than she paid for the home, which was purchased in January of that year.

By the end of 2007 - which marks the end of the 2007 financial disclosure reporting period - Richardson had accumulated \$575,000 in total debt after failing to make payments on her original \$535,000 mortgage, according to Sacramento County records.

Financial disclosure laws require members of Congress to report home mortgages as liabilities if indebtedness exceeds the purchase prices of the item, and congressional ethics and finance experts

have said that, on a plain reading of the law, Richardson was required to disclose such an indebted mortgage as a liability.

Under the section of the report for liabilities, Richardson simply lists, "N/A."

A senior House Democrat close to leadership on Thursday afternoon said he had spoken to Richardson about the matter and she had assured him that, with regard to her Sacramento home, the "bank screwed up."

On Wednesday the Los Angeles Times reported that James York, the real estate investor who bought Richardson's Sacramento home at a May 7 auction for \$388,000, is now claiming that Richardson's lender, Washington Mutual, reclaimed the property on behalf of Richardson. York had recorded the deed on May 19 and had begun renovations, the Times reported.

"They took the property back, and they didn't even send back the money," York was quoted in the Times. "It's clear what's happening is Ms. Richardson is abusing her political power and using it for her own political needs."

Geri Ann S. Baptista - VP, WaMu Corporate Communications

206.500.2875 direct | 206.612. cell | 206.377.2023 fax | gerianne.baptista@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gaugl, Sara C.

Sent: Thursday, June 12, 2008 2:15 PM

To: Baptista, Geri Ann S.; Strom, Erik E.; Owen, Jan L.; Battaglia, Paul J.; Elias, Alan; Cook, Don; Thorn, Ann

Subject: RE: Pelosi comments on Laura Richardson defaults

Sensitivity: Confidential

Thanks for forwarding, Geri Ann.

Team, FYI below.

Sara Gaugl

Home Loans Public Relations

WaMu

1301 Second Avenue | WMC40 | Seattle WA 98101

206.500.2822 direct | 206.228. cell

sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Baptista, Geri Ann S.

Sent: Thursday, June 12, 2008 1:20 PM
To: Gaugl, Sara C.; Strom, Erik E.
Subject: Pelosi comments on Laura Richardson defaults
Sensitivity: Confidential

Pelosi comments on Laura Richardson defaults

By Erica Werner The Associated Press

<http://www.dailybreeze.com/ci_9564107>

WASHINGTON - House Speaker Nancy Pelosi, asked Thursday about fellow California Democratic Rep. Laura Richardson's multiple home defaults, said that "every member of Congress is responsible for living up to the highest ethical standards."

Pelosi said she was not familiar with the details of the controversy surrounding Richardson, who won a special election last year to replace the late Rep. Juanita Millender-McDonald in the 37th Congressional District in Long Beach.

But every lawmaker must make "the fullest disclosure of his or her assets as is required by law," Pelosi said.

"Many people in our country are caught in the foreclosure crisis. Members of Congress maybe are as well," she added.

Late last month reports emerged that Richardson, a former state Assemblywoman and member of the Long Beach City Council, had lost her Sacramento home to foreclosure and has two other homes in Southern California that have fallen into default six times.

Last week the Long Beach Press-Telegram reported that Richardson had also left car repair bills unpaid.

Richardson easily won her Democratic primary June 3 and is running unopposed in the November general election, although at least one of her Democratic primary opponents is making plans to challenge her as a write-in candidate.

Richardson defended herself after the first reports of the foreclosure on her Sacramento home, saying it never should have happened and she'd worked out a deal with her lender to buy it back. However the purchaser of the property, James York of Red Rock Mortgage in Sacramento, complained in published reports this week that Richardson had been given favorable terms because she's a congresswoman and that he planned to sue over the issue.

Richardson's spokesman, William Marshall, had no immediate comment Thursday.

California Assembly Speaker Karen Bass, D-Los Angeles, also addressed the Richardson situation Thursday during a visit to Washington. Bass and other Assembly leaders had endorsed Richardson's congressional bid but Bass told reporters she'd had no idea about Richardson's financial issues.

Richardson had a quick rise in politics, moving from the Long Beach City Council to a state Assembly seat in 2006 and to Congress the next year.

"Given the rapid pace of all of that I can understand the financial difficulties, but now more is coming out," Bass said. She said she'd hoped while in Washington to talk to Richardson about the situation but hadn't had the opportunity.

Geri Ann S. Baptista, VP

Corporate Communications

Washington Mutual
1301 Second Avenue, WMC2103
Seattle, WA 98101

206.500.2875 direct, 206.377.2023 fax
geriann.baptista@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Thorn, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>
To: Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>; Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>; Gaugl, Sara C.
</o=wamu/ou=sea/cn=recipients/cn=u192170>
Cc:
Bcc:
Subject: FW: Richardson Rescission Notice
Date: Tue Jun 03 2008 16:28:29 EDT
Attachments:

fyi

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Laura Richardson
Sent: Tuesday, June 03, 2008 3:23 PM
To: Thorn, Ann
Subject: Re: Richardson Rescission Notice

Thank you for the email...today is election day and I will follow up with you tomorrow.

----- Original Message -----

From: "Thorn, Ann" <ann.thorn@wamu.net>
To: Laura Richardson
Sent: Tuesday, June 3, 2008 8:06:10 AM
Subject: FW: Richardson Rescission Notice

Congresswoman Richardson, as requested attached is the copy of the rescission notice that should be filed today or tomorrow.

Thank you

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

<<Document.pdf>>

From: Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>
To: Thorn, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>; Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>; Gaugl, Sara C.
</o=wamu/ou=sea/cn=recipients/cn=u192170>
Cc:
Bcc:
Subject: RE: Richardson Rescission Notice
Date: Tue Jun 03 2008 16:58:42 EDT
Attachments:

Thanks, Ann. I realize you are gone but appreciate the forwarded email. J

Jan Lynn Owen
First Vice President
State and Local Government and Industry Relations Manager
801 K Street Suite 110
Sacramento, CA 95814
916-553-4961
916-325-4717 fax
jan.owen@wamu.net

From: Thorn, Ann
Sent: Tuesday, June 03, 2008 1:28 PM
To: Battaglia, Paul J.; Owen, Jan L.; Gaugl, Sara C.
Subject: FW: Richardson Rescission Notice

fyi

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Laura Richardson [mailto:laurarichardson55assembly@yahoo.com]

Sent: Tuesday, June 03, 2008 3:23 PM
To: Thorn, Ann
Subject: Re: Richardson Rescission Notice

Thank you for the email...today is election day and I will follow up with you tomorrow.

----- Original Message -----

From: "Thorn, Ann" <ann.thorn@wamu.net>
To: Laura Richardson <[REDACTED]>
Sent: Tuesday, June 3, 2008 8:06:10 AM
Subject: FW: Richardson Rescission Notice

Congresswoman Richardson, as requested attached is the copy of the rescission notice that should be filed today or tomorrow.

Thank you

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

<<Document.pdf>>

Document ID: 0176112012824

From: Thorn, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>
To: Gaugl, Sara C.
</o=wamu/ou=sea/cn=recipients/cn=u192170>; Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>; Cook, Don
</o=wamu/ou=sea/cn=recipients/cn=u578890>; Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>
Cc:
Bcc:
Subject: FW: Communications regarding Richardson Loan
Date: Thu May 22 2008 16:39:50 EDT
Attachments:

Sara, need you to call the Congresswoman

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Richardson, Laura [mailto:lrichard@wamu.com]
Sent: Thursday, May 22, 2008 4:20 PM
To: Thorn, Ann
Cc: Woodcock, Wendy A.
Subject: Communications regarding Richardson Loan
Importance: High

Ann/Wendy,

Could you please forward ASAP your communications contact? Channel 9 and 2 (CBS) has shown up to film at the district office and we have received numerous calls from other affiliates; therefore a response is required.

Sincerely,

Laura Richardson

Document ID: 120170

From: Thorn, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>
To: Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>; Gaugl, Sara C.
</o=wamu/ou=sea/cn=recipients/cn=u192170>; Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>
Cc:
Bcc:
Subject: FW: Loss Mit
Date: Thu Jun 12 2008 13:07:00 EDT
Attachments:

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Mathis, Julie A.
Sent: Thursday, June 12, 2008 1:05 PM
To: Thorn, Ann; Woodcock, Wendy A.
Subject: FW: Loss Mit

Please see below.

Thanks,

Julie

From: Laura Richardson [mailto:lrichard@wamu.com]
Sent: Thursday, June 12, 2008 10:20 AM
To: Mathis, Julie A.
Subject: Re: Loss Mit

Please advise Ann Thorne that I will work on this during the weekend. I apologize for the delay I did not recognize your email / name. I was looking for something from Ann or Ms. Woodcock, so I missed it.

I will be in touch.

Laura

----- Original Message -----

From: "Mathis, Julie A." <julie.mathis@wamu.net>

To: [REDACTED]

Cc: "Thorn, Ann" <ann.thorn@wamu.net>; "Woodcock, Wendy A." <wendy.woodcock@wamu.net>

Sent: Friday, June 6, 2008 12:10:05 PM

Subject: Loss Mit

<<Borrower Assistance Form 5.08.pdf>>

Thank you.

Julie

Julie Mathis, VP
Department Manager
Homeownership Preservation
Washington Mutual
904 886-1305
904 886-1325 fax

From: Thorn, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>
To: Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>; Gaugl, Sara C.
</o=wamu/ou=sea/cn=recipients/cn=u192170>; Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>
Cc:
Bcc:
Subject: FW: Follow-up on Loss Mit
Date: Tue Jun 17 2008 15:14:57 EDT
Attachments: EAS

Paul, per our conversation.

Sara/Jan, fyi

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

-----Original Message-----

From: Thorn, Ann
Sent: Tuesday, June 17, 2008 3:14 PM
To: 'Laura Richardson'
Subject: Follow-up on Loss Mit

Congresswoman,

Please see attached.

Thank you,

Ann Thorn

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

Attachments:
Scan001.PDF (27301 Bytes)

Document ID: 0.7.1020.18843

Attachment Name: EAS

Locator: esa:pst/*:D%28\CWACTIVECASES\HUSTON\DEMPSEY_2\PAUL_BATTAGLIA_U209440
U209440.PST:00000000746c58ec138c2049a3e5543fe70ade644b2200:
:0100f03049f7196b9e20f6e1cca0b2309d2a257941019ff7aa4e4e784906ea4c3340

Reason: : This file is empty (i.e., its length is zero bytes)

JPMC-001461
CONFIDENTIAL

Page 16 of 223

CSOC.RICH.003098

Document ID: 007-0020-0000

From: Gaugl, Sara C.
</o=wamu/ou=sea/cn=recipients/cn=u192170>
To: Cook, Don
</o=wamu/ou=sea/cn=recipients/cn=u578890>; Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>; Elias, Alan
</o=wamu/ou=sea/cn=recipients/cn=u62181494974884>; Baptista,
Geri Ann S. </o=wamu/ou=sea/cn=recipients/cn=u255251>; Thorn,
Ann </o=wamu/ou=sea/cn=recipients/cn=u604980>; Battaglia, Paul
J. </o=wamu/ou=sea/cn=recipients/cn=u209440>
Cc:
Bcc:
Subject: Email from Richardson
Date: Fri May 23 2008 23:58:51 EDT
Attachments:

I will limit my comments.....

FYI, below.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | [redacted] cell
sara.gaugl@wamu.net

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From: RichardsonMC, Laura [mailto:[redacted]]
Sent: Fri 05/23/2008 8:34 PM
To: Gaugl, Sara C.; Thorn, Ann; Woodcock, Wendy A.
Cc: RichardsonMC, Laura; Hernandez, Rosa (Rep. Richardson)
Subject: RE: WaMu Consent Form Attached

Sara,

Thank you for your response. At this point I think the communication with the media has been adequate. We covered print, ap and television outlets today. I provided the letter of April 17th and my consent to release that letter which addresses the questions we received. If any further information is needed I will contact you. If I can be of assistance or clarify any questions feel free to contact me on my cell phone @ 562-706-[redacted]

Sincerely,

Laura Richardson

From: Gaugl, Sara C.
</o=wamu/ou=sea/cn=recipients/cn=u192170>
To: Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>
Cc: Elias, Alan
</o=wamu/ou=sea/cn=recipients/cn=u62181494974884>; Battaglia,
Paul J. </o=wamu/ou=sea/cn=recipients/cn=u209440>; Cook, Don
</o=wamu/ou=sea/cn=recipients/cn=u578890>
Bcc:
Subject: Additional Richardson Coverage
Date: Mon Jun 02 2008 13:56:05 EDT
Attachments:

Jan -

As discussed on this morning's call, embedded below are links to articles that include comments made by both Mathews and Davis.

<http://latimesblogs.latimes.com/laland/2008/06/richardsons-oth.html>

<http://latimesblogs.latimes.com/laland/2008/05/richardson-oppo.html>

http://www.presstelegram.com/news/ci_9442767

<http://www.sfgate.com/cgi-bin/article.cgi?f=/n/a/2008/05/31/politics/p105208D12.DTL&type=politics>

Additionally, here are a few statements Congresswoman Richardson issued on Saturday rather than interviewing for the LA Times article:

* "As I noted in my statements earlier this week, due to multiple job changes, divorce, illness/death, and nine campaigns over the last ten years, these major life-changing moments have come at great personal expense and at challenging financial strain," Richardson said in a statement Saturday.

* "Instead of politicizing a personal housing crisis (two personal properties that are current and the third that is being challenged by my lender questioning the validity of its sale), I have been transparent with this matter and share with my constituents the anguish that the housing industry is in a severe crisis," Richardson said.

* (Other commentary) Richardson has acknowledged using her money to finance her campaigns and falling behind in mortgage payments. She claimed her Sacramento house was sold into foreclosure without her knowledge, contending she had renegotiated her loan to pay it off.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct |     cell
sara.gaugl@wamu.net

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From: Gaugl, Sara C.
</o=wamu/ou=sea/cn=recipients/cn=u192170>
To: Baptista, Geri Ann S.
</o=wamu/ou=sea/cn=recipients/cn=u255251>; Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>
Cc: Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>
Bcc:
Subject: RE: Richardson
Date: Tue Jun 24 2008 12:33:38 EDT
Attachments:

Hi - I understand that Ms. Richardson qualified for and agreed to a loan modification, but we're awaiting signed paperwork.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct |    cell
sara.gaugl@wamu.net

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From: Baptista, Geri Ann S.
Sent: Tuesday, June 24, 2008 9:05 AM
To: Gaugl, Sara C.; Owen, Jan L.
Subject: Richardson
Sensitivity: Confidential

FYI Re: A fundraiser for Richardson.
Any update on the loan matter?

Geri Ann

A House Seat Won, a House Lost, and a House Leader Divided
By Jeffrey H. Birnbaum
Tuesday, June 24, 2008; A15
<http://www.washingtonpost.com/wp-dyn/content/article/2008/06/23/AR2008062301797_pf.html?nav=rss_opinion/columns>
Every once in a while, events move fast in the nation's capital.
Last week, Error! Hyperlink reference not valid. <<http://www.washingtonpost.com/ac2/related/topic/Steny+Hoyer?tid=informline>>, through a spokeswoman, said it might be a good idea for the ethics committee to look into some financial missteps by Rep. Laura Richardson (D-Calif.) that have been highlighted in the press.

This week -- tomorrow, in fact -- Hoyer is scheduled to host a fundraising reception for Richardson to help pay her campaign's substantial debt.

Whoa!

Richardson was elected to the House last August in a special election to replace the late Democratic Rep. [Error! Hyperlink reference not valid. <http://www.washingtonpost.com/ac2/related/topic/Juanita+Millender-McDonald?tid=informline>](http://www.washingtonpost.com/ac2/related/topic/Juanita+Millender-McDonald?tid=informline).

Subsequently, Richardson lost her Sacramento home to foreclosure after failing to make payments. She also reportedly owed [Error! Hyperlink reference not valid. <http://www.washingtonpost.com/ac2/related/topic/Sacramento+County?tid=informline>](http://www.washingtonpost.com/ac2/related/topic/Sacramento+County?tid=informline) about \$9,000 in property taxes and defaulted on loans six times on two other California homes.

On top of that, according to the Long Beach Press-Telegram, Richardson failed to pay an auto mechanic for hundreds of dollars' worth of car repairs and then abandoned the car at another body shop.

None of this was detailed -- as some of it probably should have been, according to critics -- on Richardson's legally mandated financial disclosure forms.

The liberal watchdog group [Error! Hyperlink reference not valid. <http://www.washingtonpost.com/ac2/related/topic/Citizens+for+Responsibility+and+Ethics+in+Washington?tid=informline>](http://www.washingtonpost.com/ac2/related/topic/Citizens+for+Responsibility+and+Ethics+in+Washington?tid=informline) (CREW) dubbed Richardson a "deadbeat congresswoman" and filed a complaint. Both Hoyer and [Error! Hyperlink reference not valid. <http://www.washingtonpost.com/ac2/related/topic/John+Boehner?tid=informline>](http://www.washingtonpost.com/ac2/related/topic/John+Boehner?tid=informline) said that Richardson's woes might merit an ethics inquiry.

"Mr. Hoyer has always said the ethics committee should look at anything that's raised in the public sphere," Hoyer spokeswoman Stacey Farnen Bernards said last week. "That gives people the confidence that the House is policing itself."

But Hoyer's policy didn't deter him from going ahead with the fundraiser to help his beleaguered colleague pay off the \$330,000 she owed as of last month. The event is scheduled from 5:30 to 7 tomorrow evening, in rented space at a private residence on [Error! Hyperlink reference not valid. <http://www.washingtonpost.com/ac2/related/topic/Capitol+Hill?tid=informline>](http://www.washingtonpost.com/ac2/related/topic/Capitol+Hill?tid=informline).

Hoyer's invitation seeks contributions of between \$1,000 and \$5,000 from political action committees, which are pools of money filled by individuals and used by corporations, industries and labor unions to donate to the coffers of lawmakers they wish to assist.

Probably a lot of PACs will pay up. Pleasing the House's majority leader is something political action committees are usually eager to do.

But help for Richardson?

CREW's executive director, [Error! Hyperlink reference not valid. <http://www.washingtonpost.com/ac2/related/topic/Melanie+Sloan?tid=informline>](http://www.washingtonpost.com/ac2/related/topic/Melanie+Sloan?tid=informline), thinks Hoyer's effort takes him in the wrong direction. "I'd prefer to see a member file an ethics complaint against Richardson rather than help retire her campaign debt," Sloan said in an e-mail.

Richardson's office did not return a telephone call seeking comment. Hoyer is not deterred and defends his decision to help Richardson. "There is no allegation of wrongdoing," Bernards said. "Mr. Hoyer feels comfortable supporting Representative Richardson as a fellow House Democrat."

Geri Ann S. Baptista, VP
Corporate Communications
Washington Mutual
1301 Second Avenue, WMC2103
Seattle, WA 98101
206.500.2875 direct, 206.377.2023 fax
geriann.baptista@wamu.net

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From: Gaugl, Sara C.
</o=wamu/ou=sea/cn=recipients/cn=u192170>
To: Baptista, Geri Ann S.
</o=wamu/ou=sea/cn=recipients/cn=u255251>; Strom, Erik E.
</o=wamu/ou=sea/cn=recipients/cn=u226270>; Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>; Battaglia, Paul J.
</o=wamu/ou=sea/cn=recipients/cn=u209440>; Elias, Alan
</o=wamu/ou=sea/cn=recipients/cn=u62181494974884>; Cook, Don
</o=wamu/ou=sea/cn=recipients/cn=u578890>; Thorn, Ann
</o=wamu/ou=sea/cn=recipients/cn=u604980>; Potashnick, Barbara
A. </o=wamu/ou=sea/cn=recipients/cn=u972031>
Cc:
Bcc:
Subject: Coverage on Richardson Loan Terms
Date: Sat Jun 14 2008 19:30:26 EDT
Attachments:

FYI.

Richardson's loan was subprime - Press Telegram (Long Beach)

By Gene Maddaus, Staff Writer

Rep. Laura Richardson took out a subprime loan to buy her Sacramento house, suggesting she probably was a poor credit risk even before her recent string of loan defaults.

Richardson, D-Long Beach, has defaulted on all three of her homes, and lost the one in Sacramento in a foreclosure auction. She is now engaged in a legal battle with the new owner of the home, after her lender, Washington Mutual Bank, filed to rescind the sale.

James York, owner of Red Rock Mortgage Inc., filed a lawsuit on Thursday against Richardson and Washington Mutual, contesting the foreclosure rescission.

Included in the suit was Richardson's deed of trust, which contains the terms of her home loan. The no-money-down loan was issued for \$535,000 in January 2007. It was adjustable after two years, with an introductory rate of 8.8 percent.

"That's a subprime loan," said Jon Nastro, a real estate broker in nearby Elk Grove. "Those are the ones we're taking back now."

Richardson previously declined to disclose her loan terms.

The average prime mortgage rate at the time was 6.22 percent, according to Freddie Mac.

Without further information, it is difficult to tell whether Richardson's subprime loan terms were the result of a poor credit history, lack of income documentation, or both.

Richardson was an assemblywoman at the time the loan was issued, with an annual salary of \$113,000. She also collected \$28,365 in per diem for living expenses in Sacramento during the nine months she served in the Legislature. She now earns \$169,300 as a member of Congress and rents an apartment in Washington, D.C.

Before her election in 2006, Richardson earned \$80,000 as a legislative director for Lt. Gov. Cruz Bustamante and \$28,000 as a Long Beach city councilwoman, according to a congressional financial disclosure form.

Richardson also owns two homes in San Pedro and Long Beach. In 2006, she took out an equity loan against the Long Beach home to finance her run for the Legislature.

Richardson has defaulted at least eight times on the three properties since 2004 - six times in the last 14 months. She had also failed to pay smaller debts to a mechanic and a printing shop until reporters began inquiring about them.

Richardson's staffers were unavailable for comment on Friday.

From: Baptista, Geri Ann S.
Sent: Sat 06/14/2008 2:22 PM
To: Gaugl, Sara C.; Strom, Erik E.; Owen, Jan L.; Battaglia, Paul J.; Elias, Alan; Cook, Don; Thorn, Ann; Potashnick, Barbara A.
Subject: Coverage on Richardson Lawsuit

San Jose Mercury News and AP stories (AP story picked up by some online syndication outlets).

<http://www.mercurynews.com/breakingnews/ci_9579869?nclick_check=1>

Buyer sues Calif. congresswoman over foreclosure

By JULIET WILLIAMS Associated Press Writer
Article Launched: 06/13/2008 05:40:18 PM PDT

SACRAMENTO-A Sacramento investor who bought the foreclosed home of Rep. Laura Richardson has filed a lawsuit against the congresswoman and her bank for rescinding the sale.

James York claims Richardson used her influence as a congresswoman to force Washington Mutual Inc. and a subsidiary to back out of the sale.

York, who operates Red Rock Mortgage Inc., bought the foreclosed home in an upper-middle class Sacramento neighborhood at auction in May for \$388,000 after Richardson failed to make her mortgage payments.

In the lawsuit filed in Sacramento County Superior Court, York is seeking to have the house returned to him, as well as punitive damages and costs. He also claims the bank acted with malice after the legitimate sale of the house.

The Associated Press obtained a copy of his lawsuit on Friday, the day the defendants were served.

Richardson, a Democrat from Long Beach, previously told the AP that the house was sold without her knowledge and after the bank agreed to hold off on any action until at least June.

She bought the house in January 2007 for \$535,000, a few months after she was elected to the state Assembly. She took out an adjustable-rate mortgage with an interest rate that could vary between 8.8 percent and 14 percent, according to documents filed with York's lawsuit.

Richardson's spokesman, William Marshall, said the congresswoman had not been notified of the lawsuit. He declined further comment.

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Associated Press Writer Erica Werner in Washington, D.C., contributed to this report.

<http://ap.google.com/article/ALeqM5gjl2vKwhu_mgDQ86mfxohh6oU2gQD919J2OG0>

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By JULIET WILLIAMS - 18 hours ago

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Sent: Fri 06/13/2008 10:13 AM
To: Gaugi, Sara C.; Strom, Erik E.; Owen, Jan L.; Battaglia, Paul J.; Elias, Alan; Cook, Don; Thorn, Ann
Subject: Richardson liability report and comment to senior Democrat

<<http://thehill.com/leading-the-news/richardson-mum-in-the-face-of-mounting-pressure-2008-06-13.html>>

Richardson mum in the face of mounting pressure

By Jared Allen
Posted: 06/13/08 11:50 AM [ET]
Embattled Rep. Laura Richardson (D-Calif.) remained mum on Friday following more news about her personal housing crisis and a warning from House Speaker Nancy Pelosi (D-Calif.) to put her fiscal house back in order.

Richardson, who has dodged repeated calls for information regarding her multiple defaults on three home mortgages and her financial disclosure reports, failed to report a heavily indebted mortgage on her initial 2007 financial statement.

Official financial reports for House members will be released on Monday, and it remains to be seen if Richardson's official report will have been amended from the one she previously filed.

However, Pelosi issued a warning to Richardson on Thursday that she risks whatever repercussions may come from failing to disclose her assets and liabilities to the letter of the law.

"Every member of Congress is responsible for living up to the highest ethical standard, to having the fullest disclosure of his or her assets, as is required by law," Pelosi said at her weekly news conference. "And many people in our country are caught in a foreclosure crisis. Members of Congress maybe are as well."

After falling too far behind on mortgage payments on a home she purchased in Sacramento in January 2007, Richardson was forced to watch the home sold at auction last month.

In the aftermath, it was revealed that Richardson has defaulted on mortgages for three California homes since 1999.

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The prior summer, Richardson took out a loan from Wells Fargo, in the amount of \$359,000, to purchase a second home in San Pedro.

After defaulting twice - in September 2007 and again in January - and owing \$367,436 on an original loan of \$359,000, Richardson received notice from her lender in April that her San Pedro home was going to be sold at auction. According to reports, that auction is scheduled for July 14.

But it is Richardson's Sacramento home that has garnered the most attention, and places her in the most immediate risk as a member of Congress who is bound by federal law to disclose certain assets and liabilities.

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By the end of 2007 - which marks the end of the 2007 financial disclosure reporting period - Richardson had accumulated \$575,000 in total debt after failing to make payments on her original \$535,000 mortgage, according to Sacramento County records.

Financial disclosure laws require members of Congress to report home mortgages as liabilities if indebtedness exceeds the purchase prices of the item, and congressional ethics and finance experts have said that, on a plain reading of the law, Richardson was required to disclose such an indebted mortgage as a liability.

Under the section of the report for liabilities, Richardson simply lists, "N/A."

A senior House Democrat close to leadership on Thursday afternoon said he had spoken to Richardson about the matter and she had assured him that, with regard to her Sacramento home, the "bank screwed up."

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"They took the property back, and they didn't even send back the money," York was quoted in the Times. "It's clear what's happening is Ms. Richardson is abusing her political power and using it for her own political needs."

Geri Ann S. Baptista - VP, WaMu Corporate Communications

206.500.2875 direct | 206.612. cell | 206.377.2023 fax | geriann.baptista@wamu.net

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Sent: Thursday, June 12, 2008 2:15 PM
To: Baptista, Geri Ann S.; Strom, Erik E.; Owen, Jan L.; Battaglia, Paul J.; Elias, Alan; Cook, Don; Thorn, Ann
Subject: RE: Pelosi comments on Laura Richardson defaults
Sensitivity: Confidential

Thanks for forwarding, Geri Ann.

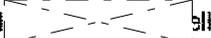
Team, FYI below.

Sara Gaugl

Home Loans Public Relations

WaMu

1301 Second Avenue | WMC40 | Seattle WA 98101

206.500.2822 direct | 

sara.gaugl@wamu.net

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Pelosi comments on Laura Richardson defaults

By Erica Werner The Associated Press

<http://www.dailybreeze.com/cj_9564107>

WASHINGTON - House Speaker Nancy Pelosi, asked Thursday about fellow California Democratic Rep. Laura Richardson's multiple home defaults, said that "every member of Congress is responsible for living up to the highest ethical standards."

Pelosi said she was not familiar with the details of the controversy surrounding Richardson, who won a special election last year to replace the late Rep. Juanita Millender-McDonald in the 37th Congressional District in Long Beach.

But every lawmaker must make "the fullest disclosure of his or her assets as is required by law," Pelosi said.

"Many people in our country are caught in the foreclosure crisis. Members of Congress maybe are as well," she added.

Late last month reports emerged that Richardson, a former state Assemblywoman and member of the Long Beach City Council, had lost her Sacramento home to foreclosure and has two other homes in

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Page 63 of 223

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Southern California that have fallen into default six times.

Last week the Long Beach Press-Telegram reported that Richardson had also left car repair bills unpaid.

Richardson easily won her Democratic primary June 3 and is running unopposed in the November general election, although at least one of her Democratic primary opponents is making plans to challenge her as a write-in candidate.

Richardson defended herself after the first reports of the foreclosure on her Sacramento home, saying it never should have happened and she'd worked out a deal with her lender to buy it back. However the purchaser of the property, James York of Red Rock Mortgage in Sacramento, complained in published reports this week that Richardson had been given favorable terms because she's a congresswoman and that he planned to sue over the issue.

Richardson's spokesman, William Marshall, had no immediate comment Thursday.

California Assembly Speaker Karen Bass, D-Los Angeles, also addressed the Richardson situation Thursday during a visit to Washington. Bass and other Assembly leaders had endorsed Richardson's congressional bid but Bass told reporters she'd had no idea about Richardson's financial issues.

Richardson had a quick rise in politics, moving from the Long Beach City Council to a state Assembly seat in 2006 and to Congress the next year.

"Given the rapid pace of all of that I can understand the financial difficulties, but now more is coming out," Bass said. She said she'd hoped while in Washington to talk to Richardson about the situation but hadn't had the opportunity.

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From: Baptista, Geri Ann S.
</o=wamu/ou=sea/cn=recipients/cn=u255251>
To: Gaugl, Sara C.
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A. </o=wamu/ou=sea/cn=recipients/cn=u972031>
Cc:
Bcc:
Subject: Coverage on Richardson Lawsuit
Date: Sat Jun 14 2008 17:22:52 EDT
Attachments:

San Jose Mercury News and AP stories (AP story picked up by some online syndication outlets).

<http://www.mercurynews.com/breakingnews/ci_9579869?nlick_check=1>

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By JULIET WILLIAMS Associated Press Writer
Article Launched: 06/13/2008 05:40:18 PM PDT

SACRAMENTO-A Sacramento investor who bought the foreclosed home of Rep. Laura Richardson has filed a lawsuit against the congresswoman and her bank for rescinding the sale.

James York claims Richardson used her influence as a congresswoman to force Washington Mutual Inc. and a subsidiary to back out of the sale.

York, who operates Red Rock Mortgage Inc., bought the foreclosed home in an upper-middle class Sacramento neighborhood at auction in May for \$388,000 after Richardson failed to make her mortgage payments.

In the lawsuit filed in Sacramento County Superior Court, York is seeking to have the house returned to him, as well as punitive damages and costs. He also claims the bank acted with malice after the legitimate sale of the house.

The Associated Press obtained a copy of his lawsuit on Friday, the day the defendants were served.

Richardson, a Democrat from Long Beach, previously told the AP that the house was sold without her knowledge and after the bank agreed to hold off on any action until at least June.

She bought the house in January 2007 for \$535,000, a few months after she was elected to the state Assembly. She took out an adjustable-rate mortgage with an interest rate that could vary between 8.8 percent and 14 percent, according to documents filed with York's lawsuit.

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By Jared Allen

Posted: 06/13/08 11:50 AM [ET]

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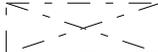
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Subject: RE: Pelosi comments on Laura Richardson defaults
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Team, FYI below.

Sara Gaugl

Home Loans Public Relations

WaMu

1301 Second Avenue | WMC40 | Seattle WA 98101

206.500.2822 direct |  cell

sara.gaugl@wamu.net

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By Erica Werner The Associated Press

<http://www.dailybreeze.com/cj_9564107>

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Seattle, WA 98101

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geriann.baptista@wamu.net

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From: Anne Canfield <anne.canfield@house.gov>
To:
Cc:
Bcc:
Subject: Recorded Vote Tally: Emergency Economic Stabilization Act
Date: Mon Sep 29 2008 15:22:03 EDT
Attachments:

FINAL VOTE RESULTS FOR ROLL CALL 674

(Democrats in roman; Republicans in italic; Independents underlined)

H R 3997 RECORDED VOTE 29-Sep-2008 2:07 PM

QUESTION: On Concurring in Senate Amendment With An Amendment

BILL TITLE: To amend the Internal Revenue Code of 1986 to provide earnings assistance and tax relief to members of the uniformed services, volunteer firefighters, and Peace Corps volunteers, and for other purposes

<<http://clerk.house.gov/evs/2008/roll674.xml#Y>> Ayes

<<http://clerk.house.gov/evs/2008/roll674.xml#N>> Noes

PRES

<<http://clerk.house.gov/evs/2008/roll674.xml#NV>> NV

Democratic

140

95

Republican

65

133

1

Independent

TOTALS

205

228

1

--- AYES 204 ---

Ackerman
Allen
Andrews
Arcuri
Bachus
Baird
Baldwin
Bean
Berman
Berry
Bishop (GA)
Bishop (NY)
Blunt
Boehner
Bonner
Bono Mack
Boozman
Boren
Boswell

Boucher
Boyd (FL)
Brady (PA)
Brady (TX)
Brown (SC)
Brown, Corrine
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Capps
Capuano
Cardoza
Carnahan
Castle
Clarke
Clyburn
Cohen
Cole (OK)
Cooper
Costa
Cramer
Crenshaw
Crowley
Cubin
Davis (AL)
Davis (CA)
Davis (IL)
Davis, Tom
DeGette
DeLauro
Dicks
Dingell
Donnelly
Doyle
Dreier
Edwards (TX)
Ehlers
Ellison
Ellsworth
Emanuel
Emerson
Engel
Eshoo
Etheridge
Everett
Farr
Fattah

Ferguson
Fossella
Foster
Frank (MA)
Gilchrest
Gonzalez

Gordon
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Gutierrez
Hall (NY)
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Hastings (FL)
Herger
Higgins
Hinojosa
Hobson
Holt
Honda
Hooley
Hoyer
Inglis (SC)
Israel
Johnson, E. B.
Kanjorski
Kennedy
Kildee
Kind
King (NY)
Kirk
Klein (FL)
Kline (MN)
LaHood
Langevin
Larsen (WA)
Larson (CT)
Levin
Lewis (CA)
Lewis (KY)
Loeb sack
Lofgren, Zoe
Lowey
Lungren, Daniel E.
Mahoney (FL)
Maloney (NY)
Markey
Marshall
Matsui
McCarthy (NY)
McCollum (MN)
McCrery
McDermott
McGovern
McHugh
McKeon
McNerney
McNulty
Meek (FL)
Meeks (NY)
Melancon
Miller (NC)
Miller, Gary

Miller, George
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murphy (CT)

Murphy, Patrick
Murtha
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Oberstar
Obey
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Pallone
Pelosi
Perlmutter
Peterson (PA)
Pickering
Pomeroy
Porter
Price (NC)
Pryce (OH)
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Reyes
Reynolds
Richardson
Rogers (AL)
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Ryan (OH)
Ryan (WI)
Sarbanes
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Van Hollen
Velázquez
Walden (OR)
Walsh (NY)
Wasserman Schultz
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Waxman
Weiner
Weldon (FL)
Wexler
Wilson (NM)
Wilson (OH)
Wilson (SC)
Wolf

--- NOES 228 ---

Abercrombie
Aderholt
Akin
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Bachmann
Barrett (SC)
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Bartlett (MD)
Barton (TX)
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Berkley
Biggert
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Blumenauer
Boustany
Boyda (KS)
Braley (IA)
Broun (GA)
Brown-Waite, Ginny
Buchanan
Burgess
Burton (IN)
Butterfield
Buyer

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Conaway
Conyers
Costello
Courtney
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Culberson
Cummings
Davis (KY)
Davis, David
Davis, Lincoln
Deal (GA)
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Diaz-Balart, L.
Diaz-Balart, M.
Doggott
Doolittle
Drake
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Edwards (MD)
English (PA)
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Foxy
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Garrett (NJ)
Gerlach
Giffords

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Goode
Goodlatte
Graves
Green, Al
Green, Gene

Grijalva
Hall (TX)
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Hirono
Hodes
Hoekstra
Holden
Hulshof
Hunter
Inslee
Issa
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (GA)
Johnson (IL)
Johnson, Sam
Jones (NC)
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Kaptur
Keller
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Kingston
Knollenberg
Kucinich
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LaTourette
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Lewis (GA)
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Lipinski
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Lucas
Lynch
Mack
Manzullo
Marchant
Matheson
McCarthy (CA)
McCaul (TX)
McCotter
McHenry
McIntyre
McMorris Rodgers

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Miller (FL)
Miller (MI)
Mitchell
Moran (KS)
Murphy, Tim
Musgrave
Myrick
Napolitano
Neugebauer
Nunes

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Pascrell
Pastor
Paul
Payne
Pearce
Pence
Peterson (MN)
Petri
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Platts
Poe
Price (GA)
Ramstad
Rehberg
Reichert
Renzi
Rodriguez
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roskam
Rothman
Roybal-Allard
Royce
Rush
Salazar
Sali
Sánchez, Linda T.
Sanchez, Loretta
Scalise
Schiff
Schmidt
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Shadegg
Shea-Porter
Sherman
Shimkus
Shuler
Shuster

Smith (NE)
Smith (NJ)
Solis
Stark
Stearns
Stupak
Sullivan
Sutton
Taylor
Terry
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Tierney
Turner
Udall (CO)
Udall (NM)
Visclosky
Walberg
Walz (MN)
Wamp
Watson
Welch (VT)
Westmoreland
Whitfield (KY)
Wittman (VA)
Woolsey
Wu
Yarmuth
Young (AK)
Young (FL)

--- NOT VOTING 1 ---

Weller

From: Elias, Alan
</o=wamu/ou=sea/cn=recipients/cn=u62181494974884>
To: Schneider, David C.
</o=wamu/ou=sea/cn=recipients/cn=u215416>
Cc:
Bcc:
Subject: Re: CNBC.com Article: Evander Holyfield's Mansion Under Foreclosure
Date: Fri Jun 06 2008 11:25:42 EDT
Attachments:

Well, maybe he and Richardson can hook up? Thanks for the heads up.

Alan

----- Original Message -----

From: Schneider, David C.
To: Elias, Alan; Gaugl, Sara C.
Cc: Rotella, Steve
Sent: Fri Jun 06 08:14:48 2008
Subject: FW: CNBC.com Article: Evander Holyfield's Mansion Under Foreclosure

Alan,

You may get a call.

Steve, fyi

From: Berens, John
Sent: Friday, June 06, 2008 6:53 AM
To: Schneider, David C.; White, Don
Subject: CNBC.com Article: Evander Holyfield's Mansion Under Foreclosure

Evander Holyfield's Mansion Under Foreclosure
Former heavyweight champion Evander Holyfield is facing mounting financial and legal woes.
<http://www.cnbc.com/id/24998497/from/ET/>

fyi, this is ours. David, I'm sure you recall, he's on the top of our large balance loans.

Document ID: 100510120
From: GM PR
</o=wamu/ou=sea/cn=recipients/cn=pr>

To:
Cc:
Bcc:
Subject: Breaking News: Associated Press, National Mortgage News
Date: Tue May 27 2008 10:51:47 EDT
Attachments:

WaMu Focused News

1. AP Interview: Calif. congresswoman says home sale 'improper'
By ERICA WERNER
24 May 2008
Associated Press Newswires

Rep. Laura Richardson claimed Friday that her Sacramento home was sold into foreclosure without her knowledge and contrary to an agreement with her lender.

She said that she is like any other American suffering in the mortgage crisis and wants to testify to Congress about her experience as lawmakers craft a foreclosure-prevention bill.

In a lengthy interview with The Associated Press on Friday night, the Southern California Democrat struck back against several days of negative publicity over reports she defaulted on her mortgage, allowing the house to be sold at auction.

Richardson, elected in a special election last August, acknowledged turmoil in her life in the months after an incumbent's death in April opened up the Los Angeles-area House seat.

She used her money to finance her campaign and fell behind in mortgage payments. But Richardson said that makes her like other Americans who have to deal with a sudden death or birth that throws a wrench into their finances.

Now, Richardson said, she has renegotiated her loan to pay it off and promised to fully comply with all its terms. She also said she will pay nearly \$9,000 in delinquent property taxes.

She insisted she's not getting special terms because she's a congresswoman.

"I'm Laura Richardson. I'm an American, I'm a single woman who had four employment changes in less than four months," Richardson told the AP. "I had to figure out just like every other American how I could restructure the obligations that I had with the income I had."

Richardson was a member of the Long Beach City Council when she won a California state Assembly seat in November 2006, months before she bought the three-bedroom, 1 1/2-bath Sacramento home. She won the congressional seat the next year in the special election to replace the late Juanita Millender-McDonald.

The problem is that the 1,600-square-foot home she bought for \$535,500 in January 2007 was sold at auction earlier this month to a Sacramento mortgage lender, who paid \$388,000. The sale was officially recorded on Monday, according to documents on file with the Sacramento County Recorder's Office. A default notice sent to Richardson in March put her unpaid balance at \$578,384.

Richardson, 46, makes nearly \$170,000 as a member of Congress and was paid \$113,000 during the eight months she served in the state Assembly in 2007 before her election to Congress. She also received a per diem total of \$20,000 from California, according to a financial disclosure form she filed with the House of Representatives clerk.

Although others struggling with mortgages make far less, Richardson said it was "very misleading" to compare her earnings to the national median household income of around \$50,000. The reason:

Lawmakers are required to maintain two residences while other people don't have to, she said.

Others also don't have to depend on winning an election to ensure their livelihood, she said.

Richardson provided AP with an April letter that appears to be from Washington Mutual Home Loans telling her there was a hold on foreclosure sales on her property until June 4 of this year.

She said she got another letter asking for payments May 2 and paid them, but did not know the sale was going to happen five days later.

Richardson also provided an e-mail dated Thursday she said was from Washington Mutual that appeared to acknowledge an agreement "to facilitate the rescission of foreclosure sale."

She did not provide documentation of the structure of her new loan.

A Washington Mutual spokeswoman, Sara Gaugl, told AP earlier in the day that the company had "not received consent from Ms. Richardson that would allow us to discuss her loan situation."

Asked later to respond to Richardson's specific comments, she reiterated that the savings and loan could not discuss the matter without the congresswoman's consent.

Meanwhile, the current owner of the property told AP that his ownership of the house is not in doubt. James York, owner of Red Rock Mortgage Inc. of Sacramento, declined to discuss any possible negotiations that might be ongoing.

"I've taken possession on the home," York said. "I've been working on it, fixing it up. It had been vacant. It was in cleaner and in better repair than most foreclosures."

The home, built in 1926, is in Sacramento's Curtis Park, a desirable, upper middle-class neighborhood near downtown that sits under a canopy of decades-old trees.

Not long after getting to Congress, Richardson voted in favor of the Mortgage Forgiveness Debt Relief Act of 2007, which subsequently became law. It allows homeowners to escape paying income taxes on debts forgiven by a lender, as happens in foreclosure.

Richardson was absent earlier this month for votes on the Foreclosure Prevention Act, which she said was because of her father's funeral. But she could have another opportunity to vote on the foreclosure package as the House is expected to bring it back up in June once agreement is reached in the Senate. In most cases, congressional ethics rules don't prevent lawmakers from voting on legislation that might affect or help them economically. Such votes are essentially impossible to avoid.

Rather than shy away from voting on mortgage-related bills, Richardson said her experiences could help her craft legislation to make sure others don't experience what she did. For example, she sees a need to add steps to inform property owners before their property can be sold.

"We have to ensure that lenders and lenders have the tools with proper timing to resolve this," she said.

Melanie Sloan, executive director of the Washington-based Citizens for Responsibility and Ethics, criticized Richardson for falling deeper into debt while choosing to spend more than \$75,000 of her own money on her campaign -- suggesting that it's more important to win a seat in Congress than to be fiscally responsible, a point Richardson disputed.

Sloan also said Richardson should not be in the situation she is while making a congressional salary, when homeowners around the country making \$50,000 or less are struggling to pay their debts.

"Truthfully, it's appalling," Sloan said.

2. Was Lawmaker Foreclosed On?

By Jennifer Harmon

26 May 2008

National Mortgage News

LONG BEACH, CA -- The Press-Telegram here said that Rep. Laura Richardson made only a few payments on the Sacramento house she bought in 2007, failed to pay property taxes, defaulted on the mortgage and lost the house to foreclosure. The Press-Telegram also reported that Rep. Richardson's lender, Washington Mutual, took a loss of nearly \$200,000 when it sold the house at a public auction on May 7.

"They took a beating," James York, the Sacramento real estate broker who said he bought the house at a foreclosure auction, told the Press-Telegram.

The report is based on public documents the newspaper published on its website, and in an interview with Mr. York. It is at odds with Rep. Richardson's statement, in which the Long Beach Democrat said she had worked out a loan modification with her lender, and would "fulfill all financial obligations" on the property.

According to the Press-Telegram, "Rep. Laura Richardson lost her Sacramento home in a foreclosure auction two weeks ago, and left behind nearly \$9,000 in unpaid property taxes. Rep. Richardson, D-

Long Beach, appears to have made only a few payments on the house, which she bought in January 2007 for \$535,000."

The newspaper's report - that the house was foreclosed and an auction took place - appears to conflict with Rep. Richardson's statement that the house "is not in foreclosure." Her office has not responded to a request from the Los Angeles Times for additional information about her mortgage and loan modification. The Press-Telegram said she declined to be interviewed about the controversy. The newspaper's report also calls into question her statement that she had worked out a loan modification with her lender and would fulfill all financial obligations related to the property. The Press-Telegram reports that the house sold for only \$388,000, far below the \$574,000 owed on the property, and that the new owner, Mr. York, "assumed responsibility for Ms. Richardson's unpaid property tax bill of \$8,950.79."

WaMu Related News

3. IRS Rule Aids Loan Mods

By Brian Collins

26 May 2008

National Mortgage News

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The new IRS ruling encourages servicers to identify and assist borrowers that have a high risk of eventual foreclosure.

And it allows servicers to be proactive in preventing widespread foreclosures without jeopardizing the tax status of the Real Estate Mortgage Investment Corp.

"This is an important change that will allow more homeowners who may potentially get into trouble to have their loans modified prior to default," said Anne Canfield, executive director of the Consumer Mortgage Coalition.

In an example discussed in Revenue Procedure (2008-28), the servicer can elect to reduce the interest rate and principal on a loan for a borrower who has not responded to letters or phone calls and without the benefit of updated individual information.

The IRS recognizes that servicers have developed sophisticated programs to identify borrowers likely to default by using data such as high loan-to-value ratios, declining credit scores, falling house prices or approaching interest rate resets.

"Once the servicer forms a reasonable belief that there is significant risk of foreclosure, "then they can go ahead and contact the borrower before any payment goes late," IRS associate counsel Susan Baker told this newspaper.

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It allowed the servicers to quickly identify borrowers facing a reset and fast-tracking them into a loan modification where the starter rate is frozen for five years.

This Hope Now "teaser freezer" initiative has had limited success and the revenue ruling addressed a very narrow set of facts.

Revenue Procedure 2008-28 is not limited to subprime ARMs or freezing the interest rate. It permits interest rate and principal reductions. It seems to build on a March 2007 IRS ruling that allows servicers to modify commercial real estate loans in REMICs if default is "reasonably foreseeable."

Washington Mutual executive William Longbrake said last week the latest IRS ruling appears to be a "clarification" of the March 2007 ruling on CMBS. "Although the IRS guidance only addresses commercial real estate REMICs, it can be reasonably inferred that comparable treatment would be given to residential real estate REMICs," Mr. Longbrake said in a publication.

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10015164

From: Rotella, Steve
</o=wamu/ou=sea/cn=recipients/cn=u444102>
To: Schneider, David C.
</o=wamu/ou=sea/cn=recipients/cn=u215416>
Cc:
Bcc:
Subject: FW: Breaking News: Associated Press, National Mortgage News
Date: Tue May 27 2008 13:31:12 EDT
Attachments:

Does that last item change anything materially for us?

>
>From: GM PR
>Sent: Tuesday, May 27, 2008 7:52 AM
>Subject: Breaking News: Associated Press, National Mortgage News
>
>WaMu Focused News
>
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>By ERICA WERNER
>24 May 2008
>Associated Press Newswires
>
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>

>

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>26 May 2008

>National Mortgage News

>

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>WaMu Related News

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>26 May 2008

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From: Gaugl, Sara C.
</o=wamu/ou=sea/cn=recipients/cn=u192170>
To: Schneider, David C.
</o=wamu/ou=sea/cn=recipients/cn=u215416>; Berens, John
</o=wamu/ou=sea/cn=recipients/cn=u206888>
Cc: Cook, Don
</o=wamu/ou=sea/cn=recipients/cn=u578890>; Elias, Alan
</o=wamu/ou=sea/cn=recipients/cn=u62181494974884>
Bcc:
Subject: RE: Recent Coverage Re: Richardson Property
Date: Thu Aug 21 2008 18:50:53 EDT
Attachments:

Here is the latest article from The Daily Breeze, which is an extension of the story that appeared earlier this morning.

- Sara

Richardson escapes \$400 property bill - The Daily Breeze

By Gene Maddaus

August 21, 2008

In a statement, Rep. Laura Richardson, D-Long Beach, disavowed any responsibility for the current upkeep of the home, because she said it still has not been transferred back to her.

Rep. Laura Richardson caught a break on Wednesday when code enforcement officers decided not to bill her for boarding up the garage door on her vacant Sacramento home.

The city decided it would be too much trouble to determine who owned the property last month, when code enforcement officers were called out to deal with a "public nuisance."

After Richardson stopped making payments on the home, it was sold to an investor at a foreclosure auction. But the property was returned to Richardson in June, after her bank rescinded the sale.

In a statement, Richardson, D-Long Beach, disavowed any responsibility for the current upkeep of the home, because she said it still has not been transferred back to her.

"Congresswoman Richardson is fully prepared, WHEN full transfer of the property is made and reinstated, to manage and maintain the Sacramento property," said her spokesman, William Marshall.

Richardson's statement conflicts with available public records, which state that she has had the title to the property since June 2.

Richardson bought the home in January 2007 upon being elected to the Assembly. But after she won a seat in Congress a few months later, neighbors noticed that property was left vacant and had been poorly maintained.

Sacramento police were called to the home on July 21 because the garage door was open, suggesting a possible break-in. The police called code enforcement officials, who brought in a contractor to board up the door.

Code enforcement officers also found rotting food on the ground, which might attract rodents, as well as junk and debris in the yard.

In such cases, the homeowner gets a bill from the city. Ron O'Connor, the code enforcement operations manager, said the city would also charge \$250 for night service, plus the cost of the contractor, bringing the total to perhaps \$400.

Apparently relying on county property records, the city sent a notice of a "public nuisance" to Red Rock Mortgage, the real estate firm that bought the property at auction.

Richardson did not learn about the notice until last week.

James York, the owner of Red Rock Mortgage, sued Richardson and Washington Mutual after the auction was rescinded, arguing that he was the rightful owner of the property. As part of the suit, York filed a notice of pending litigation on the property, which clouded Richardson's title.

York later settled the lawsuit for an undisclosed sum. On July 11, 10 days before the apparent break-in, York's attorney signed notices to withdraw the lawsuit and the notice of litigation from the property, thereby relinquishing York's claim on it.

O'Connor said it was unclear from information available to him who owned the property on July 21.

But Richardson had the title to the property once the sale was rescinded on June 2. Were it otherwise, she would have had to sue York to get the house back - not vice versa.

In order to resolve the ownership of the property, O'Connor said he would have to spend \$100 for a title search, which would take three weeks.

"It's not worth it," he said. "I'm just going to get rid of it."

O'Connor said that Richardson would still be sent a notice to comply with the code violations, but would not be required to pay for the board-up.

In another development, Washington Mutual paid Richardson's outstanding property tax bill of \$9,000 on July 31. No public records explain why the bank would do that, though it is possible that the tax bill was added to Richardson's loan balance in a refinancing.

>

>From: Gaugl, Sara C.

>Sent: Thursday, August 21, 2008 11:44 AM

>To: Schneider, David C.; Berens, John

>Cc: Cook, Don; Elias, Alan

>Subject: Recent Coverage Re: Richardson Property

>

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>By Gene Maddaus

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>WaMu

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>

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From: Gaugl, Sara C.
</o=wamu/ou=sea/cn=recipients/cn=u192170>
To: Schneider, David C.
</o=wamu/ou=sea/cn=recipients/cn=u215416>; Berens, John
</o=wamu/ou=sea/cn=recipients/cn=u206888>; Champney, Steven D.
</o=wamu/ou=sea/cn=recipients/cn=u214145>
Cc: Cook, Don
</o=wamu/ou=sea/cn=recipients/cn=u578890>; Adams, Carolyn
</o=wamu/ou=sea/cn=recipients/cn=u126602>; Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>; Elias, Alan
</o=wamu/ou=sea/cn=recipients/cn=u62181494974884>
Bcc:
Subject: Richardson/CNN
Date: Wed May 28 2008 21:42:21 EDT
Attachments:

All:

So you are aware, I just received a call from a producer with CNN re: Congresswoman Richardson's "debacle." Apparently, CNN's Campbell Brown plans to discuss the Congresswoman's situation during tomorrow's 8 p.m Eastern broadcast.

The producer said she's been tasked with cross-checking the accuracy of Ms. Richardson's statements with WaMu, at which point I informed her that we have not received consent from Ms. Richardson that would allow us to discuss her loan situation.

At that point, she informed me that CNN has talked with a forensic accountant. Based on his/her analysis of Ms. Richardson's financial situation, the accountant has "determined" that the Congresswoman probably shouldn't have qualified for the (WaMu) loan in the first place.

I'll keep you informed as I learn more. I expect to receive an update from CNN tomorrow.

Best,

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
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</o=wamu/ou=sea/cn=recipients/cn=u578890>; Battaglia, Paul J.
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</o=wamu/ou=sea/cn=recipients/cn=u62181494974884>; Owen, Jan L.
</o=wamu/ou=sea/cn=recipients/cn=u146276>
Bcc:
Subject: Confidential: Richardson Update
Date: Fri May 23 2008 23:48:24 EDT
Attachments:

David, John and Steve:

So you are aware, earlier this evening Congresswoman Richardson talked with a number of media outlets including the Associated Press. As outlined in the AP article embedded below, she's claiming that the foreclosure auction of her Sacramento home was "improper" and contrary to a written agreement she had with WaMu. She also said that we've taken initial steps to rescind the foreclosure action given that she had an "agreement."

Legal, HL PR., Corp. Comm., Servicing and GIR will stay closely aligned as this situation continues to evolve. After discussing this afternoon, we unfortunately are still limited on what we can disclose about Ms. Richardson's loan situation (outside of public record) given that she's won't provide her consent. We have and will continue to emphasize that fact to the media, and will point them back to the public record, which indicates a history of default.

We'll continue to update you on new developments, however in the interim, please let us know if you have any questions.

Best,
Sara

*Please note that this article is in draft form - the reporter provided it to me in advance of publication.

AP Interview: Calif. congresswoman says home sale 'improper'

By ERICA WERNER Associated Press Writer

WASHINGTON (AP) _ Rep. Laura Richardson claimed Friday that her Sacramento home was sold into foreclosure without her knowledge and contrary to an agreement with her lender.

She said that she is like any other American suffering in the mortgage crisis and wants to testify to Congress about her experience as lawmakers craft a foreclosure-prevention bill.

In a lengthy interview with The Associated Press on Friday night, the Southern California Democrat struck back against several days of negative publicity over reports she defaulted on her mortgage, allowing the house to be sold at auction.

Richardson, elected in a special election last August, acknowledged turmoil in her life in the months after an incumbent's death in April opened up the Los Angeles-area House seat.

She used her money to finance her campaign and fell behind in mortgage payments. But Richardson said that makes her like other Americans who have to deal with a sudden death or birth that throws a wrench into their finances.

Now, Richardson said, she has renegotiated her loan to pay it off and promised to fully comply with all its terms. She also said she will pay nearly \$9,000 in delinquent property taxes.

She insisted she's not getting special terms because she's a congresswoman.

"I'm Laura Richardson. I'm an American, I'm a single woman who had four employment changes in less than four months," Richardson told the AP. "I had to figure out just like every other American how I could restructure the obligations that I had with the income I had."

Richardson was a member of the Long Beach City Council when she won a California state Assembly seat in November 2006, months before she bought the three-bedroom, 1½-bath Sacramento home. She won the congressional seat the next year in the special election to replace the late Juanita Millender-McDonald.

The problem is that the 1,600-square-foot home she bought for \$535,500 in January 2007 was sold at auction earlier this month to a Sacramento mortgage lender, who paid \$388,000. The sale was officially recorded on Monday, according to documents on file with the Sacramento County Recorder's Office.

A default notice sent to Richardson in March put her unpaid balance at \$578,384.

Richardson, 46, makes nearly \$170,000 as a member of Congress and was paid \$113,000 during the eight months she served in the state Assembly in 2007 before her election to Congress. She also received a per diem total of \$20,000 from California, according to a financial disclosure form she filed with the House of Representatives clerk.

Although others struggling with mortgages make far less, Richardson said it was "very misleading" to compare her earnings to the national median household income of around \$50,000. The reason: Lawmakers are required to maintain two residences while other people don't have to, she said.

Others also don't have to depend on winning an election to ensure their livelihood, she said.

Richardson provided AP with an April letter that appears to be from Washington Mutual Home Loans telling her there was a hold on foreclosure sales on her property until June 4 of this year.

She said she got another letter asking for payments May 2 and paid them, but did not know the sale was going to happen five days later.

Richardson also provided an e-mail dated Thursday she said was from Washington Mutual that appeared to acknowledge an agreement "to facilitate the rescission of foreclosure sale."

She did not provide documentation of the structure of her new loan.

A Washington Mutual spokeswoman, Sara Gaugl, told AP earlier in the day that the company had "not received consent from Ms. Richardson that would allow us to discuss her loan situation."

Washington Mutual did not respond to a later inquiry seeking comment on Richardson's claims.

Meanwhile, the current owner of the property told AP that his ownership of the house is not in doubt.

James York, owner of Red Rock Mortgage Inc. of Sacramento, declined to discuss any possible negotiations that might be ongoing.

"I've taken possession on the home," York said. "I've been working on it, fixing it up. It had been vacant. *It was in cleaner and in better repair than most foreclosures.*"

The home, built in 1926, is in Sacramento's Curtis Park, a desirable, upper middle-class neighborhood near downtown that sits under a canopy of decades-old trees.

Not long after getting to Congress, Richardson voted in favor of the Mortgage Forgiveness Debt Relief Act of 2007, which subsequently became law. It allows homeowners to escape paying income taxes on debts forgiven by a lender, as happens in foreclosure.

Richardson was absent earlier this month for votes on the Foreclosure Prevention Act, which she said was because of her father's funeral. But she could have another opportunity to vote on the foreclosure package as the House is expected to bring it back up in June once agreement is reached in the Senate.

In most cases, congressional ethics rules don't prevent lawmakers from voting on legislation that might affect or help them economically. Such votes are essentially impossible to avoid.

Rather than shy away from voting on mortgage-related bills, Richardson said her experiences could help her craft legislation to make sure others don't experience what she did. For example, she sees a need to add steps to inform property owners before their property can be sold.

"We have to ensure that lenders and lenders have the tools with proper timing to resolve this," she said.

Melanie Sloan, executive director of the Washington-based Citizens for Responsibility and Ethics, criticized Richardson for falling deeper into debt while choosing to spend more than \$75,000 of her own money on her campaign — suggesting that it's more important to win a seat in Congress than to be fiscally responsible, a point Richardson disputed.

Sloan also said Richardson should not be in the situation she is while making a congressional salary, when homeowners around the country making \$50,000 or less are struggling to pay their debts.

"Truthfully, it's appalling," Sloan said.

Sara Gaugl
Home Loans Public Relations

WaMu
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</o=wamu/ou=sea/cn=recipients/cn=u62181494974884>
Bcc:
Subject: Recent Coverage Re: Richardson Property
Date: Thu Aug 21 2008 14:44:17 EDT
Attachments:

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From: Berens, John
</o=wamu/ou=sea/cn=recipients/cn=u206888>
To: Schneider, David C.
</o=wamu/ou=sea/cn=recipients/cn=u215416>
Cc:
Bcc:
Subject: RE: Recent Coverage Re: Richardson Property
Date: Mon Aug 25 2008 11:27:52 EDT
Attachments:

First payment due 9/1.

From: Schneider, David C.
Sent: Thursday, August 21, 2008 4:55 PM
To: Berens, John
Subject: FW: Recent Coverage Re: Richardson Property

Has she made her payments after we gave her the house back?

ds

From: Gaugl, Sara C.
Sent: Thursday, August 21, 2008 11:44 AM
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"It seems to me it has nothing to do with the law, but it has to do with [Washington Mutual] trying to be deferential to a congresswoman," said Grant Nelson, the William H. Rehnquist Professor of Law at Pepperdine University.

York sued. The case was settled in early July with each side agreeing not to talk about the terms. In addition, Washington Mutual paid the tax lien on July 31, according to Sacramento County.

The public nuisance notice -- known as a vacant building ordinance violation -- was posted on Richardson's house Tuesday.

An inspection, it says, "revealed the structure on your property is vacant, is not in compliance with minimum maintenance standards and/or constitutes a public nuisance."

The owner of the house is listed on the notice as Red Rock Mortgage Inc., which is York's company.

O'Connor, the Sacramento code official, said the notices are taped onto the building and sent to the owner, return receipt requested.

During a phone interview, O'Connor checked county tax assessor records and said that Richardson is listed as the owner and that the notice would be sent to her.

The notice says that a \$1,000 penalty can be assessed against the property if progress is not made to bring it into compliance within 30 days. The penalty could grow to as much as \$5,000 per month unless progress is made to improve conditions.

Neighbors have complained about the state of the house for months.

They were optimistic when York sent his crew to begin renovations, but now say it is worse than ever.

"I can't make myself go by there. It hurts too much," said Sharon Helmar, who sold the house to Richardson after living there for 30 years. "We took good care of it, and it's a lovely house."

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct |  cell | sara.gaugl@wamu.net

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From: Schneider, David C.
</o=wamu/ou=sea/cn=recipients/cn=u215416>
To: Berens, John
</o=wamu/ou=sea/cn=recipients/cn=u206888>
Cc:
Bcc:
Subject: FW: Recent Coverage Re: Richardson Property
Date: Thu Aug 21 2008 16:55:09 EDT
Attachments:

Has she made her payments after we gave her the house back?

ds

From: Gaugl, Sara C.
Sent: Thursday, August 21, 2008 11:44 AM
To: Schneider, David C.; Berens, John
Cc: Cook, Don; Elias, Alan
Subject: Recent Coverage Re: Richardson Property

David and John -

As discussed during this morning's call, embedded below for your reference is recent coverage on Richardson's Sacramento property. As Don mentioned, the Sacramento Code Enforcement Department has declared the property a "public nuisance."

I will continue to reiterate to inquiring reporters that WaMu does not have possession of the property. Note that media coverage also reflects that Richardson's statements have conflicted with available public records.

- Sara

Rep. won't be billed for house problem - The Daily Breeze
By Gene Maddaus

Rep. Laura Richardson caught a break on Wednesday when code enforcement officers decided not to bill her for boarding up the garage door on her vacant Sacramento home.

The city decided it would be too much trouble to determine who owned the property last month, when code enforcement officers were called out to deal with a "public nuisance."

After Richardson stopped making payments on the home, it was sold to an investor at a foreclosure auction. But the property was returned to Richardson in June, after her bank rescinded the sale.

In a statement, Richardson, D-Long Beach, disavowed any responsibility for the current upkeep of the home, because she said it still has not been transferred back to her.

"Congresswoman Richardson is fully prepared, WHEN full transfer of the property is made and reinstated, to manage and maintain the Sacramento property," said her spokesman, William Marshall.

Richardson's statement conflicts with available public records, which state that she has had the title to the property since June 2.

Rep. Richardson's Sacramento home declared 'public nuisance' - Los Angeles Times
Neighbors complained about the condition of the Sacramento home of Rep. Laura Richardson (D-Long Beach).

First Rep. Laura Richardson was having problems making house payments, defaulting six times over eight years.

Then after a bank foreclosed on her Sacramento house and sold it at auction in May, the Long Beach Democrat made such a stink that Washington Mutual, in an unusual move, grabbed it back and returned it to her.

This week, in the latest chapter in the housing saga, the Code Enforcement Department in Sacramento declared her home a "public nuisance."

The city has threatened to fine her as much as \$5,000 a month if she doesn't fix it up.

Neighbors in the upper-middle-class neighborhood complain that the sprinklers are never turned on and the grass and plants are dead or dying. The gate is broken, and windows are covered with brown paper.

"I would call it an eyesore," said Peter Thomsen, a retired bank executive who lives nearby.

The city action was prompted by police action.

Police were twice called to investigate reports of a suspicious person in or around the house, perhaps a homeless man squatting there. Officers called the Code Enforcement Department, which boarded up a broken door.

Code enforcement inspectors visited the house twice in July, finding "junk and debris" in the driveway and "rotting fruit on the ground in the rear yard which creates rodent harborage," according to department documents.

Ron O'Connor, operations manager of the Code Enforcement Department, said homes in the Curtis Park area seldom were tagged as a public nuisance.

"It's a really nice neighborhood," he said.

Asked about the house, Richardson's office released a statement that said: "Neither Congresswoman Richardson nor her attorney have received any information referring to this matter. Any additional information will be provided at a later date."

Richardson has few worries in the November election. The 37th District is so solidly Democratic that no Republican is running against her. Democrat Peter Mathews, who has sought the seat several times before, is mounting a write-in campaign.

Richardson began defaulting on house payments long before she bought the three-bedroom, 1 1/2 - bath home after being elected to the Assembly in 2006. She has defaulted on a home in San Pedro, where her mother lives, and her residence in Long Beach for amounts ranging from \$5,742 to almost \$20,000, according to documents on file with Los Angeles County.

Five of the defaults occurred during a 13-month period over 2007-08 when Richardson was bankrolling her political career, lending her campaigns for Congress and Assembly a total of \$177,500.

In addition, she owed nearly \$9,000 in property taxes on the Sacramento house, and the city Utilities Department put a lien on the property for an unpaid utility bill of \$154.03.

In a letter to supporters after her money problems received widespread publicity in June, Richardson said she was current on her house payments.

"Many elected officials are married, rely on two incomes or are independently wealthy," she wrote.

"I do not fit any of these descriptions," she added. "I made the decision to borrow money against my home to help finance my campaign. The election was too important to me, to our community and to our country to roll over."

Although Richardson lost her Sacramento house, she got it back under unusual circumstances.

Real estate investor James York bought the two-story house May 7 for \$388,000. Richardson had paid \$535,000. York recorded the deed May 19 and sent a work crew to renovate the house.

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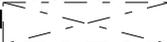
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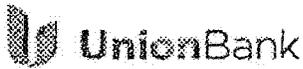
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Sara Gaugl
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P.O. BOX 6200, NORTHRIDGE, CA 91328

UNION BANK OF CALIFORNIA, N.A.
FINANCIAL INSTITUTION
16-49-6/1220 1050200341

06/03/2008

PAY TO THE ORDER OF Red Rock Mortgage, Inc. \$ 391,190.05

Three Hundred Ninety-One Thousand One Hundred Ninety and 05/100***** DOLLARS

Deborah Byrne
Huy-Tan Chu

MEMO
tel# 723397ca loan

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ALL2
LAURA RICHARDSON

JUST IN TIME EFT ON DEMAND ACH DRAFT SETUP 09/30/09

PC/CL/TP 0/AA/13 I/C: A01/458
000-00-0000 DUE DATE 04/01/09

MASTER TOT PYMT \$ 4885.20 L/C DUE \$ 1792.35 OTHER FEES \$ 32.55
INFO TOT DUE(006) \$ 31136.10 NSF DUE \$ 0.00 SUSP BAL \$ 3819.45
RE CA BAL \$ 152.70

HISTORY INFO: REC 01 OF 07 USER EL5 SERIAL 1565695401

HISTORY DATE: 12/15/08 EFFECTIVE DATE: 12/15/08

WITHDRAWAL AMOUNT \$ 4367.32 JIT FEE 15.00 SOURCE C

----- JIT DRAFT INPUT -----

SOURCE C C=CUST CALL S=SERVICER CALL B=BANK DATA ONLY M=IMPORT DATA ONLY
D=DELETE PREVIOUS JIT - SERIAL TO DELETE

PER/BUS P CHECK NO FULL MICR LINE -----

RTN # ACCT # ACCT TYPE C (C=CHECK, S=SAVINGS)
BANK NAME -----

NAME ON ACCT LAURA RICHARDSON (LAST NAME, FIRST NAME)

OVR STOPS N (Y/N) GENERATE PYMT TRAN FEED Y (Y/N) PAPER DRAFT N (Y/N)

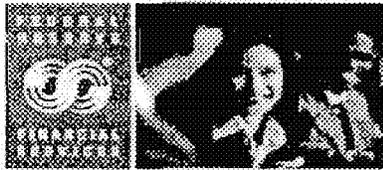
-----* ADDITIONAL MESSAGES *-----

PRESS PF14 FOR MEMOS

LIFE-OF-LOAN: LEGAL ACTION: COMPLEX LITIGATION

LOSS MIT IND = 8 LOSS ANALYSIS COMP COMPLETED LOSS MITIGATION

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Name, location, and routing information

Bank Name	FIRST CALIFORNIA BANK
Location	CAMARILLO, California
Routing Number	
Telephone Number	805-484-0534
Revised	July 11, 2005
Office Code	0
Record Type Code	1
New Routing Number	Not Applicable
Institution Status Code	1
Servicing FRB Number	

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* Date Transmitted 03/12/2007 check # 1170 Amt Paid \$4,227.98 DDA # [] RT # [] Batch # 28 Seq # 295*

LAURA RICHARDSON
717 EAST VERNON STREET PH. 562-426-2778
LONG BEACH, CA 90806

1170

DATE 3/2/07

WASHINGTON Mutual \$ 4,227.98

PAY TO THE ORDER OF
Four thousand two hundred twenty seven dollars and 98/100ths

F&M Farmers & Merchants Bank
Long Beach Blvd. Office • 562-276-2100
1401 Long Beach Blvd.
Long Beach, CA 90813
www.fmb.com • TollNumber 822-485-7700

MEMO

Laura Richardson

* Date Transmitted 03/12/2007 Stmt A/C# [] Amt Applied \$4,227.98 Batch# 28 Seq# 295*

Washington Mutual 154-B
HOME LOANS

LAURA RICHARDSON

Loan Number: []
Statement Date: January 22, 2007

Please write your loan number on your check.
Make check payable to Washington Mutual.

Please check here if change of address or telephone number is indicated on the reverse side of this form.

WASHINGTON MUTUAL
PO BOX 78148
PHOENIX AZ 85062-8148

Please allow 7-10 days for postal delivery.

Payment Due Date:	March 01, 2007
Current Payment:	\$ 4,227.98
Total Amount Due:	\$ 4,227.98
If Received After:	March 16, 2007
Total Amount Plus Late Charges:	\$ 4,481.66

Making Your Payment
Please write in any additional funds that you may be including with your payment. If you include additional funds and do not indicate how to apply them, we will apply them first to applicable advances, then to any fees due and then to principal.

Late Charges	+	_____
Additional Principal	+	_____
Additional Escrow	+	_____
Future Payments	+	_____
Total Amount Enclosed	=	_____

0000000 0000000 0000000 []

JPMC-001730
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Laura Richardson
8625 S. Parker St.
San Pedro, CA 90732

1302

4682

MARCH 1, 2009

Pay to the WALL #

\$ 8,704.64

Order of Edy Gonzalez Spain Maldonado Food Stores W4 1500 Dollars

xceedfinancial

300 XFCU 282 | XFDU 978

Standing Advantage

For JMC-FB 091

[Signature]

3/10/2009
payment

JPMC-001732
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ACCT # [REDACTED] JUST IN TIME EFT ON DEMAND ACH DRAFT SETUP 10/06/09
LAURA RICHARDSON [REDACTED] PC/CL/TP 0/AA/13 I/C: A01/458

000-00-0000 DUE DATE 04/01/09
MASTER TOT PYMT \$ 4885.20 L/C DUE \$ 1792.35 OTHER FEES \$ 32.55
INFO TOT DUE(007) \$ 36021.29 NSF DUE \$ 0.00 SUSP BAL \$ 3819.45
RE CA BAL \$ 152.70

HISTORY INFO: REC 02 OF 07 USER \$VR SERIAL 1565635296
HISTORY DATE: 11/14/08 EFFECTIVE DATE: 11/14/08
WITHDRAWAL AMOUNT \$ 4364.32 JIT FEE 12.00 SOURCE V

----- JIT DRAFT INPUT -----
SOURCE C C=CUST CALL S=SERVICER CALL B=BANK DATA ONLY M=IMPORT DATA ONLY
D=DELETE PREVIOUS JIT - SERIAL TO DELETE -----
PER/BUS P CHECK NO ----- FULL MICR LINE -----

RTN # [REDACTED] ACCT # [REDACTED] ACCT TYPE C (C=CHECK, S=SAVINGS)
BANK NAME -----

NAME ON ACCT LAURA RICHARDSON (LAST NAME, FIRST NAME)

OVR STOPS N (Y/N) GENERATE PYMT TRAN FEED Y (Y/N) PAPER DRAFT N (Y/N)
-----* ADDITIONAL MESSAGES *-----

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LIFE-OF-LOAN: LEGAL ACTION: COMPLEX LITIGATION
LOSS MIT IND = 8 LOSS ANALYSIS COMP COMPLETED LOSS MITIGATION

JPMC-001733
CONFIDENTIAL

JUST IN TIME EFT ON DEMAND ACH DRAFT SETUP 10/06/09
LAURA RICHARDSON PC/CL/TP 0/AA/13 I/C: A01/458
000-00-0000 DUE DATE 04/01/09
MASTER TOT PYMT \$ 4885.20 L/C DUE \$ 1792.35 OTHER FEES \$ 32.55
INFO TOT DUE(007) \$ 36021.29 NSF DUE \$ 0.00 SUSP BAL \$ 3819.45
RE CA BAL \$ 152.70

HISTORY INFO: REC 03 OF 07 USER H10 SERIAL 1565580015
HISTORY DATE: 10/15/08 EFFECTIVE DATE: 10/15/08
WITHDRAWAL AMOUNT \$ 4423.02 JIT FEE 15.00 SOURCE C

----- JIT DRAFT INPUT -----
SOURCE C C=CUST CALL S=SERVICER CALL B=BANK DATA ONLY M=IMPORT DATA ONLY
D=DELETE PREVIOUS JIT - SERIAL TO DELETE -----
PER/BUS P CHECK NO FULL MICR LINE -----

RTN # ACCT # ACCT TYPE C (C=CHECK, S=SAVINGS)
BANK NAME -----

NAME ON ACCT RICHARDSON LAURA (LAST NAME, FIRST NAME)

OVR STOPS N (Y/N) GENERATE PYMT TRAN FEED Y (Y/N) PAPER DRAFT N (Y/N)
-----* ADDITIONAL MESSAGES *-----

PRESS PF14 FOR MEMOS
LIFE-OF-LOAN: LEGAL ACTION: COMPLEX LITIGATION
LOSS MIT IND = 8 LOSS ANALYSIS COMP COMPLETED LOSS MITIGATION

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3.1.2 0729942453 JUST IN TIME EFT ON DEMAND ACH DRAFT SETUP 10/06/09
LAURA RICHARDSON [] PC/CL/TP 0/AA/13 I/C: A01/458
000-00-0000 DUE DATE 04/01/09 []
MASTER TOT PYMT \$ 4885.20 L/C DUE \$ 1792.35 OTHER FEES \$ 32.55
INFO TOT DUE(007) \$ 36021.29 NSF DUE \$ 0.00 SUSP BAL \$ 3819.45
RE CA BAL \$ 152.70

HISTORY INFO: REC 04 OF 07 USER I9C SERIAL 1564723145
HISTORY DATE: 10/13/07 EFFECTIVE DATE: 10/31/07
WITHDRAWAL AMOUNT \$ 12015.00 JIT FEE 15.00 SOURCE C

----- JIT DRAFT INPUT -----
SOURCE C C=CUST CALL S=SERVICER CALL B=BANK DATA ONLY M=IMPORT DATA ONLY
D=DELETE PREVIOUS JIT - SERIAL TO DELETE -----
PER/BUS P CHECK NO ----- FULL MICR LINE -----

RTN # [] ACCT # [] ACCT TYPE C (C=CHECK, S=SAVINGS)
BANK NAME -----

NAME ON ACCT RICHARDSON LAURA (LAST NAME, FIRST NAME)

OVR STOPS N (Y/N) GENERATE PYMT TRAN FEED Y (Y/N) PAPER DRAFT N (Y/N)
-----* ADDITIONAL MESSAGES *-----

PRESS PF14 FOR MEMOS
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ACCT 0729942433 JUST IN TIME EFT ON DEMAND ACH DRAFT SETUP 10/06/09
LAURA RICHARDSON PC/CL/TP 0/AA/13 I/C: A01/458
000-00-0000 DUE DATE 04/01/09
MASTER TOT PYMT \$ 4885.20 L/C DUE \$ 1792.35 OTHER FEES \$ 32.55
INFO TOT DUE(007) \$ 36021.29 NSF DUE \$ 0.00 SUSP BAL \$ 3819.45
RE CA BAL \$ 152.70

HISTORY INFO: REC 05 OF 07 USER W26 SERIAL 1564559576

HISTORY DATE: 08/10/07 EFFECTIVE DATE: 08/10/07

WITHDRAWAL AMOUNT \$ 6315.00 JIT FEE 15.00 SOURCE C

----- JIT DRAFT INPUT -----

SOURCE C C=CUST CALL S=SERVICER CALL B=BANK DATA ONLY M=IMPORT DATA ONLY
D=DELETE PREVIOUS JIT - SERIAL TO DELETE -----

PER/BUS P CHECK NO ----- FULL MICR LINE -----

RTN # [] ACCT # [] ACCT TYPE C (C=CHECK, S=SAVINGS)
BANK NAME -----

NAME ON ACCT RICHARDSON LAURA (LAST NAME, FIRST NAME)

OVR STOPS N (Y/N) GENERATE PYMT TRAN FEED Y (Y/N) PAPER DRAFT N (Y/N)

-----* ADDITIONAL MESSAGES *-----

PRESS PF14 FOR MEMOS

LIFE-OF-LOAN: LEGAL ACTION: COMPLEX LITIGATION

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3.57 0709792433 JUST IN TIME EFT ON DEMAND ACH DRAFT SETUP 10/06/09
LAURA RICHARDSON PC/CL/TP 0/AA/13 I/C: A01/458
000-00-0000 DUE DATE 04/01/09
MASTER TOT PYMT \$ 4885.20 L/C DUE \$ 1792.35 OTHER FEES \$ 32.55
INFO TOT DUE(007) \$ 36021.29 NSF DUE \$ 0.00 SUSP BAL \$ 3819.45
RE CA BAL \$ 152.70

HISTORY INFO: REC 06 OF 07 USER (VR SERIAL 1564342001
HISTORY DATE: 05/16/07 EFFECTIVE DATE: 05/16/07
WITHDRAWAL AMOUNT \$ 4239.98 JIT FEE 12.00 SOURCE V
----- JIT DRAFT INPUT -----
SOURCE C C=CUST CALL S=SERVICER CALL B=BANK DATA ONLY M=IMPORT DATA ONLY
D=DELETE PREVIOUS JIT - SERIAL TO DELETE -----
PER/BUS P CHECK NO ----- FULL MICR LINE -----

RTN # [] [] [] [] ACCT # [] [] [] [] ACCT TYPE C (C=CHECK, S=SAVINGS)
BANK NAME -----

NAME ON ACCT RICHARDSON LAURA (LAST NAME, FIRST NAME)

OVR STOPS N (Y/N) GENERATE PYMT TRAN FEED Y (Y/N) PAPER DRAFT N (Y/N)
-----* ADDITIONAL MESSAGES *-----

PRESS PF14 FOR MEMOS
LIFE-OF-LOAN: LEGAL ACTION: COMPLEX LITIGATION
LOSS MIT IND = 8 LOSS ANALYSIS COMP COMPLETED LOSS MITIGATION

JPMC-001737
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AF02 01299.2 33 JUST IN TIME EFT ON DEMAND ACH DRAFT SETUP 10/06/09
LAURA RICHARDSON PC/CL/TP 0/AA/13 I/C: A01/458
000-00-0000 DUE DATE 04/01/09
MASTER TOT PYMT \$ 4885.20 L/C DUE \$ 1792.35 OTHER FEES \$ 32.55
INFO TOT DUE(007) \$ 36021.29 NSF DUE \$ 0.00 SUSP BAL \$ 3819.45
RE CA BAL \$ 152.70

HISTORY INFO: REC 07 OF 07 USER LLP SERIAL 1564260378
HISTORY DATE: 04/16/07 EFFECTIVE DATE: 04/16/07
WITHDRAWAL AMOUNT \$ 4242.98 JIT FEE 15.00 SOURCE C

----- JIT DRAFT INPUT -----
SOURCE C C=CUST CALL S=SERVICER CALL B=BANK DATA ONLY M=IMPORT DATA ONLY
D=DELETE PREVIOUS JIT - SERIAL TO DELETE -----
PER/BUS P CHECK NO ----- FULL MICR LINE -----

RTN # [] ACCT # [] ACCT TYPE C (C=CHECK, S=SAVINGS)
BANK NAME -----

NAME ON ACCT RICHARDSON LAURA (LAST NAME, FIRST NAME)

OVR STOPS N (Y/N) GENERATE PYMT TRAN FEED Y (Y/N) PAPER DRAFT N (Y/N)

-----* ADDITIONAL MESSAGES *-----

PRESS PF14 FOR MEMOS

LIFE-OF-LOAN: LEGAL ACTION: COMPLEX LITIGATION

LOSS MIT IND = 8 LOSS ANALYSIS COMP COMPLETED LOSS MITIGATION

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Tasha A Siedzik

From: Woodcock, Wendy A.
Sent: Tuesday, May 27, 2008 5:07 PM
To: Samuel, Susan L.; Bach, Ed
Cc: Siedzik, Tasha A.; Anderton, Mahala L.
Subject: RE: Richardson Coverage: Calculated Risk Blog

Loan Number [redacted]

Wendy Woodcock, VP
Division Manager
Homeownership Preservation Dept.
904 886-1309 ph
904 886-1325 fax

-----Original Message-----

From: Samuel, Susan L.
Sent: Tuesday, May 27, 2008 4:07 PM
To: Bach, Ed; Woodcock, Wendy A.
Cc: Siedzik, Tasha A.; Anderton, Mahala L.
Subject: FW: Richardson Coverage: Calculated Risk Blog
Importance: High

Ed, Could you please help me gather this information today so Steve could share with Schneider and Hyde?

Wendy, as you have been actively working on this case could you please provide the loan #?

My thanks,
Susan Samuel
Executive Assistant
National Default

Washington Mutual
7301 Baymeadows Way, JAXB3182
Jacksonville, FL 32256

904-886-6251 direct,
susan.samuel@wamu.net

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-----Original Message-----

From: Champney, Steven D.
Sent: Tuesday, May 27, 2008 3:55 PM
To: Samuel, Susan L.
Subject: Fw: Richardson Coverage: Calculated Risk Blog

Make sure tara is chasing this down

Sent from my BlackBerry Wireless Handheld

----- Original Message -----

From: Schneider, David C.
To: Gaugl, Sara C.
Cc: Champney, Steven D.; Hyde, Arlene M.
Sent: Tue May 27 12:45:30 2008
Subject: RE: Richardson Coverage: Calculated Risk Blog

Can you get me the information on the original loan? Today please.

You can have this done by the channel that originated the deal.

ds

From: Gaugl, Sara C.
Sent: Tuesday, May 27, 2008 12:31 PM
To: Schneider, David C.; Berens, John; Champney, Steven D.
Cc: Thorn, Ann; Owen, Jan L.; Elias, Alan
Subject: Richardson Coverage: Calculated Risk Blog

All:

As expected, coverage on Congresswoman Richardson's financial situation has continued to evolve after it was reported on Friday that she has defaulted on other loans -- including her primary residence. I'm forwarding the blog posting embedded below in particular, as it reflects the current viewpoint among other journalists and links to key articles/postings published to date.

- Sara

UPDATED: A Congressional Speculator? – Calculated Risk by Tanta
<http://calculatedrisk.blogspot.com/2008/05/congressional-speculator.html>

This is an update to post below on Rep. Laura Richardson's foreclosure woes.

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--Real estate industry professionals have given her \$39,500 in campaign contributions in the current election cycle, according to Open Secrets.

No wonder she's blaming the lender.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct |      ell sara.gaugl@wamu.net

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Tasha A Siedzik

From: Samuel, Susan L.
Sent: Tuesday, May 27, 2008 4:33 PM
To: Bach, Ed
Cc: Woodcock, Wendy A.; Siedzik, Tasha A.; Anderton, Mahala L.
Subject: RE: Richardson Coverage: Calculated Risk Blog

David, didn't send his request to Sara. He sent it to our boss and Arlene. I've reached out and left a couple messages for Sara. Hoping I'll hear from her soon.

Susan Samuel

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Cc: Siedzik, Tasha A.; Anderton, Mahala L.
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Susan,

I dont want to do work that is already being done. Is Sara as David asked going to the channel to get the information? All we are going to be able to provide is the channel that originated, value etc. I would recommend calling Sara first.

Ed Bach, FVP
National Manager
Customer Interaction Center
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Washington Mutual
7255 Baymeadows Way - JaxA3000
Jacksonville, FL 32256

904.886.5928 direct
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Sent from my BlackBerry Wireless Handheld

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You can have this done by the channel that originated the deal.

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embedded below in particular, as it reflects the current viewpoint among other journalists and links to key articles/postings published to date.

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Susan Samuel
Executive Assistant
National Default

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Gene Maddaus of the Daily Breeze <http://www.dailybreeze.com/ci_9366061> kindly forwarded today's additions to the saga. There are not two, but three homes owned by Richardson in foreclosure. And yes, she appears to have cashed out her primary residence back in 2006 to fund her campaign for State Assembly. So it looks like a pattern.

* * * * *

I have been watching the story of Representative Laura Richardson and her foreclosure woes for a while now, while heretofore hesitating to post on it. For one thing, the original story--a member of Congress losing her expensive second home to foreclosure--had that kind of celebrity car-crash quality to it that I'm not especially interested in for the purposes of this blog. For another thing, posting about anything even tangentially related to politics invites the kind of comments that personally bore me to tears.

All that is still true, but the story has taken such an unfortunate turn that I feel obligated to weigh in on it. Specifically, Rep. Richardson is threatening us <http://origin.mercurynews.com/breakingnews/ci_9363126> :

Rather than shy away from voting on mortgage-related bills, Richardson said her experiences could help her craft legislation to make sure others don't experience what she did. For example, she sees a need to add steps to inform property owners before their property can be sold.

"We have to ensure that lenders and lendees have the tools with proper timing to resolve this," she said.

If Rep. Richardson is going to base legislative proposals on her own experience, then it matters to the rest of us what that experience was. So click the link below if you can stand to hear about it.

* * * * *

The story was originally reported in the Sacramento Capitol Weekly <http://www.capitolweekly.net/article.php?_adctlid=v%7Cjq2q43wvsl855o%7Cx4vss673luskip&issueId=x4tyolqkrlw0m0&xid=x4ptlrmv0w0r6x> , and picked up by the Wall Street Journal <<http://blogs.wsj.com/developments/2008/05/22/congresswomans-home-sold-in-foreclosure-auction/>> , and thence covered by a number of blogs, with the storyline being that Rep. Richardson "walked away" from her home, a second home she purchased in Sacramento after being elected to the State Assembly. The "walk away" part came from a remark made by the real estate investor who purchased the home at the foreclosure auction, not Rep. Richardson or anyone who could be expected to understand her financial situation, but that didn't stop the phrase "walk away" from headlining <<http://globeconomicanalysis.blogspot.com/2008/05/congresswoman-walks-away.html>> blog

<<http://optionarmageddon.blogspot.com/2008/05/update-on-walk-away-congresswoman.html>> posts
<<http://latimesblogs.latimes.com/laland/2008/05/buyer-of-rep-la.html>> .

Rep. Richardson has variously claimed at different times that the house was not in foreclosure, that she had worked out a modification with the lender, and that the lender improperly foreclosed after having agreed to accept her payments. Frankly, unless and until Rep. Richardson gives her lender, Washington Mutual, permission to tell its side of the story-- I'm not holding my breath on that--we're unlikely to be able to sort out this mess of claims to my satisfaction, at least.

It's possible that WaMu screwed this up--that it accepted payments on a workout plan with the understanding that foreclosure was "on hold" and then sold the property at auction the next week anyway. It's possible that Richardson's version of what went on is muddled, too. Without some more hard information I'm not inclined to assume the servicer did most of the screwing up, if for no other reason that we didn't find out until late yesterday, courtesy of the L.A. Land & Foreclosure Truth blogs, that Richardson's other home--her primary residence--was also in foreclosure proceedings as recently as March of this year, a detail that as far as I can tell Richardson never disclosed in all the previous discussion of the facts surrounding the foreclosure of her second home.

What part of this I am most interested in, right now, is the question of what in the hell exactly Richardson was thinking when she bought the Sacramento home in the first place. Since the story is quite complex, let's get straight on a few details. Richardson was a Long Beach City Council member who was elected to the state legislature in November of 2006. In January of 2007 she purchased a second home in Sacramento, presumably to live in during the Assembly session. In April 2007, the U.S. Congressional Representative from Richardson's district died, and Richardson entered an expensive race for that seat, winning in a special election in August of 2007. By December 2007 the Sacramento home was in default, and it was foreclosed in early May of 2008. The consensus in the published reports seems to be that Richardson spent what money she had on her campaign, not her bills.

According to the AP <http://origin.mercurynews.com/breakingnews/ci_9363126> : Richardson, 46, makes nearly \$170,000 as a member of Congress and was paid \$113,000 during the eight months she served in the state Assembly in 2007 before her election to Congress. She also received a per diem total of \$20,000 from California, according to a financial disclosure form she filed with the House of Representatives clerk.

It seems to me that all this focus on what happened after she bought the Sacramento home--running for the suddenly-available Congressional seat, changing jobs, etc.--is obscuring the issue of the original transaction.

In November of 2006, Richardson already owned a home in Long Beach. As a newly-elected state representative, she would have been required to maintain her principal residence in her district, but she would also have had to make some arrangements for staying in Sacramento during Assembly sessions, given the length of the commute from L.A. County to the state capitol. She seems to have told the AP reporter that "Lawmakers are required to maintain two residences while other people don't have to," which is not exactly the way I'd have put it. Lawmakers are required to maintain one primary residence (which need not be owned) in their district. They are not required to buy a home at the capitol (of California or the U.S.); many legislators do rent. Richardson is a single woman with no children, yet she felt "required" to purchase a 3-bedroom, 1 1/2 bathroom home in what sounds like one of Sacramento's pricier neighborhoods for \$535,500, with no downpayment and with \$15,000 in closing cost contributions from the property seller. (The NAR median price in Sacramento in the first quarter of 2007 was \$365,300 <http://www.usatoday.com/money/economy/housing/2008-05-13-q1-homeprices_N.htm> .)

I have no idea what loan terms Richardson got for a 100% LTV second home purchase in January 2007, but I'm going to guess that if she got something like a 7.00% interest only loan (without additional mortgage insurance), she got a pretty darn good deal. If she got that good a deal, her monthly interest payment would have been \$3123.75. Assuming taxes and insurance of 1.50% of the property value, her total payment would have been \$3793.13.

The AP reports that Richardson's salary as a state representative was \$113,000 in 2007, and she received \$20,000 in per diem payments (which are, of course, intended to offset the additional expense of traveling to and staying in the Capitol during sessions). I assume the per diem is non-taxable, so I'll gross it up to \$25,000. That gives me an annual income of \$138,000 or a gross monthly income of \$11,500.

The total payment on the second home, then, with my sunny assumptions about loan terms, comes to 33% of Richardson's gross income. I have no idea what the payment is for her principal residence in Long Beach. I have no idea what other debt she might have. I am ignoring her congressional race and job changes and all that because at the point she took out this mortgage, that was all in the future and Richardson didn't know that the incumbent would die suddenly and all that. I'm just trying to figure out what went through this woman's mind when she decided it was a wise financial move to spend one-third of her pre-tax income on a second home. (There's no point trying to figure out what went through the lender's mind at the time. There just isn't.)

Now, Richardson has this http://origin.mercurynews.com/breakingnews/ci_9363126 to say about herself: "I'm Laura Richardson. I'm an American, I'm a single woman who had four employment changes in less than four months," Richardson told the AP. "I had to figure out just like every other American how I could restructure the obligations that I had with the income I had."

Yeah, well, I'm Tanta, I'm an American, I'm a single woman, and I say you're full of it. You need to show us what your plan for affording this home was before the job changes, girlfriend. You might also tell me why you felt you needed such an expensive second home when you had no money to put down on it or even to pay your own closing costs. As it happens, the Mercury News/AP http://www.mercurynews.com/breakingnews/ci_9337389?nclick_check=1 reported that by June of 2007--five months after purchase--you had a lien filed for unpaid utility bills. You didn't budget for the lights?

But what are we going to get? We're going to get Richardson all fired up in Congress about tinkering with foreclosure notice timing, which is last I knew a question of state, not federal, law, and which has as far as I can see squat to do with why this loan failed.

Quite honestly, if WaMu did give Richardson some loan modification deal, I'd really like to know what went through the Loss Mit Department's collective and individual minds when they signed off on that. Sure, Richardson's salary went up to \$170,000 when she became a member of the U.S. Congress, but what does she need a home in Sacramento for after that? Where's she going to live in Washington, DC? And, well, her principal residence was also in the process of foreclosure at the same time. I suppose I might have offered a short sale or deed-in-lieu here, but a modification? Why would anybody do that? Because she's a Congresswoman?

I'm quite sure Richardson wants to be treated like just a plain old American and not get special treatment. Well, I was kind of hard on a plain old American the other day who wrote a "hardship letter" <http://calculatedrisk.blogspot.com/2008/05/how-not-to-write-hardship-letter.html> that didn't pass muster with me. I feel obligated to tell Richardson that she sounds like a real estate speculator who bought a home she obviously couldn't afford, defaulted on it, and now wants WaMu to basically subsidize her Congressional campaign by lowering her mortgage payment or forgiving debt. And that's . . . disgusting. At the risk of sounding like Angelo.

I know some of you are thinking that maybe poor Ms. Richardson got taken advantage of by some fast-talking REALTOR who encouraged her to buy more house than she could afford.

According to Pete Viles at L.A. Land <http://latimesblogs.latimes.com/laland/2008/05/us-rep-laura-ri.html>, She likes the Realtors, and they like her. She filed financial disclosure forms with the House Ethics Committee reporting the National Assn. of Realtors flew her to Las Vegas in November to help swear in the new president of the association, Realtor Dick Gaylord of Long Beach.

In suggested remarks* at the NAR gathering, also filed with the House, Richardson's script read: "I might be one of the newest members of Congress but I am not a new member of the REALTOR Party. When I needed help to win a tough primary, REALTORS stood up and backed me even though I was the underdog."

--Real estate industry professionals have given her \$39,500 in campaign contributions in the current election cycle, according to Open Secrets.

No wonder she's blaming the lender.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | ☎ ☎ ☎ ☎ | cell sara.gaugl@wamu.net

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Tasha A Siedzik

From: Champney, Steven D.
Sent: Wednesday, May 21, 2008 1:49 PM
To: Siedzik, Tasha A.; GM Default Executive Response
Cc: Anderton, Mahala L.; Kallner, Brad
Subject: FW: Research Needed: Congresswoman Richardson/Foreclosure

Importance: High

Tasha, this one came from our Wamu Media liason. I'd like Brad to respond back to Sara, but please add to your reporting list.

Steven Champney, SVP

-----Original Message-----

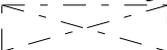
From: Gaugl, Sara C.
Sent: Wednesday, May 21, 2008 1:24 PM
To: Kallner, Brad
Cc: Champney, Steven D.; Berens, John; Owen, Jan L.; Elias, Alan
Subject: Research Needed: Congresswoman Richardson/Foreclosure
Importance: High

Brad -

Please see the article embedded below for more detail, but long story short, Congresswoman Laura Richardson appears to have defaulted on her WaMu loan (second home) and on March 19, a notice was filed with the county that her property would be sold at auction.

Congresswoman Richardson initially declined to comment, however, Jan Owen has learned from the Congresswoman that she plans to communicate to The Washington Post that she has established a repayment plan with WaMu.

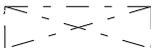
Would you please look into Congresswoman Richardson's situation as soon as possible so that we understand the facts?

Her loan number is 

Many thanks,

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct |  cell sara.gaugl@wamu.net

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-----Original Message-----

From: Owen, Jan L.
Sent: Wednesday, May 21, 2008 8:36 AM
To: Riley, Olivia; Gaugl, Sara C.; Gaspard, Scott; Watson, Alison
Subject: Fw: Capitol Weekly -- "Foreclosure tale shows that nobody is immune from crisis"

Here we go. I am in meeting and will call in a minute.

----- Original Message -----

From: Kevin Gould <[redacted]>
To: FSIR Meeting Group <[redacted]>
Sent: Wed May 21 08:01:35 2008
Subject: Capitol Weekly -- "Foreclosure tale shows that nobody is immune from crisis"

Foreclosure tale shows that nobody is immune from crisis

By Anthony York (published Tuesday, May 20, 2008)

As the real estate market softened in 2007, the new owner of a three-bedroom, 1,600-square-foot house in Sacramento's Curtis Park neighborhood ran into trouble. The house that was purchased for \$535,000 in January had lost equity. The owner fell behind in her payments, and eventually, the bank seized the home.

What makes this story different from the thousands like it is that the owner of this house was a member of Congress.

The story of the foreclosure of Long Beach Democrat Laura Richardson's Sacramento home is a tale of a real estate market gone sour. It is also an illustration of how far many candidates will go to seek elected office, even if it means quite literally mortgaging their own financial future.

While being elevated to Congress in a 2007 special election, Richardson apparently stopped making payments on her new Sacramento home, and eventually walked away from it, leaving nearly \$600,000 in unpaid loans and fees.

Richardson's decision to let the house slip into foreclosure was set in motion by an unlikely chain of events, only some of which had to do with Sacramento's crumbling real estate market. Richardson was elected to the Assembly in November 2006, and purchased her new capital home two months later. But in April 2007, Rep. Juanita Millender-McDonald succumbed to cancer, creating a Congressional vacancy in Richardson's district.

Richardson declared her candidacy for the seat, and soon found herself locked in a hotly contested, and very expensive race for Congress against state Sen. Jenny Oropeza, D-Long Beach.

While her campaign heated up, Richardson's house slipped into default. Richardson fell behind on her mortgage payments as she loaned her Congressional campaign \$60,000 – money that has begun to be paid back to Richardson personally from her campaign account, according to records from the Center for Responsive Politics.

Richardson's opponent, Oropeza, loaned herself \$115,000 for her run against Richardson. Oropeza's Congressional committee still shows nearly \$200,000 in debt.

Richardson declined to comment for this story.

But tax records at the Sacramento County assessor's office show that in January 2007, Richardson took out a mortgage for the entire sale price of the house -- \$535,000. The mortgage amount was equal to the sale price of the home, meaning she was able to buy the house without a down payment, even though the housing market was beginning to turn.

A March 19, 2008 notice of trustee's sale indicates that the unpaid balance of Richardson's loan, which is held by Washington Mutual, is more than \$578,000 --\$40,000 more than the original mortgage.

The Curtis Park house is not Richardson's primary residence. She also owns a four-bedroom house in Long Beach, in her Congressional district. Real estate records show she purchased that house in 1999 for \$135,000. An estimate from Zillow.com puts the current value of that house at \$474,000

Like many homes that have gone through foreclosure, Richardson's new residence quickly became an eyesore. With Richardson gone, upkeep on the home lapsed, and neighbors began to get angry.

"The neighbors are extremely unhappy with her," said Sharon Helmar, who sold the home to Richardson. "She didn't mow the lawn or take out the garbage while she was there. We lived there for a long time, 30 years, and we had to hide our heads whenever we came back to the neighborhood."

Helmar and her husband, Mark, sold the Curtis Park home to Richardson because Sharon's arthritis required the couple to move into a one-story house. With the area's real estate market slowing down, the house remained on the market for months, and the Helmars, who lived in the house for more than 30 years, were getting desperate to sell.

Helmar said that she has never met Richardson personally, but dealt with Richardson through her realtor. The Helmars wound up giving Richardson \$15,000 toward closing costs, she said.

And she is still angry over what happened to a home that clearly she never really wanted to leave. "It's kind of silly. You would think people who are making decisions for others would be able to make good decisions for themselves," she said. "She should have known what she could afford and not afford. In this neighborhood, you just don't do that."

While Richardson walked away from her loan, she bested Oropeza in a June special election, and moved on to Congress. As a member of Congress, Richardson has been asked to vote on legislation pertaining to the spike in foreclosures around the country.

On the biggest pieces of legislation having to do with government bailouts for people whose homes have entered foreclosure, Richardson has recused herself. She did not vote on legislation by Rep. Barney Frank, D-Mass, which would direct \$2.7 billion in government funds to help an estimated 500,000 homeowners who are at risk of foreclosure.

Richardson also did not vote on a measure by Rep. Maxine Waters, D-Los Angeles, that would give local governments \$15 billion to purchase, rehab and resell foreclosed properties.

While Richardson walked away from her bank loan, she has begun to pay herself back for the money she personally invested in her initial race. Records show that Richardson spent \$587,000 out of her Congressional campaign committee since declaring her Congressional candidacy through March of this year. Of those expenditures, Richardson has spent \$18,000 of that money to begin repaying herself for the money Richardson loaned to her campaign.

According to documents at the Sacramento County Clerk's office, Richardson first received a default notice in late 2007. By December 2007, less than a year after Richardson purchased the house, she was behind in her payments by more than \$18,000.

Three months later, on March 19, a notice was filed with the county that Richardson's property would be sold at auction. According to the documents, the unpaid balance and other charges Richardson owed the bank was \$587,384.

From: Thorn, Ann
Sent: Tuesday, February 03, 2009 11:31:02 AM
To: Battaglia, Paul J.; Owen, Jan L.; Gaugl, Sara C.; Cook, Don
Subject: Richardson Meeting

I have a meeting with Laura Richardson today at 4:00. I do not know what it is regarding.....

*Ann Thorn, FVP
National Asset Recovery Manager
WaMu, now part of JP Morgan Chase
office: 904-462- 
cell: 414-418- *

For Internal Use Only

From: Thorn, Ann <ann.thorn@wamu.net>
Sent: Friday, January 30, 2009 3:06 PM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>; Mathis, Julie A. <julie.mathis@wamu.net>; Gaugl, Sara C. <sara.gaugl@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>
Cc: Cook, Don <don.cook@wamu.net>
Subject: RE: Conference Call with Laura Richardson

REDACTED

Everyone have a nice weekend.

*Ann Thorn, FVP
National Asset Recovery Manager
WaMu, now part of JP Morgan Chase
office: 904-462-2150
cell: [REDACTED]*

For Internal Use Only

From: Battaglia, Paul J.
Sent: Friday, January 30, 2009 10:28 AM
To: Thorn, Ann; Mathis, Julie A.; Gaugl, Sara C.; Owen, Jan L.
Cc: Cook, Don
Subject: RE: Conference Call with Laura Richardson

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
JPMorgan Chase Bank, National Association
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-[REDACTED]
Fax: 206-377-[REDACTED]

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From: Thorn, Ann
Sent: Friday, January 30, 2009 5:28 AM
To: Mathis, Julie A.; Gaugl, Sara C.; Owen, Jan L.; Battaglia, Paul J.
Subject: RE: Conference Call with Laura Richardson

REDACTED

*Ann Thorn, FVP
National Asset Recovery Manager
WaMu, now part of JP Morgan Chase
office: 904-462-2150
cell: 414-418-8174*

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From: Mathis, Julie A.
Sent: Friday, January 30, 2009 8:26 AM
To: Thorn, Ann; Gaugl, Sara C.; Owen, Jan L.; Battaglia, Paul J.
Subject: RE: Conference Call with Laura Richardson

REDACTED

Thanks,

Julie

Julie Mathis, VP
Department Manager
Loss Mitigation
Home Loans

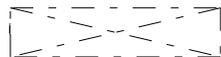
WaMu, now backed by the strength of JPMorgan Chase
7255 Baymeadows Way, JAXA2000
Jacksonville, FL 32256

904.886.1305 direct, 904. 886.1325 fax
julie.mathis@wamu.net

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From: Thorn, Ann
Sent: Friday, January 30, 2009 7:57 AM
To: Gaugl, Sara C.; Mathis, Julie A.; Owen, Jan L.; Battaglia, Paul J.
Subject: FW: Conference Call with Laura Richardson

Happy Friday Everyone!!!!



Julie, what is the status of her loan?

*Ann Thorn, FVP
National Asset Recovery Manager
WaMu, now part of JP Morgan Chase
office: 904-462-2150
cell: [redacted]*

For Internal Use Only

From: Austin, Daysha [mailto:[redacted]]
Sent: Thursday, January 29, 2009 6:09 PM
To: Thorn, Ann
Subject: Conference Call with Laura Richardson

Hi Ann, are you available to speak with Laura Richardson? If so, what time can she call you?

Daysha Austin

U.S. Representative Laura Richardson (D-CA)

100 W. Broadway, Suite 600

(562) 436-3828 Phone

(562) 437-6434 Fax

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From: Battaglia, Paul J. <paul.battaglia@wamu.net>
Sent: Friday, January 30, 2009 10:28 AM
To: Thorn, Ann <ann.thorn@wamu.net>; Mathis, Julie A. <julie.mathis@wamu.net>; Gaugl, Sara C. <sara.gaugl@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>
Cc: Cook, Don <don.cook@wamu.net>
Subject: RE: Conference Call with Laura Richardson

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
JPMorgan Chase Bank, National Association
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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From: Thorn, Ann
Sent: Friday, January 30, 2009 5:28 AM
To: Mathis, Julie A.; Gaugl, Sara C.; Owen, Jan L.; Battaglia, Paul J.
Subject: RE: Conference Call with Laura Richardson

REDACTED

*Ann Thorn, FVP
National Asset Recovery Manager
WaMu, now part of JP Morgan Chase
office: 904-462-2150
cell:* 

For Internal Use Only

From: Mathis, Julie A.
Sent: Friday, January 30, 2009 8:26 AM
To: Thorn, Ann; Gaugl, Sara C.; Owen, Jan L.; Battaglia, Paul J.
Subject: RE: Conference Call with Laura Richardson

REDACTED

Thanks,

Julie

Julie Mathis, VP
Department Manager
Loss Mitigation
Home Loans

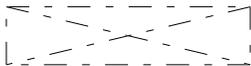
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904.886.1305 direct, 904. 886.1325 fax
julie.mathis@wamu.net

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Sent: Friday, January 30, 2009 7:57 AM
To: Gaugl, Sara C.; Mathis, Julie A.; Owen, Jan L.; Battaglia, Paul J.
Subject: FW: Conference Call with Laura Richardson

Happy Friday Everyone!!!!



Julie, what is the status of her loan?

*Ann Thorn, FVP
National Asset Recovery Manager
WaMu, now part of JP Morgan Chase
office: 904-462-2150
cell:* 

For Internal Use Only

From: Austin, Daysha [mailto:
Sent: Thursday, January 29, 2009 6:09 PM
To: Thorn, Ann
Subject: Conference Call with Laura Richardson

Hi Ann, are you available to speak with Laura Richardson? If so, what time can she call you?

Daysha Austin

U.S. Representative Laura Richardson (D-CA)

100 W. Broadway, Suite 600

(562) 436-3828 Phone

(562) 437-6434 Fax

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From: Mathis, Julie A. <julie.mathis@wamu.net>
Sent: Friday, January 30, 2009 8:59 AM
To: Thorn, Ann <ann.thorn@wamu.net>; Gaugl, Sara C. <sara.gaugl@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>
Subject: RE: Conference Call with Laura Richardson

UPB from \$533,455.31 to \$597,330.76
new P&I \$4267.58, escrow \$84.74 total PITI \$4352.32
Amortization term 480, but maturity term 342
Interest rate 8.254 fixed

Thanks,

Julie

Julie Mathis, VP
Department Manager
Loss Mitigation
Home Loans

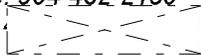
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julie.mathis@wamu.net

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From: Thorn, Ann
Sent: Friday, January 30, 2009 8:28 AM
To: Mathis, Julie A.; Gaugl, Sara C.; Owen, Jan L.; Battaglia, Paul J.
Subject: RE: Conference Call with Laura Richardson

What are the terms of her agreement again?

Ann Thorn, FVP
National Asset Recovery Manager
WaMu, now part of JP Morgan Chase
office: 904-462-2150
cell: 

For Internal Use Only

From: Mathis, Julie A.
Sent: Friday, January 30, 2009 8:26 AM
To: Thorn, Ann; Gaugl, Sara C.; Owen, Jan L.; Battaglia, Paul J.
Subject: RE: Conference Call with Laura Richardson

Ms. Richardson is due for her January payment. Sept, Oct, Nov and Dec pmts were made around the 15th of each month.

Thanks,

Julie

Julie Mathis, VP
Department Manager
Loss Mitigation
Home Loans

WaMu, now backed by the strength of JPMorgan Chase
7255 Baymeadows Way, JAXA2000
Jacksonville, FL 32256

904.886.1305 direct, 904. 886.1325 fax
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To: Gaugl, Sara C.; Mathis, Julie A.; Owen, Jan L.; Battaglia, Paul J.
Subject: FW: Conference Call with Laura Richardson

Happy Friday Everyone!!!!



Julie, what is the status of her loan?

Ann Thorn, FVP
National Asset Recovery Manager
WaMu, now part of JP Morgan Chase
office: 904-462-2150
cell: [redacted]

For Internal Use Only

From: Austin, Daysha [mailto:]
Sent: Thursday, January 29, 2009 6:09 PM
To: Thorn, Ann
Subject: Conference Call with Laura Richardson

Hi Ann, are you available to speak with Laura Richardson? If so, what time can she call you?

Daysha Austin

U.S. Representative Laura Richardson (D-CA)

100 W. Broadway, Suite 600

(562) 436-3828 Phone

(562) 437-6434 Fax

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From: Thorn, Ann <ann.thorn@wamu.net>
Sent: Friday, January 30, 2009 8:28 AM
To: Mathis, Julie A. <julie.mathis@wamu.net>; Gaugl, Sara C. <sara.gaugl@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>
Subject: RE: Conference Call with Laura Richardson

What are the terms of her agreement again?

Ann Thorn, FVP
National Asset Recovery Manager
WaMu, now part of JP Morgan Chase
office: 904-462-2150
cell: [REDACTED]

For Internal Use Only

From: Mathis, Julie A.
Sent: Friday, January 30, 2009 8:26 AM
To: Thorn, Ann; Gaugl, Sara C.; Owen, Jan L.; Battaglia, Paul J.
Subject: RE: Conference Call with Laura Richardson

Ms. Richardson is due for her January payment. Sept, Oct, Nov and Dec pmts were made around the 15th of each month.

Thanks,

Julie

Julie Mathis, VP
Department Manager
Loss Mitigation
Home Loans

WaMu, now backed by the strength of JPMorgan Chase
7255 Baymeadows Way, JAXA2000
Jacksonville, FL 32256

904.886.1305 direct, 904. 886.1325 fax
julie.mathis@wamu.net

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From: Thorn, Ann
Sent: Friday, January 30, 2009 7:57 AM
To: Gaugl, Sara C.; Mathis, Julie A.; Owen, Jan L.; Battaglia, Paul J.
Subject: FW: Conference Call with Laura Richardson

Happy Friday Everyone!!!!



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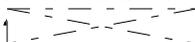
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From: Beth Ward <[REDACTED]>
Sent: Monday, September 22, 2008 2:13 PM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>
Cc: Martin T. McGuinn <[REDACTED]>
Subject: RE: Laura Richardson WMB WAS002-108
Attach: 006 WKBKY to MTM encl docs-keys 7-11-08.pdf

[REDACTED]

Beth Ward
Paralegal to Martin T. McGuinn,
& C. Colin Cossio
Kirby & McGuinn, A P.C.
600 B Street, Suite 1950
San Diego, CA 92101
Direct Line: (619) 398-7771
Direct Fax: (619) 398-7772

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-----Original Message-----

From: Battaglia, Paul J. [mailto:paul.battaglia@wamu.net]
Sent: Monday, September 22, 2008 11:02 AM
To: Beth Ward; Martin T. McGuinn
Subject: RE: Laura Richardson WMB WAS002-108

[REDACTED]

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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JPMC - 001773
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CSOC.RICH.003262

-----Original Message-----

From: Beth Ward
Sent: Tuesday, August 19, 2008 9:58 AM
To: Martin T. McGuinn; Woodcock, Wendy A.; Battaglia, Paul J.; Mathis, Julie A.
Subject: RE: Laura Richardson WMB WAS002-108

REDACTED

Beth Ward
Paralegal to Martin T. McGuinn,
Kenneth C. Noorigian
& C. Colin Cossio
Kirby & McGuinn, A P.C.
600 B Street, Suite 1950
San Diego, CA 92101
Direct Line: (619) 398-
Direct Fax: (619) 398-

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-----Original Message-----

From: Martin T. McGuinn
Sent: Tuesday, August 19, 2008 9:43 AM
To: Woodcock, Wendy A.; Battaglia, Paul J.; Mathis, Julie A.
Cc: Beth Ward
Subject: RE: Laura Richardson WMB WAS002-108

REDACTED

Martin T. McGuinn
Kirby & McGuinn, A P.C.
600 B Street, Ste. 1950
San Diego, CA 92101
mmcguinn@kirbyandmcguinn.com
Direct Dial: (619) 525-
Direct Fax: (619) 525-

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-----Original Message-----

From: Woodcock, Wendy A. [mailto:wendy.woodcock@wamu.net]

Sent: Tuesday, August 19, 2008 4:41 AM

To: Battaglia, Paul J.; Martin T. McGuinn; Mathis, Julie A.

Subject: RE: Laura Richardson

Importance: High

REDACTED

Wendy Woodcock, VP

Division Manager

Homeownership Preservation Dept.

904 886-h

904 886-ax

-----Original Message-----

From: Battaglia, Paul J.

Sent: Monday, August 18, 2008 7:32 PM

To: Woodcock, Wendy A.; 'Martin T. McGuinn'

Subject: Laura Richardson

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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-----Original Message-----

From: Parker, Gary L.
Sent: Monday, August 18, 2008 11:08 AM
To: Cook, Don; Owen, Jan L.; Battaglia, Paul J.
Subject: FW: SFGate: Calif. congresswoman's house a public nuisance

Fyi--

Gary Parker
Legal Department
Washington Mutual
1301 Second Ave.
Seattle, WA 98101
206.500 direct, 206.377 fax
gary.parker@wamu.net

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-----Original Message-----

From: Sledd, Charley
Sent: Monday, August 18, 2008 11:06 AM
To: Gaspard, Scott; Parker, Gary L.
Subject: SFGate: Calif. congresswoman's house a public nuisance

This may interest you, if you haven't already seen it. Charley

This article was sent to you by someone who found it on SFGate.
The original article can be found on SFGate.com here:
<http://www.sfgate.com/cgi-bin/article.cgi?file=/n/a/2008/08/15/state/n104012D91.DTL>

Friday, August 15, 2008 (AP)
Calif. congresswoman's house a public nuisance

(08-15) 16:26 PDT Sacramento, CA (AP) --

Sacramento city officials have declared a home owned by U.S. Rep. Laura Richardson a public nuisance and are threatening fines up to \$5,000 a month if she doesn't fix it up.

The Long Beach Democrat previously faced foreclosure on the home. Washington Mutual sold it at auction in May, but reversed the sale after Richardson complained she hadn't received proper notice.

The city's code enforcement department reported finding junk in the driveway and rotting fruit in the back yard that attracts rodents. Inspectors came after calls to police about a suspicious person there.

A spokesman for Richardson, William Marshall Jr., says the city sent the notice to the man who previously bought the house from the bank, not Richardson. He says Richardson will maintain the property once "full possession has been returned" to her.

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**WAGNER KIRKMAN BLAINE
KLOMPARENS & YOUMANS LLP**

Attorneys at Law

July 11, 2008

Martin T. McGuinn
Kirby & McGuinn, A.P.C.
600 B Street, Ste. 1950
San Diego, CA 92101

VIA FEDERAL EXPRESS

Re: *Red Rock Mortgage, Inc. v. Washington Mutual Bank et al.*
Our File No. []

Dear Mr. McGuinn:

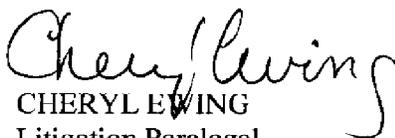
Pursuant to my telephone conversation with Beth, enclosed are the following documents: original initial page; original signature page; original Quitclaim Deed; and keys to the subject property.

This office will file the Request for Dismissal and Withdraw of Lis Pendens on Monday, July 14, 2008. We will send you an endorsed and confirmed copy immediately upon return by the court.

If you have any questions or need any additional information regarding the foregoing, please do not hesitate to contact me directly.

Very truly yours,

**WAGNER KIRKMAN BLAINE
KLOMPARENS & YOUMANS LLP**


CHERYL EWING

Litigation Paralegal
Enclosures

{13091.00000 / 00381335.DOC.1}

10640 Mather Blvd., Suite 200
Mather, CA 95655
(916) 920-5286 • FAX (916) 920-8608

967 Reserve Drive
Roseville, CA 95678
(916) 920-5286 • FAX (916) 920-8608

JPMC - 001778
CONFIDENTIAL
CSOC.RICH.003267

From: Battaglia, Paul J.
Sent: Monday, September 22, 2008 2:02 PM
To: 'Beth Ward' <[redacted]>; Martin T. McGuinn
<[redacted]>
Subject: RE: Laura Richardson WMB WAS002-108

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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From: Beth Ward <[redacted]>
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Subject: RE: Laura Richardson WMB WAS002-108

REDACTED

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mmcguinn@kirbyandmcguinn.com
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Importance: High

REDACTED

Wendy Woodcock, VP
Division Manager
Homeownership Preservation Dept.
904 886-1659 ph
904 886-1650 fax

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Sent: Monday, August 18, 2008 7:32 PM
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Subject: Laura Richardson

REDACTED

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Fyi--

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Legal Department
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Seattle, WA 98101
206.500.1 direct, 206.377 fax

gary.parker@wamu.net

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To: Gaspard, Scott; Parker, Gary L.
Subject: SFGate: Calif. congresswoman's house a public nuisance

This may interest you, if you haven't already seen it. Charley

This article was sent to you by someone who found it on SFGate.
The original article can be found on SFGate.com here:
<http://www.sfgate.com/cgi-bin/article.cgi?file=/n/a/2008/08/15/state/n104012D91.DTL>

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Calif. congresswoman's house a public nuisance

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A spokesman for Richardson, William Marshall Jr., says the city sent the notice to the man who previously bought the house from the bank, not Richardson. He says Richardson will maintain the property once "full possession has been returned" to her.

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From: Klein, Jason C.
Sent: Thursday, August 28, 2008 5:10:36 PM
To: Cook, Don; Battaglia, Paul J.; Stevens, Lawrence W.
Subject: Defaults.pdf

Attachments: Defaults.pdf

FYI – a *Chronicle* article about your favorite member of Congress ...



Defaults.pdf
(139 kB)

SFGate.com

Defaults seem unlikely to sink Rep. Richardson

Laura E. Davis, Associated Press

Sunday, August 24, 2008



(08-24) 04:00 PDT Long Beach --

Like many voters in this port city and the gritty urban areas of Rep. Laura Richardson's political turf, Johnetta Walker is disenchanted with the lawmaker whose meteoric rise has been marked with personal financial failures.

Richardson's ambitious one-year ascent from City Council to state Assembly to Congress gained national attention in May when one of her houses was sold in foreclosure, followed by news of several loan defaults.

"How can you be a leader of anything if you can't be a leader of your home?" asks Walker, a bus driver who lives in Compton (Los Angeles County), a working-class city in Richardson's district.

Walker says she won't vote for Richardson in November, but her effort will most likely be in vain. A disorganized field of last-minute challengers and no recall option means there's little angered constituents can do to unseat the financially troubled Democrat.

After news came out about the foreclosure and sale of Richardson's Sacramento home, which she bought in January 2007 after winning a seat in the state Assembly, a pattern of years of financial irresponsibility emerged.

A few days before the June primary, the Long Beach Press-Telegram reported that Richardson, who won her House seat last year in a special election, had been issued multiple defaults on two Southern California homes. Five of those occurred in the previous 13 months, when Richardson was using \$177,500 of her own money to finance her political career.

Despite a challenger's news conference highlighting her problems, the lawmaker coasted through the primary with nearly three-fourths of the vote, setting her up to run unopposed in November.

Democratic voter registration in her 37th Congressional District - which includes parts of working-class South Central Los Angeles, Carson (Los Angeles County), Compton and most of Long Beach - outnumbers Republican registration 59.3 percent to 17.5 percent, and Republicans didn't bother to field a candidate this year.

Yet her decisive primary victory and apparent clear sailing in November failed to end criticism.

Unpaid bills

The local paper reported that she didn't pay car repair bills for years, failed to disclose certain financial details - including a loan from a strip club owner - and leased the priciest car in the House at taxpayers' expense. She also once had a real estate license, suggesting she should have known how to better handle her properties.

A Washington watchdog group called for a House Ethics Committee investigation into Richardson's personal finances, citing her history of defaulting on home loans and suspicions of special treatment when her bank rescinded the sale of her foreclosed Sacramento home. She and the bank denied the allegation after the property was returned to her, but it has fallen into disrepair and was recently declared a public nuisance.

As Richardson's problems surfaced this summer, so did three challengers: two write-ins, Lee Davis and Peter Mathews, both of whom lost to Richardson in the primary, and independent Nicholas Dibs, a schoolteacher and political novice.

The three candidates say they were encouraged to run by people unhappy with Richardson and point to voter discontent as signs that their challenges could be successful.

"I walk the streets, and people say, 'Please run as a write-in. We will vote for you. We don't want her,'" said Davis, publisher of the community paper the Wrigley Bulletin and News.

An everywoman?

Richardson - who voted for a mortgage debt forgiveness bill that later passed - has portrayed her foreclosure as an example of how even a member of Congress can suffer a plight plaguing tens of thousands of hapless Americans.

But that explanation hasn't impressed many of her constituents, who have been quick to share their opinions publicly or post them on Web sites.

"If she can't take care of herself, then how is she going to take care of other people (while serving) in Congress?" said Juliana Flores as she left her job at a Target store in Carson.

Some voters say they will do more research on Richardson to determine whether she can separate her own problems from her political duties.

"You always want to make sure someone is capable of handling their personal issues and the issues of the public at large," said Ed Smith, a manager of a fast food restaurant. "I don't vote for someone just because they're the only one running for a particular position."

Write-in candidate Mathews, a college professor who has made several bids for Congress, pointed to a July poll in the Press-Telegram, taken before Davis and Dibs had officially become candidates, that had 57 percent of respondents saying he has a chance of beating Richardson.

But Gary Jacobson, a political science professor at UC San Diego, said independent and write-in candidates rarely win seats in Congress because they usually can't match the money, name recognition and organization of incumbents or candidates backed by a party.

Splitting the opposition

He added that Richardson's three challengers may actually be working against each other.

"It makes it virtually impossible to beat her because it will divide the opposition," he said.

Richardson refused to be interviewed for this story, but campaign spokesman William Marshall Jr. issued a statement. While ignoring her reported indiscretions, the statement said Richardson has consistently gained voter support because of her legislative record and noted some of her achievements in less than a year in Congress.

"She will diligently repeat her resounding (primary) victory of over 74 percent," the statement concluded.

Richardson has received the backing of some of her powerful Democratic colleagues, including House Speaker Nancy Pelosi and popular local lawmaker Rep. Maxine Waters, who represents an adjacent district. In addition, House Majority Leader Steny Hoyer, D-Md., held a Capitol Hill fundraiser for Richardson in June.

If Richardson is re-elected, recall will not be possible, either, because the Constitution does not allow it for members of Congress.

That leaves the 2010 Democratic primary as the next chance for voters to remove Richardson from her seat.

"There's only a remote danger in the general election this year, but a very serious danger in the 2010 primary," said Jack Pitney, a government professor at Claremont McKenna College. "Ambitious politicians in that area are going to be carefully weighing a primary against her."

<http://sfgate.com/cgi-bin/article.cgi?f=/c/a/2008/08/24/BAIS12H06Q.DTL>

This article appeared on page **B - 6** of the San Francisco Chronicle

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Wednesday, August 20, 2008 4:11 PM
To: Cook, Don <don.cook@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>
Subject: RE: Media Inquiry Re: Richardson Loan

REDACTED

-----Original Message-----

From: Cook, Don
Sent: Wednesday, August 20, 2008 1:03 PM
To: Gaugl, Sara C.; Battaglia, Paul J.
Subject: RE: Media Inquiry Re: Richardson Loan

REDACTED

-----Original Message-----

From: Gaugl, Sara C.
Sent: Wednesday, August 20, 2008 12:53 PM
To: Battaglia, Paul J.; Cook, Don
Subject: RE: Media Inquiry Re: Richardson Loan

REDACTED

- Sara

-----Original Message-----

From: Battaglia, Paul J.
Sent: Wednesday, August 20, 2008 11:24 AM
To: Cook, Don; Gaugl, Sara C.
Subject: RE: Media Inquiry Re: Richardson Loan

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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JPMC - 001787
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CSOC.RICH.003276

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Subject: RE: Media Inquiry Re: Richardson Loan

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Cc: Elias, Alan
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Hi, Paul.

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Best,

Sara

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From: Battaglia, Paul J.
Sent: Tuesday, August 19, 2008 10:28 AM
To: Thorn, Ann; Gaugl, Sara C.
Subject: FW: Laura Richardson

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
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From: Beth Ward
Sent: Tuesday, August 19, 2008 9:58 AM
To: Martin T. McGuinn; Woodcock, Wendy A.; Battaglia, Paul J.; Mathis, Julie A.
Subject: RE: Laura Richardson

REDACTED

Beth Ward
Paralegal to Martin T. McGuinn,
Kenneth C. Noorigian
& C. Colin Cossio
Kirby & McGuinn, A P.C.
600 B Street, Suite 1950
San Diego, CA 92101
Direct Line: (619) 398
Direct Fax: (619) 398

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Sent: Tuesday, August 19, 2008 9:43 AM
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REDACTED

Martin T. McGuinn
Kirby & McGuinn, A P.C.
600 B Street, Ste. 1950
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mmcguinn@kirbyandmcguinn.com
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Sent: Tuesday, August 19, 2008 4:41 AM
To: Battaglia, Paul J.; Martin T. McGuinn; Mathis, Julie A.
Subject: RE: Laura Richardson
Importance: High

REDACTED

Wendy Woodcock, VP
Division Manager
Homeownership Preservation Dept.
904 886-1659 ph
904 886-4000 fax

-----Original Message-----

From: Battaglia, Paul J.
Sent: Monday, August 18, 2008 7:32 PM
To: Woodcock, Wendy A.; 'Martin T. McGuinn'
Subject: Laura Richardson

REDACTED

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Inspectors came after calls to police about a suspicious person there.

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From: Parker, Gary L.
Sent: Monday, August 18, 2008 11:08 AM
To: Cook, Don; Owen, Jan L.; Battaglia, Paul J.
Subject: FW: SFGate: Calif. congresswoman's house a public nuisance

Fyi--

Gary Parker
Legal Department
Washington Mutual
1301 Second Ave.

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Seattle, WA 98101
206.500.4355 direct, 206.377.2840 fax
gary.parker@wamu.net

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-----Original Message-----

From: Sledd, Charley
Sent: Monday, August 18, 2008 11:06 AM
To: Gaspard, Scott; Parker, Gary L.
Subject: SFGate: Calif. congresswoman's house a public nuisance

This may interest you, if you haven't already seen it. Charley

This article was sent to you by someone who found it on SFGate.
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Calif. congresswoman's house a public nuisance

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To: Gaugl, Sara C. <sara.gaugl@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>
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REDACTED

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Sara

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-----Original Message-----

From: Battaglia, Paul J.
Sent: Tuesday, August 19, 2008 10:28 AM
To: Thorn, Ann; Gaugl, Sara C.
Subject: FW: Laura Richardson WMB WAS002-108

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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From: Beth Ward [mailto:]
Sent: Tuesday, August 19, 2008 9:58 AM
To: Martin T. McGuinn; Woodcock, Wendy A.; Battaglia, Paul J.; Mathis, Julie A.
Subject: RE: Laura Richardson [mailto:]

REDACTED

Beth Ward
Paralegal to Martin T. McGuinn,
Kenneth C. Noorigian
& C. Colin Cossio
Kirby & McGuinn, A P.C.
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From: Martin T. McGuinn
Sent: Tuesday, August 19, 2008 9:43 AM
To: Woodcock, Wendy A.; Battaglia, Paul J.; Mathis, Julie A.
Cc: Beth Ward

JPMC - 001797
CONFIDENTIAL
CSOC.RICH.003286

Subject: RE: Laura Richardson WMB WAS002-108

REDACTED

Martin T. McGuinn
Kirby & McGuinn, A P.C.
600 B Street, Ste. 1950
San Diego, CA 92101
mmcguinn@kirbyandmcguinn.com
Direct Dial: (619) 525-1659
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Importance: High

REDACTED

Wendy Woodcock, VP
Division Manager
Homeownership Preservation Dept.
904 886-1309 ph
904 886-1325 fax

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Subject: FW: SFGate: Calif. congresswoman's house a public nuisance

Fyi--

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To: Battaglia, Paul J. <paul.battaglia@wamu.net>; Cook, Don <don.cook@wamu.net>
Subject: RE: Media Inquiry Re: Richardson Loan

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To: Thorn, Ann; Gaugl, Sara C.
Subject: FW: Laura Richardson WMB WAS002-108

REDACTED

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Washington Mutual Bank
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Subject: RE: Laura Richardson [mailto: [REDACTED]]

REDACTED

Beth Ward
Paralegal to Martin T. McGuinn,
Kenneth C. Noorigian
& C. Colin Cossio
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REDACTED

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Direct Dial: (619) 525-1659
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-----Original Message-----

From: Woodcock, Wendy A. [mailto:wendy.woodcock@wamu.net]
Sent: Tuesday, August 19, 2008 4:41 AM
To: Battaglia, Paul J.; Martin T. McGuinn; Mathis, Julie A.
Subject: RE: Laura Richardson
Importance: High

REDACTED

Wendy Woodcock, VP
Division Manager
Homeownership Preservation Dept.
904 886-1309 ph
904 886-1325 fax

-----Original Message-----

From: Battaglia, Paul J.
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To: Woodcock, Wendy A.; 'Martin T. McGuinn'
Subject: Laura Richardson

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Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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From: Parker, Gary L.
Sent: Monday, August 18, 2008 11:08 AM
To: Cook, Don; Owen, Jan L.; Battaglia, Paul J.
Subject: FW: SFGate: Calif. congresswoman's house a public nuisance

Fyi--

Gary Parker
Legal Department
Washington Mutual
1301 Second Ave.
Seattle, WA 98101
206.500.4355 direct, 206.377.2840 fax
gary.parker@wamu.net

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From: Battaglia, Paul J. <paul.battaglia@wamu.net>
Sent: Wednesday, August 20, 2008 2:24 PM
To: Cook, Don <don.cook@wamu.net>; Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: RE: Media Inquiry Re: Richardson Loan

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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From: Cook, Don
Sent: Wednesday, August 20, 2008 9:47 AM
To: Gaugl, Sara C.; Battaglia, Paul J.
Subject: RE: Media Inquiry Re: Richardson Loan

REDACTED

-----Original Message-----

From: Gaugl, Sara C.
Sent: Wednesday, August 20, 2008 9:35 AM
To: Battaglia, Paul J.; Cook, Don
Subject: RE: Media Inquiry Re: Richardson Loan

REDACTED

- Sara

-----Original Message-----

From: Battaglia, Paul J.
Sent: Wednesday, August 20, 2008 6:56 AM
To: Cook, Don; Gaugl, Sara C.
Subject: RE: Media Inquiry Re: Richardson Loan

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
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Sent: Tuesday, August 19, 2008 7:20 PM
To: Battaglia, Paul J.; Gaugl, Sara C.
Subject: RE: Media Inquiry Re: Richardson Loan

REDACTED

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From: Battaglia, Paul J.
Sent: Tuesday, August 19, 2008 5:29 PM
To: Gaugl, Sara C.; Cook, Don
Subject: RE: Media Inquiry Re: Richardson Loan

REDACTED

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First Vice President and Senior Counsel
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From: Gaugl, Sara C.
Sent: Tuesday, August 19, 2008 5:07 PM
To: Battaglia, Paul J.; Thorn, Ann
Cc: Elias, Alan
Subject: Media Inquiry Re: Richardson Loan

Hi, Paul.

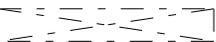
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Best,

Sara

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-----Original Message-----

From: Battaglia, Paul J.
Sent: Tuesday, August 19, 2008 10:28 AM
To: Thorn, Ann; Gaugl, Sara C.
Subject: FW: Laura Richardson] 

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
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-----Original Message-----

From: Beth Ward [mailto: [REDACTED]]
Sent: Tuesday, August 19, 2008 9:58 AM
To: Martin T. McGuinn; Woodcock, Wendy A.; Battaglia, Paul J.; Mathis, Julie A.
Subject: RE: Laura Richardson [mailto: [REDACTED]]

REDACTED

Beth Ward
Paralegal to Martin T. McGuinn,
Kenneth C. Noorigian
& C. Colin Cossio
Kirby & McGuinn, A P.C.
600 B Street, Suite 1950
San Diego, CA 92101
Direct Line: (619) 398- [REDACTED]
Direct Fax: (619) 398- [REDACTED]

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-----Original Message-----

From: Martin T. McGuinn
Sent: Tuesday, August 19, 2008 9:43 AM
To: Woodcock, Wendy A.; Battaglia, Paul J.; Mathis, Julie A.
Cc: Beth Ward
Subject: RE: Laura Richardson WMB WAS002-108

REDACTED

Martin T. McGuinn
Kirby & McGuinn, A P.C.
600 B Street, Ste. 1950
San Diego, CA 92101
mmcguinn [mailto: [REDACTED]]
Direct Dial: (619) 525- [REDACTED]
Direct Fax: (619) 525- [REDACTED]

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Wendy Woodcock, VP
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To: Cook, Don; Owen, Jan L.; Battaglia, Paul J.
Subject: FW: SFGate: Calif. congresswoman's house a public nuisance

Fyi--

Gary Parker
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Sent: Wednesday, August 20, 2008 12:47 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>
Subject: RE: Media Inquiry Re: Richardson Loan

REDACTED

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From: Gaugl, Sara C.
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REDACTED

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Washington Mutual Bank

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Seattle WA 98101

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Best,

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From: Battaglia, Paul J.
Sent: Tuesday, August 19, 2008 10:28 AM
To: Thorn, Ann; Gaugl, Sara C.
Subject: FW: Laura Richardson WMB WAS002-108

REDACTED

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From: Beth Ward [redacted]
Sent: Tuesday, August 19, 2008 9:58 AM
To: Martin T. McGuinn; Woodcock, Wendy A.; Battaglia, Paul J.; Mathis, Julie A.
Subject: RE: Laura Richardson WMB WAS002-108

REDACTED

Beth Ward
Paralegal to Martin T. McGuinn,
Kenneth C. Noorigian
& C. Colin Cossio
Kirby & McGuinn, A P.C.
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mmcguinn
Direct Dial: (619) 525-
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Legal Department
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1301 Second Ave.
Seattle, WA 98101
206.500.4355 direct, 206.377.2840 fax

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gary.parker@wamu.net

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First Vice President and Senior Counsel
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REDACTED

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REDACTED

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REDACTED

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Kirby & McGuinn, A P.C.
600 B Street, Ste. 1950
San Diego, CA 92101
mmcguinn@kirbyandmcguinn.com
Direct Dial: (619) 525-1659
Direct Fax: (619) 525-1659

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-----Original Message-----

From: Woodcock, Wendy A. [mailto:wendy.woodcock@wamu.net]
Sent: Tuesday, August 19, 2008 4:41 AM
To: Battaglia, Paul J.; Martin T. McGuinn; Mathis, Julie A.
Subject: RE: Laura Richardson
Importance: High

REDACTED

Wendy Woodcock, VP
Division Manager
Homeownership Preservation Dept.
904 886-1309 ph
904 886-1325 fax

-----Original Message-----

From: Battaglia, Paul J.
Sent: Monday, August 18, 2008 7:32 PM
To: Woodcock, Wendy A.; 'Martin T. McGuinn'
Subject: Laura Richardson

REDACTED

Sacramento city officials have declared a home owned by U.S. Rep. Laura Richardson a public nuisance and are threatening fines up

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to \$5,000 a month if she doesn't fix it up.

The Long Beach Democrat previously faced foreclosure on the home. Washington Mutual sold it at auction in May, but reversed the sale after Richardson complained she hadn't received proper notice.

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Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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-----Original Message-----

From: Parker, Gary L.
Sent: Monday, August 18, 2008 11:08 AM
To: Cook, Don; Owen, Jan L.; Battaglia, Paul J.
Subject: FW: SFGate: Calif. congresswoman's house a public nuisance

Fyi--

Gary Parker
Legal Department
Washington Mutual
1301 Second Ave.
Seattle, WA 98101
206.500.4355 direct, 206.377.2840 fax
gary.parker@wamu.net

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-----Original Message-----

From: Sledd, Charley
Sent: Monday, August 18, 2008 11:06 AM
To: Gaspard, Scott; Parker, Gary L.
Subject: SFGate: Calif. congresswoman's house a public nuisance

This may interest you, if you haven't already seen it. Charley

This article was sent to you by someone who found it on SFGate.

The original article can be found on SFGate.com here:

<http://www.sfgate.com/cgi-bin/article.cgi?file=/n/a/2008/08/15/state/n104012D91.DTL>

Friday, August 15, 2008 (AP)

Calif. congresswoman's house a public nuisance

(08-15) 16:26 PDT Sacramento, CA (AP) --

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From: Battaglia, Paul J. <paul.battaglia@wamu.net>
Sent: Wednesday, August 20, 2008 9:56 AM
To: Cook, Don <don.cook@wamu.net>; Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: RE: Media Inquiry Re: Richardson Loan

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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Subject: RE: Media Inquiry Re: Richardson Loan

REDACTED

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From: Battaglia, Paul J.
Sent: Tuesday, August 19, 2008 5:29 PM
To: Gaugl, Sara C.; Cook, Don
Subject: RE: Media Inquiry Re: Richardson Loan

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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-----Original Message-----

From: Gaugl, Sara C.
Sent: Tuesday, August 19, 2008 5:07 PM
To: Battaglia, Paul J.; Thorn, Ann
Cc: Elias, Alan
Subject: Media Inquiry Re: Richardson Loan

Hi, Paul.



REDACTED

Best,

Sara

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-----Original Message-----

From: Battaglia, Paul J.
Sent: Tuesday, August 19, 2008 10:28 AM
To: Thorn, Ann; Gaugl, Sara C.
Subject: FW: Laura Richardson



REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
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From: Beth Ward
Sent: Tuesday, August 19, 2008 9:58 AM
To: Martin T. McGuinn; Woodcock, Wendy A.; Battaglia, Paul J.; Mathis, Julie A.
Subject: RE: Laura Richardson

REDACTED

Beth Ward
Paralegal to Martin T. McGuinn,
Kenneth C. Noorigian
& C. Colin Cossio
Kirby & McGuinn, A P.C.
600 B Street, Suite 1950
San Diego, CA 92101
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From: Martin T. McGuinn
Sent: Tuesday, August 19, 2008 9:43 AM
To: Woodcock, Wendy A.; Battaglia, Paul J.; Mathis, Julie A.
Cc: Beth Ward
Subject: RE: Laura Richardson WMB WAS002-108

REDACTED

Martin T. McGuinn
Kirby & McGuinn, A P.C.
600 B Street, Ste. 1950
San Diego, CA 92101
mmcguinn
Direct Dial: (619) 525-
Direct Fax: (619) 525-

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Sent: Tuesday, August 19, 2008 4:41 AM
To: Battaglia, Paul J.; Martin T. McGuinn; Mathis, Julie A.
Subject: RE: Laura Richardson
Importance: High

REDACTED

Wendy Woodcock, VP
Division Manager
Homeownership Preservation Dept.
904 886-1309 ph
904 886-1325 fax

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REDACTED

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First Vice President and Senior Counsel

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Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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To: Cook, Don; Owen, Jan L.; Battaglia, Paul J.
Subject: FW: SFGate: Calif. congresswoman's house a public nuisance

Fyi--

Gary Parker
Legal Department
Washington Mutual
1301 Second Ave.
Seattle, WA 98101
206.500.4355 direct, 206.377.2840 fax
gary.parker@wamu.net

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Sent: Tuesday, August 19, 2008 10:20 PM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>; Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: RE: Media Inquiry Re: Richardson Loan

REDACTED

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Subject: RE: Media Inquiry Re: Richardson Loan

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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First Vice President and Senior Counsel
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-----Original Message-----

From: Beth Ward [mailto:]
Sent: Tuesday, August 19, 2008 9:58 AM
To: Martin T. McGuinn; Woodcock, Wendy A.; Battaglia, Paul J.; Mathis, Julie A.
Subject: RE: Laura Richardson [mailto:]

REDACTED

Beth Ward
Paralegal to Martin T. McGuinn,
Kenneth C. Noorigian
& C. Colin Cossio
Kirby & McGuinn, A P.C.
600 B Street, Suite 1950
San Diego, CA 92101
Direct Line: (619) 398- []

Direct Fax: (619) 398-1111

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Sent: Tuesday, August 19, 2008 9:43 AM
To: Woodcock, Wendy A.; Battaglia, Paul J.; Mathis, Julie A.
Cc: Beth Ward
Subject: RE: Laura Richardson

REDACTED

Martin T. McGuinn
Kirby & McGuinn, A.P.C.
600 B Street, Ste. 1950
San Diego, CA 92101
mmcguinn@kirbyandmcguinn.com
Direct Dial: (619) 525-1111
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Subject: RE: Laura Richardson
Importance: High

REDACTED

Wendy Woodcock, VP
Division Manager
Homeownership Preservation Dept.

JPMC - 001835
CONFIDENTIAL
CSOC.RICH.003324

904 886-1309 ph
904 886-1325 fax

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Sent: Monday, August 18, 2008 7:32 PM
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Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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To: Cook, Don; Owen, Jan L.; Battaglia, Paul J.
Subject: FW: SFGate: Calif. congresswoman's house a public nuisance

Fyi--

Gary Parker
Legal Department
Washington Mutual
1301 Second Ave.
Seattle, WA 98101
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From: Thorn, Ann <ann.thorn@wamu.net>
Sent: Tuesday, August 19, 2008 8:45 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>
Cc: Elias, Alan <alan.elias@wamu.net>
Subject: Re: Media Inquiry Re: Richardson Loan

I tried to call her and left her a message

Sent from my BlackBerry Wireless Handheld

----- Original Message -----

From: Gaugl, Sara C.
To: Battaglia, Paul J.; Thorn, Ann
Cc: Elias, Alan
Sent: Tue Aug 19 17:06:39 2008
Subject: Media Inquiry Re: Richardson Loan

Hi, Paul.

REDACTED

Best,

Sara

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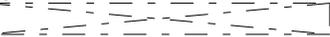
From: Battaglia, Paul J.
Sent: Tuesday, August 19, 2008 10:28 AM
To: Thorn, Ann; Gaugl, Sara C.
Subject: FW: Laura Richardson [REDACTED]

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
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Beth Ward
Paralegal to Martin T. McGuinn,
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REDACTED

Martin T. McGuinn
Kirby & McGuinn, A P.C.

JPMC - 001839
CONFIDENTIAL
CSOC.RICH.003328

600 B Street, Ste. 1950
San Diego, CA 92101
mmcguinn
Direct Dial: (619) 525-
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Importance: High

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The original article can be found on SFGate.com here:
<http://www.sfgate.com/cgi-bin/article.cgi?file=/n/a/2008/08/15/state/n104012D91.DTL>

Friday, August 15, 2008 (AP)

Calif. congresswoman's house a public nuisance

(08-15) 16:26 PDT Sacramento, CA (AP) --

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A spokesman for Richardson, William Marshall Jr., says the city sent the notice to the man who previously bought the house from the bank, not Richardson. He says Richardson will maintain the property once "full possession has been returned" to her.

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From: Battaglia, Paul J. <paul.battaglia@wamu.net>
Sent: Tuesday, August 19, 2008 8:29 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>; Cook, Don <don.cook@wamu.net>
Subject: RE: Media Inquiry Re: Richardson Loan

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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-----Original Message-----

From: Gaugl, Sara C.
Sent: Tuesday, August 19, 2008 5:07 PM
To: Battaglia, Paul J.; Thorn, Ann
Cc: Elias, Alan
Subject: Media Inquiry Re: Richardson Loan

Hi, Paul.

REDACTED

Best,

Sara

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-----Original Message-----

From: Battaglia, Paul J.
Sent: Tuesday, August 19, 2008 10:28 AM
To: Thorn, Ann; Gaugl, Sara C.
Subject: FW: Laura Richardson WMB WAS002-108

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
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-----Original Message-----

From: Beth Ward [REDACTED]
Sent: Tuesday, August 19, 2008 9:58 AM
To: Martin T. McGuinn; Woodcock, Wendy A.; Battaglia, Paul J.; Mathis, Julie A.
Subject: RE: Laura Richardson [REDACTED]

REDACTED

Beth Ward
Paralegal to Martin T. McGuinn,
Kenneth C. Noorigian
& C. Colin Cossio
Kirby & McGuinn, A P.C.
600 B Street, Suite 1950
San Diego, CA 92101
Direct Line: (619) 398- [REDACTED]
Direct Fax: (619) 398- [REDACTED]

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-----Original Message-----

JPMC - 001844
CONFIDENTIAL
CSOC.RICH.003333

From: Martin T. McGuinn
Sent: Tuesday, August 19, 2008 9:43 AM
To: Woodcock, Wendy A.; Battaglia, Paul J.; Mathis, Julie A.
Cc: Beth Ward
Subject: RE: Laura Richardson

REDACTED

Martin T. McGuinn
Kirby & McGuinn, A P.C.
600 B Street, Ste. 1950
San Diego, CA 92101
mmcguinn
Direct Dial: (619) 525-
Direct Fax: (619) 525-

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From: Woodcock, Wendy A. [mailto:wendy.woodcock@wamu.net]
Sent: Tuesday, August 19, 2008 4:41 AM
To: Battaglia, Paul J.; Martin T. McGuinn; Mathis, Julie A.
Subject: RE: Laura Richardson
Importance: High

REDACTED

Wendy Woodcock, VP
Division Manager
Homeownership Preservation Dept.
904 886-1309 ph
904 886-1325 fax

-----Original Message-----

From: Battaglia, Paul J.
Sent: Monday, August 18, 2008 7:32 PM
To: Woodcock, Wendy A.; 'Martin T. McGuinn'
Subject: Laura Richardson

REDACTED

REDACTED

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From: Parker, Gary L.
Sent: Monday, August 18, 2008 11:08 AM
To: Cook, Don; Owen, Jan L.; Battaglia, Paul J.
Subject: FW: SFGate: Calif. congresswoman's house a public nuisance

Fyi--

Gary Parker
Legal Department
Washington Mutual
1301 Second Ave.
Seattle, WA 98101
206.500.4355 direct, 206.377.2840 fax
gary.parker@wamu.net

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JPMC - 001846
CONFIDENTIAL
CSOC.RICH.003335

-----Original Message-----

From: Sledd, Charley

Sent: Monday, August 18, 2008 11:06 AM

To: Gaspard, Scott; Parker, Gary L.

Subject: SFGate: Calif. congresswoman's house a public nuisance

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From: Battaglia, Paul J.
Sent: Tuesday, August 19, 2008 8:24:12 PM
To: bward
Subject: Keys to Laura Richardson's attorney

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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Sent: Tuesday, August 19, 2008 1:28 PM
To: Thorn, Ann <ann.thorn@wamu.net>; Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: FW: Laura Richardson

REDACTED

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First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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From: Beth Ward
Sent: Tuesday, August 19, 2008 9:58 AM
To: Martin T. McGuinn; Woodcock, Wendy A.; Battaglia, Paul J.; Mathis, Julie A.
Subject: RE: Laura Richardson WMB WAS002-108

REDACTED

Beth Ward
Paralegal to Martin T. McGuinn,
Kenneth C. Noorigian
& C. Colin Cossio
Kirby & McGuinn, A P.C.
600 B Street, Suite 1950
San Diego, CA 92101
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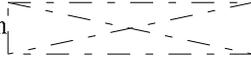
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-----Original Message-----

From: Martin T. McGuinn
Sent: Tuesday, August 19, 2008 9:43 AM
To: Woodcock, Wendy A.; Battaglia, Paul J.; Mathis, Julie A.

JPMC - 001849
CONFIDENTIAL
CSOC.RICH.003338

Cc: Beth Ward
Subject: RE: Laura Richardson



REDACTED

Martin T. McGuinn
Kirby & McGuinn, A P.C.
600 B Street, Ste. 1950
San Diego, CA 92101
mmcguinn@kirbyandmcguinn.com
Direct Dial: (619) 525-1659
Direct Fax: (619) 525-1659

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-----Original Message-----
From: Woodcock, Wendy A. [mailto:wendy.woodcock@wamu.net]
Sent: Tuesday, August 19, 2008 4:41 AM
To: Battaglia, Paul J.; Martin T. McGuinn; Mathis, Julie A.
Subject: RE: Laura Richardson
Importance: High

REDACTED

Wendy Woodcock, VP
Division Manager
Homeownership Preservation Dept.
904 886-1309 ph
904 886-1325 fax

-----Original Message-----
From: Battaglia, Paul J.
Sent: Monday, August 18, 2008 7:32 PM
To: Woodcock, Wendy A.; 'Martin T. McGuinn'
Subject: Laura Richardson

REDACTED

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Phone: 206-500-4261
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From: Parker, Gary L.
Sent: Monday, August 18, 2008 11:08 AM
To: Cook, Don; Owen, Jan L.; Battaglia, Paul J.
Subject: FW: SFGate: Calif. congresswoman's house a public nuisance

Fyi--

Gary Parker
Legal Department
Washington Mutual
1301 Second Ave.
Seattle, WA 98101
206.500.4355 direct, 206.377.2840 fax
gary.parker@wamu.net

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-----Original Message-----

From: Sledd, Charley
Sent: Monday, August 18, 2008 11:06 AM
To: Gaspard, Scott; Parker, Gary L.
Subject: SFGate: Calif. congresswoman's house a public nuisance

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From: Beth Ward <bward[REDACTED]>
Sent: Tuesday, August 19, 2008 12:58 PM
To: Martin T. McGuinn <MMcguinn@kirbymac.com>; Woodcock, Wendy A. <wendy.woodcock@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>; Mathis, Julie A. <julie.mathis@wamu.net>
Subject: RE: Laura Richardson [REDACTED]

REDACTED

Beth Ward
Paralegal to Martin T. McGuinn,
Kenneth C. Noorigian
& C. Colin Cossio
Kirby & McGuinn, A P.C.
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-----Original Message-----

From: Martin T. McGuinn
Sent: Tuesday, August 19, 2008 9:43 AM
To: Woodcock, Wendy A.; Battaglia, Paul J.; Mathis, Julie A.
Cc: Beth Ward
Subject: RE: Laura Richardson [REDACTED]

REDACTED

Martin T. McGuinn
Kirby & McGuinn, A P.C.
600 B Street, Ste. 1950
San Diego, CA 92101
mmcguinn[REDACTED]
Direct Dial: (619) 525[REDACTED]
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Sent: Tuesday, August 19, 2008 4:41 AM

To: Battaglia, Paul J.; Martin T. McGuinn; Mathis, Julie A.

Subject: RE: Laura Richardson

Importance: High

REDACTED

Wendy Woodcock, VP
Division Manager
Homeownership Preservation Dept.
904 886-1309 ph
904 886-1325 fax

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Subject: Laura Richardson

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Sent: Tuesday, August 19, 2008 12:43 PM
To: Woodcock, Wendy A. <wendy.woodcock@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>; Mathis, Julie A. <julie.mathis@wamu.net>
Cc: Beth Ward <[REDACTED]>
Subject: RE: Laura Richardson <[REDACTED]>

REDACTED

Martin T. McGuinn
Kirby & McGuinn, A P.C.
600 B Street, Ste. 1950
San Diego, CA 92101
mmcguinn <[REDACTED]>
Direct Dial: (619) 525- <[REDACTED]>
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From: Battaglia, Paul J. <paul.battaglia@wamu.net>
Sent: Tuesday, August 19, 2008 10:02 AM
To: Thorn, Ann <ann.thorn@wamu.net>
Subject: FW: Laura Richardson [REDACTED]

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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-----Original Message-----

From: Mathis, Julie A.
Sent: Tuesday, August 19, 2008 5:37 AM
To: Battaglia, Paul J.; Fisher, Michael S.
Cc: Woodcock, Wendy A.; 'Martin T. McGuinn'
Subject: RE: Laura Richardson - 0729942433

REDACTED

Thanks,

Julie

-----Original Message-----

From: Woodcock, Wendy A.
Sent: Tuesday, August 19, 2008 7:41 AM
To: Battaglia, Paul J.; 'Martin T. McGuinn'; Mathis, Julie A.
Subject: RE: Laura Richardson
Importance: High

REDACTED

Wendy Woodcock, VP
Division Manager
Homeownership Preservation Dept.
904 886-1309 ph

904 886-1325 fax

-----Original Message-----

From: Battaglia, Paul J.
Sent: Monday, August 18, 2008 7:32 PM
To: Woodcock, Wendy A.; 'Martin T. McGuinn'
Subject: Laura Richardson

REDACTED

Sacramento city officials have declared a home owned by U.S. Rep. Laura Richardson a public nuisance and are threatening fines up to \$5,000 a month if she doesn't fix it up.

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Inspectors came after calls to police about a suspicious person there.

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-----Original Message-----

From: Parker, Gary L.
Sent: Monday, August 18, 2008 11:08 AM
To: Cook, Don; Owen, Jan L.; Battaglia, Paul J.
Subject: FW: SFGate: Calif. congresswoman's house a public nuisance

Fyi--

Gary Parker

JPMC - 001861
CONFIDENTIAL
CSOC.RICH.003350

Legal Department
Washington Mutual
1301 Second Ave.
Seattle, WA 98101
206.500.4355 direct, 206.377.2840 fax
gary.parker@wamu.net

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-----Original Message-----

From: Sledd, Charley
Sent: Monday, August 18, 2008 11:06 AM
To: Gaspard, Scott; Parker, Gary L.
Subject: SFGate: Calif. congresswoman's house a public nuisance

This may interest you, if you haven't already seen it. Charley

This article was sent to you by someone who found it on SFGate.
The original article can be found on SFGate.com here:
<http://www.sfgate.com/cgi-bin/article.cgi?file=/n/a/2008/08/15/state/n104012D91.DTL>

Friday, August 15, 2008 (AP)
Calif. congresswoman's house a public nuisance

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From: Thorn, Ann
Sent: Tuesday, August 19, 2008 8:49:51 AM
To: Gaugl, Sara C.; Cook, Don; Battaglia, Paul J.
Subject: Richardson

Just wanted to let you know that I got a call from Congresswoman Richardson last night around 7 on my voicemail. She said no issue, just wanted to ask a couple questions and Sara I guess she wanted to get a hold of you. I will be reaching back out to her today to find out what she needed and will advise.

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
office: 904-462-
cell: 414-418-*

For Internal Use Only

From: Mathis, Julie A. <julie.mathis@wamu.net>
Sent: Tuesday, August 19, 2008 8:37 AM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>; Fisher, Michael S. <michael.s.fisher@wamu.net>
Cc: Woodcock, Wendy A. <wendy.woodcock@wamu.net>; Martin T. McGuinn <MMcguinn@kirbymac.com>
Subject: RE: Laura Richardson - [REDACTED]

[REDACTED]

Thanks,

Julie

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From: Woodcock, Wendy A.
Sent: Tuesday, August 19, 2008 7:41 AM
To: Battaglia, Paul J.; 'Martin T. McGuinn'; Mathis, Julie A.
Subject: RE: Laura Richardson
Importance: High

[REDACTED]

Wendy Woodcock, VP
Division Manager
Homeownership Preservation Dept.
904 886-1309 ph
904 886-1325 fax

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From: Battaglia, Paul J.
Sent: Monday, August 18, 2008 7:32 PM
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Subject: Laura Richardson

[REDACTED]

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JPMC - 001864
CONFIDENTIAL
CSOC.RICH.003353

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Sent: Monday, August 18, 2008 11:08 AM
To: Cook, Don; Owen, Jan L.; Battaglia, Paul J.
Subject: FW: SFGate: Calif. congresswoman's house a public nuisance

Fyi--

Gary Parker
Legal Department
Washington Mutual
1301 Second Ave.
Seattle, WA 98101
206.500.4355 direct, 206.377.2840 fax
gary.parker@wamu.net

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Sent: Tuesday, August 19, 2008 7:41 AM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>; Martin T. McGuinn <MMcguinn@kirbymac.com>; Mathis, Julie A. <julie.mathis@wamu.net>
Subject: RE: Laura Richardson

REDACTED

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Homeownership Preservation Dept.
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Seattle WA 98101
Phone: 206-500-4261

Fax: 206-377-2784

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Fyi--

Gary Parker
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1301 Second Ave.
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From: Woodcock, Wendy A.
Sent: Monday, August 18, 2008 7:31:51 PM
To: Battaglia, Paul J.
Subject: Out of Office AutoReply: Laura Richardson

I will be out of the office 8/11/08 through 8/15/08. If you have an urgent matter that must be addressed immediately, please contact Matt Kolkowski at (818) 775-

From: Battaglia, Paul J. <paul.battaglia@wamu.net>
Sent: Monday, August 18, 2008 7:32 PM
To: Woodcock, Wendy A. <wendy.woodcock@wamu.net>; Martin T. McGuinn
<[REDACTED]>
Subject: Laura Richardson

REDACTED

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Fax: 206-377-2784

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To: Cook, Don; Owen, Jan L.; Battaglia, Paul J.
Subject: FW: SFGate: Calif. congresswoman's house a public nuisance

Fyi--

Gary Parker
Legal Department

JPMC - 001871
CONFIDENTIAL
CSOC.RICH.003360

Washington Mutual
1301 Second Ave.
Seattle, WA 98101
206.500.4355 direct, 206.377.2840 fax
gary.parker@wamu.net

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From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Friday, August 15, 2008 6:21 PM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>; Cook, Don <don.cook@wamu.net>
Cc: Riley, Olivia <olivia.riley@wamu.net>
Subject: RE: Review Requested: Media Response

REDACTED

Have a great weekend.

Sara

-----Original Message-----

From: Battaglia, Paul J.
Sent: Friday, August 15, 2008 2:57 PM
To: Gaugl, Sara C.; Cook, Don
Cc: Riley, Olivia
Subject: RE: Review Requested: Media Response

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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From: Gaugl, Sara C.
Sent: Friday, August 15, 2008 2:29 PM
To: Battaglia, Paul J.; Cook, Don
Cc: Riley, Olivia
Subject: Review Requested: Media Response
Importance: High

Paul and Don:

REDACTED

REDACTED

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228[redacted] cell sara.gaugl@wamu.net

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-----Original Message-----

From: Gottlieb, Jeff [redacted]
Sent: Friday, August 15, 2008 1:04 PM
To: Gaugl, Sara C.
Subject: RE: WaMu Follow-Up

These questions are about the property owned by Laura Richardson at 3622 W. Curtis Dr., Sacramento, CA. If Washington Mutual is going to say it cannot answer some of them because it involves Richardson's confidential financial information, I want you and her to waive that right. The transactions around the house have raised serious questions about whether Rep. Richardson received preferential treatment from Washington Mutual. I have quoted experts as saying this type of deal was unheard of. By not answering the questions, Washington Mutual is encouraging those suspicions.

1. Why did Washington Mutual pay Laura Richardson's delinquent property taxes of about \$9,000?
2. What were the terms of the settlement with James York, who bought the house at the foreclosure sale? If you say the terms are confidential, I want you to waive confidentiality, which, I assume, was a condition WAMU requested.
3. Why did Washington Mutual take back the property from Mr. York?
4. Has Washington Mutual ever taken back a house after it has been sold at a foreclosure auction, the deed was recorded and the new owner already had a crew renovating the house? Give me examples.
5. What are the financial terms of the deal that gave the house back to Rep. Richardson?

From: Battaglia, Paul J. <paul.battaglia@wamu.net>
Sent: Friday, August 15, 2008 5:57 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>; Cook, Don <don.cook@wamu.net>
Cc: Riley, Olivia <olivia.riley@wamu.net>
Subject: RE: Review Requested: Media Response

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
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Importance: High

Paul and Don:

REDACTED

Sara Gaugl

JPMC - 001875
CONFIDENTIAL
CSOC.RICH.003364

Home Loans Public Relations

WaMu

1301 Second Avenue | WMC401 Seattle WA 98101
206.500.2822 direct | 206.228. cell sara.gaugl@wamu.net

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REDACTED

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Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
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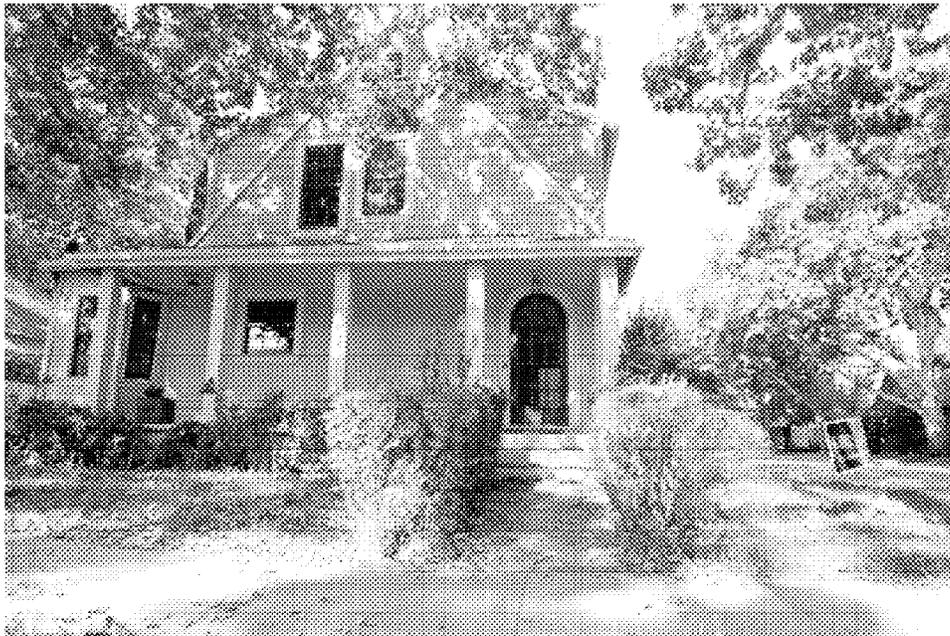
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From: Gaugl, Sara C.
Sent: Friday, August 15, 2008 3:33:51 PM
To: Battaglia, Paul J.; Cook, Don
Subject: Public Nuisance Notice

Attachments: Picture (Metafile)

REDACTED

Rep. Richardson's Sacramento home declared 'public nuisance'



http://www.latimes.com/news/local/lat-richmo_k5ly64nc20080815025641,0,6484560,email_photo**UMBRA**
Neighbors complained about the condition of the Sacramento home of Rep. Laura Richardson (D-Long Beach).

The Sacramento home of the Democratic congresswoman from Long Beach is declared a 'public nuisance' by the city.

By Jeff Gottlieb, Los Angeles Times Staff Writer
August 15, 2008

First Rep. Laura Richardson was having problems making house payments, defaulting six times over eight years.

Then after a bank foreclosed on her Sacramento house and sold it at auction in May, the Long Beach Democrat made such a stink that Washington Mutual, in an unusual move, grabbed it back and returned it to her.

This week, in the latest chapter in the housing saga, the Code Enforcement Department in Sacramento declared her home a "public nuisance."

The city has threatened to fine her as much as \$5,000 a month if she doesn't fix it up.

Neighbors in the upper-middle-class neighborhood complain that the sprinklers are never turned on and the grass and plants are dead or dying. The gate is broken, and windows are covered with brown paper. "I would call it an eyesore," said Peter Thomsen, a retired bank executive who lives nearby.

The city action was prompted by police action.

Police were twice called to investigate reports of a suspicious person in or around the house, perhaps a homeless man squatting there. Officers called the Code Enforcement Department, which boarded up a broken door.

Code enforcement inspectors visited the house twice in July, finding "junk and debris" in the driveway and "rotting fruit on the ground in the rear yard which creates rodent harborage," according to department documents.

Ron O'Connor, operations manager of the Code Enforcement Department, said homes in the Curtis Park area seldom were tagged as a public nuisance.

"It's a really nice neighborhood," he said.

Asked about the house, Richardson's office released a statement that said: "Neither Congresswoman Richardson nor her attorney have received any information referring to this matter. Any additional information will be provided at a later date."

Richardson has few worries in the November election. The 37th District is so solidly Democratic that no Republican is running against her. Democrat Peter Mathews, who has sought the seat several times before, is mounting a write-in campaign.

Richardson began defaulting on house payments long before she bought the three-bedroom, 1 1/2 -bath home after being elected to the Assembly in 2006. She has defaulted on a home in San Pedro, where her mother lives, and her residence in Long Beach for amounts ranging from \$5,742 to almost \$20,000, according to documents on file with Los Angeles County.

Five of the defaults occurred during a 13-month period over 2007-08 when Richardson was bankrolling her political career, lending her campaigns for Congress and Assembly a total of \$177,500.

In addition, she owed nearly \$9,000 in property taxes on the Sacramento house, and the city Utilities Department put a lien on the property for an unpaid utility bill of \$154.03.

In a letter to supporters after her money problems received widespread publicity in June, Richardson said she was current on her house payments.

"Many elected officials are married, rely on two incomes or are independently wealthy," she wrote.

"I do not fit any of these descriptions," she added. "I made the decision to borrow money against my home to help finance my campaign. The election was too important to me, to our community and to our country to roll over."

Although Richardson lost her Sacramento house, she got it back under unusual circumstances.

Real estate investor James York bought the two-story house May 7 for \$388,000. Richardson had paid \$535,000. York recorded the deed May 19 and sent a work crew to renovate the house.

York said Washington Mutual filed a letter of rescission of the sale June 2 with Sacramento County.

Experts said such a move after the deed was recorded was almost unheard of.

"It seems to me it has nothing to do with the law, but it has to do with [Washington Mutual] trying to be deferential to a congresswoman," said Grant Nelson, the William H. Rehnquist Professor of Law at Pepperdine University.

York sued. The case was settled in early July with each side agreeing not to talk about the terms.

In addition, Washington Mutual paid the tax lien on July 31, according to Sacramento County.

The public nuisance notice -- known as a vacant building ordinance violation -- was posted on Richardson's house Tuesday.

An inspection, it says, "revealed the structure on your property is vacant, is not in compliance with minimum maintenance standards and/or constitutes a public nuisance."

The owner of the house is listed on the notice as Red Rock Mortgage Inc., which is York's company.

O'Connor, the Sacramento code official, said the notices are taped onto the building and sent to the owner, return receipt requested.

During a phone interview, O'Connor checked county tax assessor records and said that Richardson is listed as the owner and that the notice would be sent to her.

The notice says that a \$1,000 penalty can be assessed against the property if progress is not made to bring it into compliance within 30 days. The penalty could grow to as much as \$5,000 per month unless progress is made to improve conditions.

Neighbors have complained about the state of the house for months.

They were optimistic when York sent his crew to begin renovations, but now say it is worse than ever.

"I can't make myself go by there. It hurts too much," said Sharon Helmar, who sold the house to Richardson after living there for 30 years. "We took good care of it, and it's a lovely house."

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC401 Seattle WA 98101
206.500.2822 direct | 206.228. cell
sara.gaugl@wamu.net

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From: Bartoces, Leah
Sent: Thursday, August 07, 2008 11:59:12 AM
To: Battaglia, Paul J.
Subject: FW: [REDACTED] - Richardson, Laura / TC# [REDACTED]

Attachments: Picture (Metafile)

REDACTED

Leah Bartoces
Consumer Group Paralegal
Washington Mutual
1301 2nd Avenue, WMC3501
Seattle, WA 98101

206.500.4262 direct / 206.377.2784 fax

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From: GM Paralegal Support
Sent: Thursday, July 03, 2008 9:30 AM
To: Bartoces, Leah
Subject: FW: [REDACTED] Richardson, Laura / TC# [REDACTED]

Hi Leah,

REDACTED

Please advise.

Thank you,
Sophia H Dahbashi
Research Support Analyst I
Legal Department Business Planning and Operations

Washington Mutual
9200 Oakdale St., N110214
Chatsworth, CA 91311

818.775.6867, direct. 818.775.7550 fax.
Farnaz.HossainDahbashi@wamu.net

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From: McNeil, Veronica
Sent: Thursday, July 03, 2008 6:44 AM
To: Thomas, Michelle M.; Dahbashi, Sophia
Cc: Pound, Robert A.
Subject: RE: [REDACTED]

Good Morning,

I didn't put the stop there manually therefore I can't remove it. The stop was place once the F/C workstations were updated to reflect a 3rd party sale on this property which at that time was a man code R. It has since rescinded now man code W. so it is no longer in my area. We process payments for this particular man code, but we don't remove stops.

Also if you read the notes on the loan you will see:

06/12/08 18:14:36 JAW FROM MEM1:

PLEASE CONTACT SOPHIA DAHBASHI IN LEGAL @
818-775-6867 PRIOR TO PROCESSING ANY ACTION ON
THIS LOAN OR CONTACTING/SPEAKING WITH THE
BORROWER. PHONE # IS FOR INTERNAL USE ONLY
BLIND TRANSFERS PLEASE

This might be your first stop. Sorry I couldn't help you with removing the stop.

Hope this was helpful to you.

Sophia,
Can you assist Michelle with her questions?

You all have a safe a wonderful Holiday weekend.....

Ms. Veronica Sowell-McNeil
LS Cashiering Rep II
Cash Operations
Foreclosure-LMIT
Mail Stop JAXB2007

Fax: (904) 886 1646
Direct: 904-462

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From: Thomas, Michelle M.
Sent: Thursday, July 03, 2008 9:24 AM
To: McNeil, Veronica
Cc: Pound, Robert A.
Subject:
Importance: High

Veronica

Is it possible for you to remove the disbursement stop 1 from the above referenced loan number, in order that we may disburse tax payments? If so, please do so as soon as possible.

Thank you in advance.
Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext.

email: michelle.m.thomas@wamu.net

TheEliteGroup
BE RECOGNIZED

From: Battaglia, Katherine R. <katherine.battaglia@wamu.net>
Sent: Wednesday, July 30, 2008 1:54 PM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>
Subject: RE: KANA / Email (Richardson, Laura)

REDACTED

From: Battaglia, Paul J.
Sent: Wednesday, July 30, 2008 1:50 PM
To: Battaglia, Katherine R.
Subject: RE: KANA / Email (Richardson, Laura)

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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Paul~

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Sent: Wednesday, July 30, 2008 8:47 AM
To: Battaglia, Paul J.
Subject: FW: KANA / Email (Richardson, Laura)

REDACTED

Jed P. Sonstroem
First Vice President and Assistant General Counsel
Washington Mutual Bank
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1301 2nd Avenue
WMC 3501
Seattle WA 98101
Telephone: (206) 500-4266
Fax: (206) 377-2784
jed.sonstroem@wamu.net

From: Spyropoulos, Jane
Sent: Wednesday, July 30, 2008 8:29 AM
To: Sonstroem, Jed P.
Cc: Snook, Christina A.; Battaglia, Katherine R.
Subject: FW: KANA / Email

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http://en.wikipedia.org/wiki/Laura_Richardson

Thank You

Jane Spyropoulos
Sr. Team Lead
ECC Mortgage & Retail
eCare/Correspondence
585-590-5237
jane.spyropoulos@wamu.net

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Host-Verified Secure Message

Spanish False

Topic Other

cisNumber [REDACTED]

dateTimeStamp 07/28/2008 6:36:39 PM

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confirmationNumber K33790044488E11B7

subject General Inquiry

firstName HERBERT

lastName SAMPLE

emailAddress yahoo [REDACTED]

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Washington Mutual Bank

Processing Rep-Sr

ECC-Albion

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Thank You

Jane Spyropoulos

Sr. Team Lead

ECC Mortgage & Retail

eCare/Correspondence

585-590-5237

jane.spyropoulos@wamu.net

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From: Battaglia, Katherine R.

Sent: Tuesday, July 29, 2008 3:59 PM

To: Spyropoulos, Jane

Subject: KANA / Email

Host-Verified Secure Message

Spanish False

Topic Other

cisNumber []

dateTimeStamp 07/28/2008 6:36:39 PM

applicationID 2

confirmationNumber K33790044488E11B7

subject General Inquiry

firstName HERBERT

lastName SAMPLE

emailAddress yahoot

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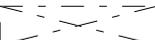
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cisNumber 

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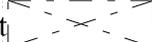
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[The main body of the page contains a large area of extremely faint, illegible text, likely representing a redacted document or a scan of a document with very low contrast. The text is organized into several paragraphs, but the individual words and sentences are not discernible.]

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Subject: FW: KANA / Email

Good Morning Jed ~

Below is an email we received regarding a foreclosed home that was sold at an auction on May 7th for \$388,000.00, however we have issued a notice to rescind the sale. Can you please review the below email and advise on how to respond to the customers inquiry? Thank you in advance for your assistance!

~ There is an article out on the internet regarding the issue for further research under Real Estate Controversies.

http://en.wikipedia.org/wiki/Laura_Richardson

Thank You

Jane Spyropoulos

Sr. Team Lead

ECC Mortgage & Retail

eCare/Correspondence

585-590-5237

jane.spyropoulos@wamu.net

Confidential Notice: This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Battaglia, Katherine R.

Sent: Tuesday, July 29, 2008 3:59 PM

To: Spyropoulos, Jane

Subject: KANA / Email

Host-Verified Secure Message

Spanish False

Topic Other

cisNumber| 

dateTimeStamp 07/28/2008 6:36:39 PM

applicationID 2

confirmationNumber K33790044488E11B7

subject General Inquiry

firstName HERBERT

lastName SAMPLE

emailAddress [REDACTED]

comments Nice going, WAMU!!! A member of Congress (Laura Richardson) gets foreclosed on by you folks, it hits the papers and, voila!, WAMU breaks its back to help her out by essentially returning the house to her after it had already been sold at an auction. Can any of your other customers expect such generous assistance? Your spokeswoman says: We're committed to treating all of our customers with the same level of consideration and fairness. Yea, right!

Thank-you!

Katherine Battaglia

Washington Mutual Bank

Processing Rep-Sr

ECC-Albion

"Today Is The Mountain You Were Destined To Climb.."

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Please consider the environment before printing this email.

From: Battaglia, Paul J. <paul.battaglia@wamu.net>
Sent: Wednesday, July 30, 2008 12:45 PM
To: Sonstroem, Jed P. <jed.sonstroem@wamu.net>
Subject: RE: KANA / Email (Richardson, Laura)

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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From: Sonstroem, Jed P.
Sent: Wednesday, July 30, 2008 8:47 AM
To: Battaglia, Paul J.
Subject: FW: KANA / Email (Richardson, Laura)

REDACTED

Jed P. Sonstroem
First Vice President and Assistant General Counsel
Washington Mutual Bank
The WaMu Center
1301 2nd Avenue
WMC 3501
Seattle WA 98101
Telephone: (206) 500-4266
Fax: (206) 377-2784
jed.sonstroem@wamu.net

From: Spyropoulos, Jane
Sent: Wednesday, July 30, 2008 8:29 AM
To: Sonstroem, Jed P.

Cc: Snook, Christina A.; Battaglia, Katherine R.
Subject: FW: KANA / Email

Good Morning Jed ~

Below is an email we received regarding a foreclosed home that was sold at an auction on May 7th for \$388,000.00, however we have issued a notice to rescind the sale. Can you please review the below email and advise on how to respond to the customers inquiry? Thank you in advance for your assistance!

~ There is an article out on the internet regarding the issue for further research under Real Estate Controversies.

http://en.wikipedia.org/wiki/Laura_Richardson

Thank You

Jane Spyropoulos
Sr. Team Lead
ECC Mortgage & Retail
eCare/Correspondence
585-590-5237
jane.spyropoulos@wamu.net

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From: Battaglia, Katherine R.
Sent: Tuesday, July 29, 2008 3:59 PM
To: Spyropoulos, Jane
Subject: KANA / Email

Host-Verified Secure Message

Spanish False

Topic Other

cisNumber [] [] [] [] []

dateTimeStamp 07/28/2008 6:36:39 PM

applicationID 2

confirmationNumber K33790044488E11B7

subject General Inquiry

firstName HERBERT

lastName SAMPLE

emailAddress [REDACTED]

comments Nice going, WAMU!!! A member of Congress (Laura Richardson) gets foreclosed on by you folks, it hits the papers and, voila!, WAMU breaks its back to help her out by essentially returning the house to her after it had already been sold at an auction. Can any of your other customers expect such generous assistance? Your spokeswoman says: We're committed to treating all of our customers with the same level of consideration and fairness. Yea, right!

Thank-you!

Katherine Battaglia

Washington Mutual Bank

Processing Rep-Sr

ECC-Albion

"Today Is The Mountain You Were Destined To Climb.."

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Please consider the environment before printing this email.

From: Sonstroem, Jed P. <jed.sonstroem@wamu.net>
Sent: Wednesday, July 30, 2008 11:47 AM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>
Subject: FW: KANA / Email (Richardson, Laura)

REDACTED

Jed P. Sonstroem
First Vice President and Assistant General Counsel
Washington Mutual Bank
The WaMu Center
1301 2nd Avenue
WMC 3501
Seattle WA 98101
Telephone: (206) 500-4266
Fax: (206) 377-2784
jed.sonstroem@wamu.net

From: Spyropoulos, Jane
Sent: Wednesday, July 30, 2008 8:29 AM
To: Sonstroem, Jed P.
Cc: Snook, Christina A.; Battaglia, Katherine R.
Subject: FW: KANA / Email

Good Morning Jed ~

Below is an email we received regarding a foreclosed home that was sold at an auction on May 7th for \$388,000.00, however we have issued a notice to rescind the sale. Can you please review the below email and advise on how to respond to the customers inquiry? Thank you in advance for your assistance!

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http://en.wikipedia.org/wiki/Laura_Richardson

Thank You
Jane Spyropoulos

Sr. Team Lead
ECC Mortgage & Retail
eCare/Correspondence
585-590-5237
jane.spyropoulos@wamu.net

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From: Battaglia, Katherine R.
Sent: Tuesday, July 29, 2008 3:59 PM
To: Spyropoulos, Jane
Subject: KANA / Email

Host-Verified Secure Message

Spanish False

Topic Other

cisNumber [REDACTED]

dateTimeStamp 07/28/2008 6:36:39 PM

applicationID 2

confirmationNumber K33790044488E11B7

subject General Inquiry

firstName HERBERT

lastName SAMPLE

emailAddress [REDACTED]

comments Nice going, WAMU!! A member of Congress (Laura Richardson) gets foreclosed on by you folks, it hits the papers and, voila!, WAMU breaks its back to help her out by essentially returning the house to her after it had already been sold at an auction. Can any of your other customers expect such generous assistance? Your spokeswoman says: We're committed to treating all of our customers with the same level of consideration and fairness. Yea, right!

Thank-you!

Katherine Battaglia

Washington Mutual Bank

Processing Rep-Sr

ECC-Albion

"Today Is The Mountain You Were Destined To Climb.."

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Please consider the environment before printing this email.

From: Bartoces, Leah
Sent: Wednesday, July 23, 2008 5:25:31 PM
To: Battaglia, Paul J.
Subject: FW: [REDACTED] Richardson, Laura / TC# [REDACTED]

Attachments: Picture (Metafile)

REDACTED

Leah Bartoces
Consumer Group Paralegal
Washington Mutual
1301 2nd Avenue, WMC3501
Seattle, WA 98101

206.500.4262 direct / 206.377.2784 fax

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From: GM Paralegal Support
Sent: Wednesday, July 16, 2008 10:38 AM
To: Bartoces, Leah
Subject: FW: [REDACTED] Richardson, Laura / TC# [REDACTED]

REDACTED

Please advise.

Sophia H Dahbashi
Research Support Analyst I
Legal Department Business Planning and Operations

Washington Mutual
9200 Oakdale St., N110214
Chatsworth, CA 91311

818.775.6867, direct. 818.775.7550 fax.
Farnaz.HossainDahbashi@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: McNeil, Veronica
Sent: Thursday, July 03, 2008 6:44 AM
To: Thomas, Michelle M.; Dahbashi, Sophia
Cc: Pound, Robert A.
Subject: RE: [REDACTED]

Good Morning,

I didn't put the stop there manually therefore I can't remove it. The stop was place once the F/C workstations were updated to reflect a 3rd party sale on this property which at that time was a man code R. It has since rescinded now man code W. so it is no longer in my area. We process payments for this particular man code, but we don't remove stops.

Also if you read the notes on the loan you will see:

06/12/08 18:14:36 JAW FROM MEM1:

PLEASE CONTACT SOPHIA DAHBASHI IN LEGAL @
818-775-6867 PRIORTO PROCESSING ANY ACTION ON
THIS LOAN OR CONTACTING/SPEAKING WITH THE

BORROWER. PHONE # IS FOR INTERNAL USE ONLY

BLIND TRANSFERS PLEASE

This might be your first stop. Sorry I couldn't help you with removing the stop.

Hope this was helpful to you.

Sophia,

Can you assist Michelle with her questions?

You all have a safe a wonderful Holiday weekend.....

Ms. Veronica Sowell-McNeil

LS Cashiering Rep II

Cash Operations

Foreclosure-LMIT

Mail Stop JAXB2007

Fax: (904) 886 1646

Direct: 904-462

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From: Thomas, Michelle M.

Sent: Thursday, July 03, 2008 9:24 AM

To: McNeil, Veronica

Cc: Pound, Robert A.

Subject:

Importance:

Veronica

Is it possible for you to remove the disbursement stop 1 from the above referenced loan number, in order that we may disburse tax payments? If so, please do so as soon as possible.

Thank you in advance.

Michelle M. Thomas

Real Estate Tax Associate Sr.

1-800-353-3860 ext. 4726

email: michelle.m.thomas@wamu.net

TheEliteGroup
BE RECOGNIZED

JPMC - 001917
CONFIDENTIAL
CSOC.RICH.003406

From: Mathis, Julie A. <julie.mathis@wamu.net>
Sent: Thursday, July 10, 2008 12:47 PM
To: Thorn, Ann <ann.thorn@wamu.net>; Lyman, Daryl W. <daryl.lyman@wamu.net>;
Rogers, Savannah L. <savannah.rogers@wamu.net>
Cc: Battaglia, Paul J. <paul.battaglia@wamu.net>
Subject: RE: [REDACTED] Richardson

Calling her again at 1:30.

From: Thorn, Ann
Sent: Thursday, July 10, 2008 10:32 AM
To: Lyman, Daryl W.; Rogers, Savannah L.
Cc: Mathis, Julie A.; Battaglia, Paul J.
Subject: RE: [REDACTED] Richardson

REDACTED

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
office: 904-462-2150
cell: 414-418-8174*

For Internal Use Only

From: Lyman, Daryl W.
Sent: Thursday, July 10, 2008 10:31 AM
To: Rogers, Savannah L.; Thorn, Ann
Cc: Mathis, Julie A.; Battaglia, Paul J.
Subject: RE: [REDACTED] Richardson

REDACTED

Daryl W. Lyman
First Vice President & Senior Counsel

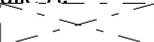
Washington Mutual
Legal Department
1301 Second Avenue, WMC 3501
Seattle, WA 98101

206.500.4260 direct | 206.377.2784 fax

JPMC - 001919
CONFIDENTIAL
CSOC.RICH.003408

daryl.lyman@wamu.net

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From: Rogers, Savannah L.
Sent: Thursday, July 10, 2008 6:17 AM
To: Thorn, Ann; Lyman, Daryl W.
Cc: Mathis, Julie A.
Subject: RE:  Richardson

REDACTED

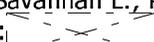
Without the \$100,000 corporate advance the Mod terms would be adjusted to the following:

Current UPB \$533,455.31
Capitalized Amount \$63,875.45
Delinquent Interest 07/07-08/08 \$50,856.13
Escrow (Taxes) \$9,680.56
Foreclosure Fees \$3,338.76
New Modified UPB \$597,330.76
1st payment date 9/1/08 \$4,352.32
New P&I \$4,267.58
New Escrow \$84.74
Amortization term 480; Maturity term 342

REDACTED

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Mathis, Julie A.
Sent: Thursday, July 10, 2008 8:41 AM
To: Thomas, Michelle M.; Thorn, Ann; Lyman, Daryl W.
Cc: Rogers, Savannah L.; Pound, Robert A.
Subject: RE:  Richardson

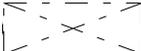
Savannah, does this change your figures?

Thanks,

Julie

From: Thomas, Michelle M.
Sent: Thursday, July 10, 2008 8:39 AM
To: Mathis, Julie A.; Thorn, Ann; Lyman, Daryl W.
Cc: Rogers, Savannah L.; Pound, Robert A.

JPMC - 001920
CONFIDENTIAL
CSOC.RICH.003409

Subject: RE:  Richardson

Julie

The taxes have been paid current. The negative escrow balance is the total amount paid for taxes which is \$9,087.44. Tax lines have been updated and are correct. The escrow analysis is handled in the escrow department.

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net

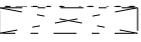
From: Mathis, Julie A.
Sent: Thursday, July 10, 2008 8:25 AM
To: Thorn, Ann; Thomas, Michelle M.; Lyman, Daryl W.
Cc: Rogers, Savannah L.
Subject: RE:  Richardson
Importance: High

No, I had to leave a message and she has not called back yet.

Michelle, has the tax issue been resolved? We need to have a response asap please.

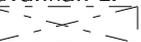
Thanks,

Julie

From: Thorn, Ann
Sent: Thursday, July 10, 2008 7:27 AM
To: Mathis, Julie A.; Thomas, Michelle M.; Lyman, Daryl W.
Cc: Rogers, Savannah L.
Subject: RE:  Richardson

did you talk to her?

Is the tax issue resolved and the system is correct?

From: Mathis, Julie A.
Sent: Wed 07/09/2008 01:32 PM
To: Thomas, Michelle M.; Thorn, Ann; Lyman, Daryl W.
Cc: Rogers, Savannah L.
Subject: RE:  Richardson

I just left a msg for Ms. Richardson to call me so we can schedule time to dicuss the mod. We obviously need the below tax issue resolved first though.

Thanks,

Julie

From: Rogers, Savannah L.
Sent: Wednesday, July 09, 2008 2:25 PM
To: Thomas, Michelle M.
Cc: Mathis, Julie A.
Subject: FW: [REDACTED] Richardson
Importance: High

Michelle,
Can you explain why the escrow required from ANA1 8/08 was \$10,031.70 yesterday and today the required amount shows \$593.12? Will it be adjusting again? I need to verify this for the Mod terms before we call the mtgr today.

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Mathis, Julie A.
Sent: Wednesday, July 09, 2008 2:17 PM
To: Rogers, Savannah L.
Cc: Coker, Darlene; Beal, Pamela S.; Thorn, Ann; Lyman, Daryl W.; Battaglia, Paul J.
Subject: RE: [REDACTED] Richardson
Importance: High

Savannah, please bring the file over.

thanks,

Julie

From: Thorn, Ann
Sent: Wednesday, July 09, 2008 1:39 PM
To: Lyman, Daryl W.; Rogers, Savannah L.
Cc: Coker, Darlene; Mathis, Julie A.; Beal, Pamela S.; Battaglia, Paul J.
Subject: RE: [REDACTED] Richardson

great

Julie, please call Richardson today and get documents out.

*Ann Thorn, FVP
Washington Mutual*

National Asset Recovery Manager

office: 904-462-2150

cell: 414-418-8174

For Internal Use Only

From: Lyman, Daryl W.
Sent: Wednesday, July 09, 2008 1:38 PM
To: Thorn, Ann; Rogers, Savannah L.
Cc: Coker, Darlene; Mathis, Julie A.; Beal, Pamela S.; Battaglia, Paul J.
Subject: RE: [REDACTED] Richardson

REDACTED

-Daryl

From: Thorn, Ann
Sent: Wednesday, July 09, 2008 10:31 AM
To: Lyman, Daryl W.; Rogers, Savannah L.; Battaglia, Paul J.
Cc: Coker, Darlene; Mathis, Julie A.; Beal, Pamela S.
Subject: RE: [REDACTED] Richardson

REDACTED

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
office: 904-462-2150
cell: 414-418-8174

For Internal Use Only

From: Lyman, Daryl W.
Sent: Wednesday, July 09, 2008 1:24 PM
To: Thorn, Ann; Rogers, Savannah L.; Battaglia, Paul J.
Cc: Coker, Darlene; Mathis, Julie A.; Beal, Pamela S.
Subject: RE: [REDACTED] Richardson

REDACTED

Daryl W. Lyman

First Vice President & Senior Counsel

Washington Mutual
Legal Department
1301 Second Avenue, WMC 3501
Seattle, WA 98101

206.500.4260 direct | 206.377.2784 fax
daryl.lyman@wamu.net

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From: Thorn, Ann
Sent: Tuesday, July 08, 2008 5:44 AM
To: Rogers, Savannah L.; Battaglia, Paul J.; Lyman, Daryl W.
Cc: Coker, Darlene; Mathis, Julie A.; Beal, Pamela S.
Subject: RE: [REDACTED] Richardson

REDACTED

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
office: 904-462-2150
cell: 414-418-8174*

For Internal Use Only

From: Rogers, Savannah L.
Sent: Tuesday, July 08, 2008 8:42 AM
To: Battaglia, Paul J.
Cc: Thorn, Ann; Coker, Darlene; Mathis, Julie A.; Beal, Pamela S.
Subject: RE: [REDACTED] Richardson

Paul,

REDACTED

REDACTED

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Thorn, Ann
Sent: Monday, July 07, 2008 6:12 PM
To: Thomas, Michelle M.; Pound, Robert A.; Rogers, Savannah L.
Cc: Coker, Darlene; Mathis, Julie A.
Subject: RE: [REDACTED] Richardson

thank you for your help.

Savannah, let's get our part done tomorrow and get copies of new documents out and communicated to Richardson

From: Thomas, Michelle M.
Sent: Mon 07/07/2008 05:00 PM
To: Thorn, Ann; Pound, Robert A.
Cc: Coker, Darlene
Subject: RE: [REDACTED] Richardson

Done

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net

From: Thorn, Ann
Sent: Monday, July 07, 2008 5:33 PM
To: Pound, Robert A.

Cc: Coker, Darlene; Thomas, Michelle M.
Subject: RE: [REDACTED]Richardson

Remove the stop and pay the taxes

From: Pound, Robert A.
Sent: Mon 07/07/2008 04:16 PM
To: Thorn, Ann
Cc: Coker, Darlene; Thomas, Michelle M.
Subject: RE: [REDACTED]Richardson

Ann,

In regards to your request, we have reached out to several people to have the disbursement stop 1 removed and have been unsuccessful. If you give me permission to remove the stop, we will be able to disburse taxes.

Thanks

Robert Pound
Washington Mutual
LS Section Manager I
843-673-4007

From: Thorn, Ann
Sent: Monday, July 07, 2008 3:50 PM
To: Rogers, Savannah L.; Thomas, Michelle M.
Cc: Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.; Pound, Robert A.; Coker, Darlene
Subject: RE: [REDACTED]Richardson

Michelle, can you please get this changed today as this is a highly escalated matter.
Thank you.

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
office: 904-462-2150
cell: 414-418-8174*

For Internal Use Only

From: Rogers, Savannah L.
Sent: Monday, July 07, 2008 3:39 PM
To: Thomas, Michelle M.
Cc: Thorn, Ann; Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.; Pound, Robert A.
Subject: FW: [REDACTED]Richardson
Importance: High

Michelle,
Please request the disbursement stop be removed so we can get this file out immediately. Ann Thorn is requesting we escalate this issue... in case you are not getting a response.

Please let us know this has been taken care of so Loss Mit can proceed.

Thank you,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Thomas, Michelle M.
Sent: Thursday, July 03, 2008 10:51 AM
To: Rogers, Savannah L.
Cc: Thorn, Ann; Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.; Pound, Robert A.
Subject: RE: [REDACTED] Richardson

Savannah

There is now a disbursement stop 1 preventing me from disbursing these taxes. I am attempting to contact the appropriate person to have that stop removed. Also California tax offices are adding redemption amounts to their tax roll. I have to verify with them the new amount to be paid for the month of July after it becomes available.

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net
<< OLE Object: Picture (Metafile) >>

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 10:38 AM
To: Thomas, Michelle M.
Cc: Thorn, Ann; Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.
Subject: FW: [REDACTED] Richardson

Hi Michelle,
Can you give us an idea on how long it will take for the escrow to appear? Can this be done today or will it take until Monday to see the changes in the system?

Thank you very much-

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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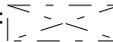
From: Thorn, Ann
Sent: Thursday, July 03, 2008 10:19 AM
To: Rogers, Savannah L.; Battaglia, Paul J.
Cc: Beal, Pamela S.; Mathis, Julie A.
Subject: RE:  Richardson

Ok, that is probably going to be a problem.....

What are the new numbers and what changes are being made? Paul, fyi.....

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150*

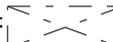
For Internal Use Only

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 9:50 AM
To: Thorn, Ann
Cc: Beal, Pamela S.; Mathis, Julie A.
Subject: RE:  Richardson

Yes, you are correct.

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Thorn, Ann
Sent: Thursday, July 03, 2008 9:03 AM
To: Rogers, Savannah L.; Mathis, Julie A.
Cc: Beal, Pamela S.
Subject: RE:  Richardson
Importance: High

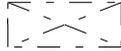
Ok, I need to understand something. We already talked to Richardson and told her the terms of the Modification as I understood. Then we realized taxes/insurance were not paid by Red Rock and now need to pay 2-3 weeks later and get back to her with new figures? Is that the case?

I need to understand this because it is my impression that Richardson thinks she has a new deal.....please clarify.

*****Please note my phone number has changed to 904-462-2150

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150*

For Internal Use Only

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 8:56 AM
To: Thorn, Ann
Cc: Mathis, Julie A.; Beal, Pamela S.; Thomas, Michelle M.
Subject: RE:  richardson

Ann.

Once the taxes are disbursed and the escrow is set up I will work up the Modification terms. We will contact the mortgagor to verify the terms and have the documents sent.

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Thorn, Ann
Sent: Thursday, July 03, 2008 8:47 AM
To: Rogers, Savannah L.; Thomas, Michelle M.
Cc: Mathis, Julie A.; Beal, Pamela S.
Subject: RE:  richardson

What is going on with the Mod?

*****Please note my phone number has changed to 904-462-2150

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150*

For Internal Use Only

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 8:36 AM
To: Thomas, Michelle M.
Cc: Thorn, Ann; Mathis, Julie A.; Beal, Pamela S.
Subject: FW: [Richardson]

Hi Michelle,
Please see below, the foeclosure stop 7 has been removed. Please disburse the tax payment so we can proceed with the Mod.

Thanks

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Thorn, Ann
Sent: Wednesday, July 02, 2008 3:39 PM
To: Mathis, Julie A.; Beal, Pamela S.; Rogers, Savannah L.
Subject: FW: [Richardson]

*****Please note my phone number has changed to 904-462-2150

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150*

For Internal Use Only

From: Boulton, Elizabeth A.
Sent: Wednesday, July 02, 2008 3:37 PM

To: Thorn, Ann
Subject: RE:  Richardson

Done.

Thank you,

Beth

From: Thorn, Ann
Sent: Wednesday, July 02, 2008 1:01 PM
To: Boulton, Elizabeth A.
Subject: FW:  Richardson
Importance: High

Can you change back to presale stop code

*****Please note my phone number has changed to **904-462-2150**

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150*

For Internal Use Only

From: Mathis, Julie A.
Sent: Wednesday, July 02, 2008 12:01 PM
To: Thorn, Ann
Cc: Rogers, Savannah L.; Beal, Pamela S.
Subject: FW:  Richardson
Importance: High

Ann, do you know how we can have the FC stop 7 removed?

From: Rogers, Savannah L.
Sent: Wednesday, July 02, 2008 10:57 AM
To: Mathis, Julie A.
Cc: Beal, Pamela S.
Subject: RE: 0729942433 Richardson

I sent an email to Chrissy 6/26/08 but didn't hear anything back. Do you know how/when the fc stop 7 will be removed? That is preventing us from getting the taxes disbursed and escrow set up.

<< Message: RE:  Richardson >>
Thank you,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

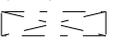
This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Mathis, Julie A.
Sent: Tuesday, July 01, 2008 9:20 PM
To: Rogers, Savannah L.
Cc: Beal, Pamela S.
Subject: FW:  Richardson

Are we ok with this one?

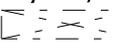
Thanks!

Julie

From: Thomas, Michelle M.
Sent: Thursday, June 26, 2008 11:03 AM
To: Rogers, Savannah L.; Lopez, Christina; Haywood, Oriska S.; Mathis, Julie A.
Cc: Springs, Sonya E.; Pound, Robert A.
Subject: RE:  Richardson

Please see tax notes on the above reference loan number indicating I will not be able to disburse tax payment until the foreclosure stop 7 has been removed. I will monitor the account for the removal of the foreclosure stop.

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net
<< OLE Object: Picture (Metafile) >>

From: Thomas, Michelle M.
Sent: Thursday, June 26, 2008 9:57 AM
To: Rogers, Savannah L.; Lopez, Christina; Haywood, Oriska S.; 'Jullie.Mathis@wamu.net'
Cc: Springs, Sonya E.; Pound, Robert A.
Subject: RE:  Richardson

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net
<< OLE Object: Picture (Metafile) >>

From: Springs, Sonya E.
Sent: Wednesday, June 25, 2008 2:27 PM
To: Thomas, Michelle M.
Subject: FW:  Richardson

Michelle,

I am copying you on this email so you can respond to the original parties on the email.

Thanks,
Sonya Springs
<< *OLE Object: Picture (Metafile)* >>

Tax Mitigation Specialist, Senior
Phone (843)673-3706
Fax (843) 673-4728
Mailstop FSC0211

Sonya.Springs@Wamu.net

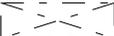
"The information above shall be treated as confidential and is intended solely for the named recipient(s). Without Washington Mutual's prior written consent, this information shall not be disclosed to any person other than an officer or employee of the recipient(s) company with a need to know the information. If you are not the intended recipient(s), any review, dissemination, distribution, disclosure, or copying of this message is strictly prohibited. If you have received this communication in error, please notify the sender immediately by reply e-mail, and delete the original message."

Please refer to tax notes dated 06-26-08. I will not be able to disburse tax payment for the delinquent taxes until the foreclosure stop =7 is removed. I will monitor account for the removal of the stop.

From: Pound, Robert A.
Sent: Wednesday, June 25, 2008 2:23 PM
To: Springs, Sonya E.; Morris, Linda
Cc: Kirby, Louise L.
Subject: RE:  Richardson

I have reassigned this to Michelle Thomas. But until the FCL Stop 7 is removed she will not be able to pay taxes.

Robert Pound

From: Springs, Sonya E.
Sent: Wednesday, June 25, 2008 2:08 PM
To: Morris, Linda
Cc: Pound, Robert A.; Kirby, Louise L.
Subject: RE:  Richardson
Importance: High

Louise,
There is already a NON123 task open and its assigned to Linda Morris.

Linda,

Can you go ahead and research this loan? Then e-mail a response to the all parties the e-mail below.

Thanks,
Sonya Springs

<< OLE Object: Picture (Metafile) >>

Tax Mitigation Specialist, Senior

Phone (843)673-3706

Fax (843) 673-4728

Mailstop FSC0211

Sonya.Springs@wamu.net

"The information above shall be treated as confidential and is intended solely for the named recipient(s). Without Washington Mutual's prior written consent, this information shall not be disclosed to any person other than an officer or employee of the recipient(s) company with a need to know the information. If you are not the intended recipient(s), any review, dissemination, distribution, disclosure, or copying of this message is strictly prohibited. If you have received this communication in error, please notify the sender immediately by reply e-mail, and delete the original message."

From: Kirby, Louise L.
Sent: Wednesday, June 25, 2008 12:02 PM
To: Lopez, Christina; Rogers, Savannah L.
Cc: Springs, Sonya E.
Subject: RE:  Richardson

Sonya,
Please assign this account to someone on the non/esc team to follow up and respond to Savannah and Christina.

Thanks.

LOUISE KIRBY
LS Section Manager II
Tax Mitigation
(843) 673-4737 (phone)
(843) 673-4728 (fax)

From: Lopez, Christina
Sent: Wednesday, June 25, 2008 9:16 AM
To: Rogers, Savannah L.
Cc: Kirby, Louise L.
Subject: RE:  Richardson

Louise,

Loss Mit only blocks taxes on short sales. This is not a short sale and it doesn't appear that we placed the disbursement stop. Per SAF1, processor EDC placed the block on there on 5/14/08. It appears her name is Veronica McNeil-Ellis. Can you check with her to determine if the block can be removed?

Thanks

From: Rogers, Savannah L.
Sent: Wednesday, June 25, 2008 8:56 AM
To: Lopez, Christina
Cc: Kirby, Louise L.
Subject: RE: [REDACTED] Richardson

Chrissy,
This fc sale was rescinded...what should I do to get this moving? Do you know if the fc dept should remove their stops?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Kirby, Louise L.
Sent: Wednesday, June 25, 2008 8:50 AM
To: Rogers, Savannah L.
Subject: RE: [REDACTED] Richardson

Savannah,
Per instructions we have received by Christina Lopez dated 12/3/07, we cannot disburse tax if the man code is "w" with disbursement stop 1.

So with the codes that are on the account now, we are not able to pay any tax payments.

Also there is a foreclosure code 7--conveyed, which also prevents us from paying.

LOUISE KIRBY
LS Section Manager II
Tax Mitigation
(843) 673-4737 (phone)
(843) 673-4728 (fax)

From: Rogers, Savannah L.
Sent: Wednesday, June 25, 2008 8:35 AM
To: Kirby, Louise L.
Subject: FW: [REDACTED] Richardson

Importance: High

Louise,

Management is requesting we get this Mod out asap. I just want to make sure I asked the right person (Wonza) to help me set up the escrow - property taxes are delinquent. There is a note on the loan from 5/20/08 saying the taxes were not going to be paid because of the mancode. Now that the mancode is W - can this be taken care of? Do you have a timeframe for completion so I can let management know?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Rogers, Savannah L.
Sent: Tuesday, June 24, 2008 9:39 AM
To: Johnson, Wonza L.
Cc: Haywood, Oriska S.; Mathis, Julie A.
Subject: Richardson
Importance: High

Hi Wonza,

There were two checks returned 4/21/08 for delinquent property taxes \$8109.81 + \$405.49. This loan went to fc sale which has been rescinded and we will be modifying this loan. Who can send the task to set up the escrow for these taxes and possibly research if those taxes are still delinquent since the checks came back from Sacramento County?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Thorn, Ann <ann.thorn@wamu.net>
Sent: Thursday, July 10, 2008 10:32 AM
To: Lyman, Daryl W. <daryl.lyman@wamu.net>; Rogers, Savannah L. <savannah.rogers@wamu.net>
Cc: Mathis, Julie A. <julie.mathis@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>
Subject: RE: [REDACTED] Richardson

REDACTED

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
office: 904-462-2150
cell: 414-418-8174*

For Internal Use Only

From: Lyman, Daryl W.
Sent: Thursday, July 10, 2008 10:31 AM
To: Rogers, Savannah L.; Thorn, Ann
Cc: Mathis, Julie A.; Battaglia, Paul J.
Subject: RE: [REDACTED] Richardson

REDACTED

Daryl W. Lyman
First Vice President & Senior Counsel

Washington Mutual
Legal Department
1301 Second Avenue, WMC 3501
Seattle, WA 98101

206.500.4260 direct | 206.377.2784 fax
daryl.lyman@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Rogers, Savannah L.
Sent: Thursday, July 10, 2008 6:17 AM
To: Thorn, Ann; Lyman, Daryl W.

JPMC - 001937
CONFIDENTIAL
CSOC.RICH.003426

Cc: Mathis, Julie A.

Subject: RE: [REDACTED] Richardson

REDACTED

Without the \$100,000 corporate advance the Mod terms would be adjusted to the following:

Current UPB \$533,455.31
Capitalized Amount \$63,875.45
Delinquent Interest 07/07-08/08 \$50,856.13
Escrow (Taxes) \$9,680.56
Foreclosure Fees \$3,338.76
New Modified UPB \$597,330.76
1st payment date 9/1/08 \$4,352.32
New P&I \$4,267.58
New Escrow \$84.74
Amortization term 480; Maturity term 342

REDACTED

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Mathis, Julie A.

Sent: Thursday, July 10, 2008 8:41 AM

To: Thomas, Michelle M.; Thorn, Ann; Lyman, Daryl W.

Cc: Rogers, Savannah L.; Pound, Robert A.

Subject: RE: [REDACTED] Richardson

Savannah, does this change your figures?

Thanks,

Julie

From: Thomas, Michelle M.

Sent: Thursday, July 10, 2008 8:39 AM

To: Mathis, Julie A.; Thorn, Ann; Lyman, Daryl W.

Cc: Rogers, Savannah L.; Pound, Robert A.

Subject: RE: [REDACTED] Richardson

Julie

The taxes have been paid current. The negative escrow balance is the total amount paid for taxes which is \$9,087.44. Tax lines have been updated and are correct. The escrow analysis is handled in the escrow department.

Michelle M. Thomas

Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net

From: Mathis, Julie A.
Sent: Thursday, July 10, 2008 8:25 AM
To: Thorn, Ann; Thomas, Michelle M.; Lyman, Daryl W.
Cc: Rogers, Savannah L.
Subject: RE: [REDACTED] Richardson
Importance: High

No, I had to leave a message and she has not called back yet.

Michelle, has the tax issue been resolved? We need to have a response asap please.

Thanks,

Julie

From: Thorn, Ann
Sent: Thursday, July 10, 2008 7:27 AM
To: Mathis, Julie A.; Thomas, Michelle M.; Lyman, Daryl W.
Cc: Rogers, Savannah L.
Subject: RE: [REDACTED] Richardson

did you talk to her?

Is the tax issue resolved and the system is correct?

From: Mathis, Julie A.
Sent: Wed 07/09/2008 01:32 PM
To: Thomas, Michelle M.; Thorn, Ann; Lyman, Daryl W.
Cc: Rogers, Savannah L.
Subject: RE: [REDACTED] Richardson

I just left a msg for Ms. Richardson to call me so we can schedule time to dicuss the mod. We obviously need the below tax issue resolved first though.

Thanks,

Julie

From: Rogers, Savannah L.
Sent: Wednesday, July 09, 2008 2:25 PM
To: Thomas, Michelle M.
Cc: Mathis, Julie A.
Subject: FW: [REDACTED] Richardson
Importance: High

Michelle,
Can you explain why the escrow required from ANA1 8/08 was \$10,031.70 yesterday and today the required

amount shows \$593.12? Will it be adjusting again? I need to verify this for the Mod terms before we call the mtgr today.

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Mathis, Julie A.
Sent: Wednesday, July 09, 2008 2:17 PM
To: Rogers, Savannah L.
Cc: Coker, Darlene; Beal, Pamela S.; Thorn, Ann; Lyman, Daryl W.; Battaglia, Paul J.
Subject: RE: [REDACTED] Richardson
Importance: High

Savannah, please bring the file over.

thanks,

Julie

From: Thorn, Ann
Sent: Wednesday, July 09, 2008 1:39 PM
To: Lyman, Daryl W.; Rogers, Savannah L.
Cc: Coker, Darlene; Mathis, Julie A.; Beal, Pamela S.; Battaglia, Paul J.
Subject: RE: [REDACTED] Richardson

great

Julie, please call Richardson today and get documents out.

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
office: 904-462-2150
cell: 414-418-8174*

For Internal Use Only

From: Lyman, Daryl W.
Sent: Wednesday, July 09, 2008 1:38 PM
To: Thorn, Ann; Rogers, Savannah L.
Cc: Coker, Darlene; Mathis, Julie A.; Beal, Pamela S.; Battaglia, Paul J.
Subject: RE: [REDACTED] Richardson

REDACTED

-Daryl

From: Thorn, Ann
Sent: Wednesday, July 09, 2008 10:31 AM
To: Lyman, Daryl W.; Rogers, Savannah L.; Battaglia, Paul J.
Cc: Coker, Darlene; Mathis, Julie A.; Beal, Pamela S.
Subject: RE: [REDACTED] Richardson

REDACTED

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
office: 904-462-2150
cell: 414-418-8174*

For Internal Use Only

From: Lyman, Daryl W.
Sent: Wednesday, July 09, 2008 1:24 PM
To: Thorn, Ann; Rogers, Savannah L.; Battaglia, Paul J.
Cc: Coker, Darlene; Mathis, Julie A.; Beal, Pamela S.
Subject: RE: [REDACTED] Richardson

REDACTED

Daryl W. Lyman
First Vice President & Senior Counsel

Washington Mutual
Legal Department
1301 Second Avenue, WMC 3501
Seattle, WA 98101

JPMC - 001941
CONFIDENTIAL
CSOC.RICH.003430

206.500.4260 direct | 206.377.2784 fax
daryl.lyman@wamu.net

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From: Thorn, Ann
Sent: Tuesday, July 08, 2008 5:44 AM
To: Rogers, Savannah L.; Battaglia, Paul J.; Lyman, Daryl W.
Cc: Coker, Darlene; Mathis, Julie A.; Beal, Pamela S.
Subject: RE: [REDACTED] Richardson

REDACTED

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
office: 904-462-2150
cell: 414-418-8174*

For Internal Use Only

From: Rogers, Savannah L.
Sent: Tuesday, July 08, 2008 8:42 AM
To: Battaglia, Paul J.
Cc: Thorn, Ann; Coker, Darlene; Mathis, Julie A.; Beal, Pamela S.
Subject: RE: [REDACTED] Richardson

Paul,

REDACTED

REDACTED

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Thorn, Ann
Sent: Monday, July 07, 2008 6:12 PM
To: Thomas, Michelle M.; Pound, Robert A.; Rogers, Savannah L.
Cc: Coker, Darlene; Mathis, Julie A.
Subject: RE: [REDACTED] Richardson

thank you for your help.

Savannah, let's get our part done tomorrow and get copies of new documents out and communicated to Richardson

From: Thomas, Michelle M.
Sent: Mon 07/07/2008 05:00 PM
To: Thorn, Ann; Pound, Robert A.
Cc: Coker, Darlene
Subject: RE: [REDACTED] Richardson

Done

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net

From: Thorn, Ann
Sent: Monday, July 07, 2008 5:33 PM
To: Pound, Robert A.
Cc: Coker, Darlene; Thomas, Michelle M.
Subject: RE: [REDACTED] Richardson

Remove the stop and pay the taxes

From: Pound, Robert A.
Sent: Mon 07/07/2008 04:16 PM
To: Thorn, Ann
Cc: Coker, Darlene; Thomas, Michelle M.
Subject: RE: [REDACTED] Richardson

JPMC - 001943
CONFIDENTIAL
CSOC.RICH.003432

Ann,

In regards to your request, we have reached out to several people to have the disbursement stop 1 removed and have been unsuccessful. If you give me permission to remove the stop, we will be able to disburse taxes.

Thanks

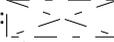
Robert Pound
Washington Mutual
LS Section Manager I
843-673-4007

From: Thorn, Ann
Sent: Monday, July 07, 2008 3:50 PM
To: Rogers, Savannah L.; Thomas, Michelle M.
Cc: Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.; Pound, Robert A.; Coker, Darlene
Subject: RE:  Richardson

Michelle, can you please get this changed today as this is a highly escalated matter.
Thank you.

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
office: 904-462-2150
cell: 414-418-8174*

For Internal Use Only

From: Rogers, Savannah L.
Sent: Monday, July 07, 2008 3:39 PM
To: Thomas, Michelle M.
Cc: Thorn, Ann; Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.; Pound, Robert A.
Subject: FW:  Richardson
Importance: High

Michelle,
Please request the disbursement stop be removed so we can get this file out immediately. Ann Thorn is requesting we escalate this issue... in case you are not getting a response.

Please let us know this has been taken care of so Loss Mit can proceed.

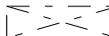
Thank you,

Savannah Rogers
Homeownership Preservation
Washington Mutual

Toll Free 866 926 8937

Direct fax 469 549 5978

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Thomas, Michelle M.
Sent: Thursday, July 03, 2008 10:51 AM
To: Rogers, Savannah L.
Cc: Thorn, Ann; Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.; Pound, Robert A.
Subject: RE:  Richardson

Savannah

There is now a disbursement stop 1 preventing me from disbursing these taxes. I am attempting to contact the appropriate person to have that stop removed. Also California tax offices are adding redemption amounts to their tax roll. I have to verify with them the new amount to be paid for the month of July after it becomes available.

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net
<< OLE Object: Picture (Metafile) >>

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 10:38 AM
To: Thomas, Michelle M.
Cc: Thorn, Ann; Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.
Subject: FW:  Richardson

Hi Michelle,
Can you give us an idea on how long it will take for the escrow to appear? Can this be done today or will it take until Monday to see the changes in the system?

Thank you very much-

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Thorn, Ann
Sent: Thursday, July 03, 2008 10:19 AM
To: Rogers, Savannah L.; Battaglia, Paul J.
Cc: Beal, Pamela S.; Mathis, Julie A.

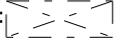
Subject: RE:  Richardson

Ok, that is probably going to be a problem.....

What are the new numbers and what changes are being made? Paul, fyi.....

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150*

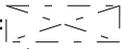
For Internal Use Only

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 9:50 AM
To: Thorn, Ann
Cc: Beal, Pamela S.; Mathis, Julie A.
Subject: RE:  Richardson

Yes, you are correct.

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Thorn, Ann
Sent: Thursday, July 03, 2008 9:03 AM
To: Rogers, Savannah L.; Mathis, Julie A.
Cc: Beal, Pamela S.
Subject: RE:  Richardson
Importance: High

Ok, I need to understand something. We already talked to Richardson and told her the terms of the Modification as I understood. Then we realized taxes/insurance were not paid by Red Rock and now need to pay 2-3 weeks later and get back to her with new figures? Is that the case?

I need to understand this because it is my impression that Richardson thinks she has a new deal.....please clarify.

*****Please note my phone number has changed to 904-462-2150

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150*

For Internal Use Only

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 8:56 AM
To: Thorn, Ann
Cc: Mathis, Julie A.; Beal, Pamela S.; Thomas, Michelle M.
Subject: RE: [REDACTED]Richardson

Ann.

Once the taxes are disbursed and the escrow is set up I will work up the Modification terms. We will contact the mortgagor to verify the terms and have the documents sent.

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Thorn, Ann
Sent: Thursday, July 03, 2008 8:47 AM
To: Rogers, Savannah L.; Thomas, Michelle M.
Cc: Mathis, Julie A.; Beal, Pamela S.
Subject: RE: [REDACTED]Richardson

What is going on with the Mod?

*****Please note my phone number has changed to **904-462-2150**

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150*

For Internal Use Only

From: Rogers, Savannah L.

Sent: Thursday, July 03, 2008 8:36 AM
To: Thomas, Michelle M.
Cc: Thorn, Ann; Mathis, Julie A.; Beal, Pamela S.
Subject: FW: [REDACTED] Richardson

Hi Michelle,
Please see below, the foreclosure stop 7 has been removed. Please disburse the tax payment so we can proceed with the Mod.

Thanks

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Thorn, Ann
Sent: Wednesday, July 02, 2008 3:39 PM
To: Mathis, Julie A.; Beal, Pamela S.; Rogers, Savannah L.
Subject: FW: [REDACTED] Richardson

*****Please note my phone number has changed to **904-462-2150**

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150*

For Internal Use Only

From: Boulton, Elizabeth A.
Sent: Wednesday, July 02, 2008 3:37 PM
To: Thorn, Ann
Subject: RE: [REDACTED] Richardson

Done.

Thank you,

Beth

From: Thorn, Ann
Sent: Wednesday, July 02, 2008 1:01 PM
To: Boulton, Elizabeth A.
Subject: FW: [REDACTED] Richardson
Importance: High

Can you change back to presale stop code

*****Please note my phone number has changed to 904-462-2150

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150*

For Internal Use Only

From: Mathis, Julie A.
Sent: Wednesday, July 02, 2008 12:01 PM
To: Thorn, Ann
Cc: Rogers, Savannah L.; Beal, Pamela S.
Subject: FW: [REDACTED] Richardson
Importance: High

Ann, do you know how we can have the FC stop 7 removed?

From: Rogers, Savannah L.
Sent: Wednesday, July 02, 2008 10:57 AM
To: Mathis, Julie A.
Cc: Beal, Pamela S.
Subject: RE: [REDACTED] Richardson

I sent an email to Chrissy 6/26/08 but didn't hear anything back. Do you know how/when the fc stop 7 will be removed? That is preventing us from getting the taxes disbursed and escrow set up.

<< Message: RE: [REDACTED] Richardson >>

Thank you,
Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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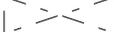
From: Mathis, Julie A.

Sent: Tuesday, July 01, 2008 9:20 PM
To: Rogers, Savannah L.
Cc: Beal, Pamela S.
Subject: FW:  Richardson

Are we ok with this one?

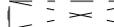
Thanks!

Julie

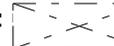
From: Thomas, Michelle M.
Sent: Thursday, June 26, 2008 11:03 AM
To: Rogers, Savannah L.; Lopez, Christina; Haywood, Oriska S.; Mathis, Julie A.
Cc: Springs, Sonya E.; Pound, Robert A.
Subject: RE:  Richardson

Please see tax notes on the above reference loan number indicating I will not be able to disburse tax payment until the foreclosure stop 7 has been removed. I will monitor the account for the removal of the foreclosure stop.

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net
<< OLE Object: Picture (Metafile) >>

From: Thomas, Michelle M.
Sent: Thursday, June 26, 2008 9:57 AM
To: Rogers, Savannah L.; Lopez, Christina; Haywood, Oriska S.; 'Jullie.Mathis@wamu.net'
Cc: Springs, Sonya E.; Pound, Robert A.
Subject: RE:  Richardson

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net
<< OLE Object: Picture (Metafile) >>

From: Springs, Sonya E.
Sent: Wednesday, June 25, 2008 2:27 PM
To: Thomas, Michelle M.
Subject: FW:  Richardson

Michelle,

I am copying you on this email so you can respond to the original parties on the email.

Thanks,

Sonya Springs

<< OLE Object: Picture (Metafile) >>

Tax Mitigation Specialist, Senior

Phone (843)673-3706

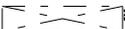
Fax (843) 673-4728

Mailstop FSC0211

Sonya.Springs@wamu.net

"The information above shall be treated as confidential and is intended solely for the named recipient(s). Without Washington Mutual's prior written consent, this information shall not be disclosed to any person other than an officer or employee of the recipient(s) company with a need to know the information. If you are not the intended recipient(s), any review, dissemination, distribution, disclosure, or copying of this message is strictly prohibited. If you have received this communication in error, please notify the sender immediately by reply e-mail, and delete the original message."

Please refer to tax notes dated 06-26-08. I will not be able to disburse tax payment for the delinquent taxes until the foreclosure stop =7 is removed. I will monitor account for the removal of the stop.

From: Pound, Robert A.
Sent: Wednesday, June 25, 2008 2:23 PM
To: Springs, Sonya E.; Morris, Linda
Cc: Kirby, Louise L.
Subject: RE: richardson

I have reassigned this to Michelle Thomas. But until the FCL Stop 7 is removed she will not be able to pay taxes.

Robert Pound

From: Springs, Sonya E.
Sent: Wednesday, June 25, 2008 2:08 PM
To: Morris, Linda
Cc: Pound, Robert A.; Kirby, Louise L.
Subject: RE: richardson
Importance: High

Louise,

There is already a NON123 task open and its assigned to Linda Morris.

Linda,

Can you go ahead and research this loan? Then e-mail a response to the all parties the e-mail below.

Thanks,

Sonya Springs

<< OLE Object: Picture (Metafile) >>

Tax Mitigation Specialist, Senior

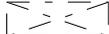
Phone (843)673-3706

Fax (843) 673-4728

Mailstop FSC0211

Sonya.Springs@Wamu.net

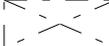
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From: Kirby, Louise L.
Sent: Wednesday, June 25, 2008 12:02 PM
To: Lopez, Christina; Rogers, Savannah L.
Cc: Springs, Sonya E.
Subject: RE:  Richardson

Sonya,
Please assign this account to someone on the non/esc team to follow up and respond to Savannah and Christina.

Thanks.

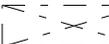
LOUISE KIRBY
LS Section Manager II
Tax Mitigation
(843) 673-4737 (phone)
(843) 673-4728 (fax)

From: Lopez, Christina
Sent: Wednesday, June 25, 2008 9:16 AM
To: Rogers, Savannah L.
Cc: Kirby, Louise L.
Subject: RE:  Richardson

Louise,

Loss Mit only blocks taxes on short sales. This is not a short sale and it doesn't appear that we placed the disbursement stop. Per SAF1, processor EDC placed the block on there on 5/14/08. It appears her name is Veronica McNeil-Ellis. Can you check with her to determine if the block can be removed?

Thanks

From: Rogers, Savannah L.
Sent: Wednesday, June 25, 2008 8:56 AM
To: Lopez, Christina
Cc: Kirby, Louise L.
Subject: RE:  Richardson

Chrissy,
This fc sale was rescinded...what should I do to get this moving? Do you know if the fc dept

should remove their stops?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Kirby, Louise L.
Sent: Wednesday, June 25, 2008 8:50 AM
To: Rogers, Savannah L.
Subject: RE: [REDACTED] Richardson

Savannah,
Per instructions we have received by Christina Lopez dated 12/3/07, we cannot disburse tax if the man code is "w" with disbursement stop 1.

So with the codes that are on the account now, we are not able to pay any tax payments.

Also there is a foreclosure code 7—conveyed, which also prevents us from paying.

LOUISE KIRBY
LS Section Manager II
Tax Mitigation
(843) 673-4737 (phone)
(843) 673-4728 (fax)

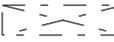
From: Rogers, Savannah L.
Sent: Wednesday, June 25, 2008 8:35 AM
To: Kirby, Louise L.
Subject: FW: [REDACTED] Richardson
Importance: High

Louise,
Management is requesting we get this Mod out asap. I just want to make sure I asked the right person (Wonza) to help me set up the escrow - property taxes are delinquent. There is a note on the loan from 5/20/08 saying the taxes were not going to be paid because of the mancode. Now that the mancode is W - can this be taken care of? Do you have a timeframe for completion so I can let management know?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Rogers, Savannah L.
Sent: Tuesday, June 24, 2008 9:39 AM
To: Johnson, Wonza L.
Cc: Haywood, Oriska S.; Mathis, Julie A.
Subject:  Richardson
Importance: High

Hi Wonza,

There were two checks returned 4/21/08 for delinquent property taxes \$8109.81 + \$405.49. This loan went to fc sale which has been rescinded and we will be modifying this loan. Who can send the task to set up the escrow for these taxes and possibly research if those taxes are still delinquent since the checks came back from Sacramento County?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Lyman, Daryl W. <daryl.lyman@wamu.net>
Sent: Thursday, July 10, 2008 10:31 AM
To: Rogers, Savannah L. <savannah.rogers@wamu.net>; Thorn, Ann <ann.thorn@wamu.net>
Cc: Mathis, Julie A. <julie.mathis@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>
Subject: RE: [REDACTED] Richardson

REDACTED

Daryl W. Lyman

First Vice President & Senior Counsel

Washington Mutual
Legal Department
1301 Second Avenue, WMC 3501
Seattle, WA 98101

206.500.4260 direct | 206.377.2784 fax
daryl.lyman@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Rogers, Savannah L.
Sent: Thursday, July 10, 2008 6:17 AM
To: Thorn, Ann; Lyman, Daryl W.
Cc: Mathis, Julie A.
Subject: RE: [REDACTED] Richardson

REDACTED

Without the \$100,000 corporate advance the Mod terms would be adjusted to the following:

Current UPB \$533,455.31
Capitalized Amount \$63,875.45
Delinquent Interest 07/07-08/08 \$50,856.13
Escrow (Taxes) \$9,680.56
Foreclosure Fees \$3,338.76
New Modified UPB \$597,330.76
1st payment date 9/1/08 \$4,352.32
New P&I \$4,267.58
New Escrow \$84.74
Amortization term 480; Maturity term 342

REDACTED

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937

Direct fax 469 549 5978

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Mathis, Julie A.
Sent: Thursday, July 10, 2008 8:41 AM
To: Thomas, Michelle M.; Thorn, Ann; Lyman, Daryl W.
Cc: Rogers, Savannah L.; Pound, Robert A.
Subject: RE: [REDACTED] Richardson

Savannah, does this change your figures?

Thanks,

Julie

From: Thomas, Michelle M.
Sent: Thursday, July 10, 2008 8:39 AM
To: Mathis, Julie A.; Thorn, Ann; Lyman, Daryl W.
Cc: Rogers, Savannah L.; Pound, Robert A.
Subject: RE: [REDACTED] Richardson

Julie

The taxes have been paid current. The negative escrow balance is the total amount paid for taxes which is \$9,087.44. Tax lines have been updated and are correct. The escrow analysis is handled in the escrow department.

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net

From: Mathis, Julie A.
Sent: Thursday, July 10, 2008 8:25 AM
To: Thorn, Ann; Thomas, Michelle M.; Lyman, Daryl W.
Cc: Rogers, Savannah L.
Subject: RE: [REDACTED] Richardson
Importance: High

No, I had to leave a message and she has not called back yet.

Michelle, has the tax issue been resolved? We need to have a response asap please.

Thanks,

Julie

From: Thorn, Ann
Sent: Thursday, July 10, 2008 7:27 AM

To: Mathis, Julie A.; Thomas, Michelle M.; Lyman, Daryl W.

Cc: Rogers, Savannah L.

Subject: RE: [] [] [] [] Richardson

did you talk to her?

Is the tax issue resolved and the system is correct?

From: Mathis, Julie A.

Sent: Wed 07/09/2008 01:32 PM

To: Thomas, Michelle M.; Thorn, Ann; Lyman, Daryl W.

Cc: Rogers, Savannah L.

Subject: RE: [] [] [] [] Richardson

I just left a msg for Ms. Richardson to call me so we can schedule time to dicuss the mod. We obviously need the below tax issue resolved first though.

Thanks,

Julie

From: Rogers, Savannah L.

Sent: Wednesday, July 09, 2008 2:25 PM

To: Thomas, Michelle M.

Cc: Mathis, Julie A.

Subject: FW: [] [] [] [] Richardson

Importance: High

Michelle,

Can you explain why the escrow required from ANA1 8/08 was \$10,031.70 yesterday and today the required amount shows \$593.12? Will it be adjusting again? I need to verify this for the Mod terms before we call the mtgr today.

Thanks,

Savannah Rogers

Homeownership Preservation

Washington Mutual

Toll Free 866 926 8937

Direct fax 469 549 5978

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From: Mathis, Julie A.

Sent: Wednesday, July 09, 2008 2:17 PM

To: Rogers, Savannah L.

Cc: Coker, Darlene; Beal, Pamela S.; Thorn, Ann; Lyman, Daryl W.; Battaglia, Paul J.

Subject: RE: [] [] [] [] Richardson

Importance: High

Savannah, please bring the file over.

thanks,

Julie

From: Thorn, Ann
Sent: Wednesday, July 09, 2008 1:39 PM
To: Lyman, Daryl W.; Rogers, Savannah L.
Cc: Coker, Darlene; Mathis, Julie A.; Beal, Pamela S.; Battaglia, Paul J.
Subject: RE: [REDACTED] Richardson

great

Julie, please call Richardson today and get documents out.

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
office: 904-462-2150
cell: 414-418-8174*

For Internal Use Only

From: Lyman, Daryl W.
Sent: Wednesday, July 09, 2008 1:38 PM
To: Thorn, Ann; Rogers, Savannah L.
Cc: Coker, Darlene; Mathis, Julie A.; Beal, Pamela S.; Battaglia, Paul J.
Subject: RE: [REDACTED] Richardson

REDACTED

-Daryl

From: Thorn, Ann
Sent: Wednesday, July 09, 2008 10:31 AM
To: Lyman, Daryl W.; Rogers, Savannah L.; Battaglia, Paul J.
Cc: Coker, Darlene; Mathis, Julie A.; Beal, Pamela S.
Subject: RE: [REDACTED] Richardson

REDACTED

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
office: 904-462-2150
cell: 414-418-8174*

For Internal Use Only

From: Lyman, Daryl W.
Sent: Wednesday, July 09, 2008 1:24 PM
To: Thorn, Ann; Rogers, Savannah L.; Battaglia, Paul J.
Cc: Coker, Darlene; Mathis, Julie A.; Beal, Pamela S.
Subject: RE: [REDACTED] Richardson

REDACTED

Daryl W. Lyman
First Vice President & Senior Counsel

Washington Mutual
Legal Department
1301 Second Avenue, WMC 3501
Seattle, WA 98101

206.500.4260 direct | 206.377.2784 fax
daryl.lyman@wamu.net

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From: Thorn, Ann
Sent: Tuesday, July 08, 2008 5:44 AM
To: Rogers, Savannah L.; Battaglia, Paul J.; Lyman, Daryl W.
Cc: Coker, Darlene; Mathis, Julie A.; Beal, Pamela S.
Subject: RE: [REDACTED] Richardson

REDACTED

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
office: 904-462-2150
cell: 414-418-8174*

For Internal Use Only

From: Rogers, Savannah L.
Sent: Tuesday, July 08, 2008 8:42 AM
To: Battaglia, Paul J.
Cc: Thorn, Ann; Coker, Darlene; Mathis, Julie A.; Beal, Pamela S.
Subject: RE: [REDACTED] Richardson

Paul,

REDACTED

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Thorn, Ann
Sent: Monday, July 07, 2008 6:12 PM
To: Thomas, Michelle M.; Pound, Robert A.; Rogers, Savannah L.
Cc: Coker, Darlene; Mathis, Julie A.
Subject: RE: [REDACTED] Richardson

thank you for your help.

Savannah, let's get our part done tomorrow and get copies of new documents out and

JPMC - 001960
CONFIDENTIAL
CSOC.RICH.003449

communicated to Richardson

From: Thomas, Michelle M.
Sent: Mon 07/07/2008 05:00 PM
To: Thorn, Ann; Pound, Robert A.
Cc: Coker, Darlene
Subject: RE: [REDACTED] Richardson

Done

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net

From: Thorn, Ann
Sent: Monday, July 07, 2008 5:33 PM
To: Pound, Robert A.
Cc: Coker, Darlene; Thomas, Michelle M.
Subject: RE: [REDACTED] Richardson

Remove the stop and pay the taxes

From: Pound, Robert A.
Sent: Mon 07/07/2008 04:16 PM
To: Thorn, Ann
Cc: Coker, Darlene; Thomas, Michelle M.
Subject: RE: [REDACTED] Richardson

Ann,

In regards to your request, we have reached out to several people to have the disbursement stop 1 removed and have been unsuccessful. If you give me permission to remove the stop, we will be able to disburse taxes.

Thanks

Robert Pound
Washington Mutual
LS Section Manager I
843-673-4007

From: Thorn, Ann
Sent: Monday, July 07, 2008 3:50 PM
To: Rogers, Savannah L.; Thomas, Michelle M.
Cc: Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.; Pound, Robert A.; Coker, Darlene
Subject: RE: [REDACTED] Richardson

Michelle, can you please get this changed today as this is a highly escalated matter.

Thank you.

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
office: 904-462-2150
cell: 414-418-8174*

For Internal Use Only

From: Rogers, Savannah L.
Sent: Monday, July 07, 2008 3:39 PM
To: Thomas, Michelle M.
Cc: Thorn, Ann; Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.; Pound, Robert A.
Subject: FW: [REDACTED] Richardson
Importance: High

Michelle,
Please request the disbursement stop be removed so we can get this file out immediately. Ann Thorn is requesting we escalate this issue... in case you are not getting a response.

Please let us know this has been taken care of so Loss Mit can proceed.

Thank you,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Thomas, Michelle M.
Sent: Thursday, July 03, 2008 10:51 AM
To: Rogers, Savannah L.
Cc: Thorn, Ann; Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.; Pound, Robert A.
Subject: RE: [REDACTED] Richardson

Savannah

There is now a disbursement stop 1 preventing me from disbursing these taxes. I am attempting to contact the appropriate person to have that stop removed. Also California tax offices are adding redemption amounts to their tax roll. I have to verify with them the new amount to be paid for the month of July after it becomes available.

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net
<< OLE Object: Picture (Metafile) >>

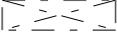
From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 10:38 AM
To: Thomas, Michelle M.
Cc: Thorn, Ann; Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.
Subject: FW:  Richardson

Hi Michelle,
Can you give us an idea on how long it will take for the escrow to appear? Can this be done today or will it take until Monday to see the changes in the system?

Thank you very much-

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Thorn, Ann
Sent: Thursday, July 03, 2008 10:19 AM
To: Rogers, Savannah L.; Battaglia, Paul J.
Cc: Beal, Pamela S.; Mathis, Julie A.
Subject: RE:  Richardson

Ok, that is probably going to be a problem.....

What are the new numbers and what changes are being made? Paul, fyi.....

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150*

For Internal Use Only

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 9:50 AM
To: Thorn, Ann

Cc: Beal, Pamela S.; Mathis, Julie A.
Subject: RE: [redacted] Richardson

Yes, you are correct.

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Thorn, Ann
Sent: Thursday, July 03, 2008 9:03 AM
To: Rogers, Savannah L.; Mathis, Julie A.
Cc: Beal, Pamela S.
Subject: RE: [redacted] Richardson
Importance: High

Ok, I need to understand something. We already talked to Richardson and told her the terms of the Modification as I understood. Then we realized taxes/insurance were not paid by Red Rock and now need to pay 2-3 weeks later and get back to her with new figures? Is that the case?

I need to understand this because it is my impression that Richardson thinks she has a new deal.....please clarify.

*****Please note my phone number has changed to **904-462-2150**

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150*

For Internal Use Only

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 8:56 AM
To: Thorn, Ann
Cc: Mathis, Julie A.; Beal, Pamela S.; Thomas, Michelle M.
Subject: RE: [redacted] Richardson

Ann.

Once the taxes are disbursed and the escrow is set up I will work up the Modification terms. We will contact the mortgagor to verify the terms and have the documents sent.

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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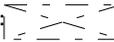
From: Thorn, Ann
Sent: Thursday, July 03, 2008 8:47 AM
To: Rogers, Savannah L.; Thomas, Michelle M.
Cc: Mathis, Julie A.; Beal, Pamela S.
Subject: RE:  Richardson

What is going on with the Mod?

*****Please note my phone number has changed to 904-462-2150

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150*

For Internal Use Only

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 8:36 AM
To: Thomas, Michelle M.
Cc: Thorn, Ann; Mathis, Julie A.; Beal, Pamela S.
Subject: FW:  Richardson

Hi Michelle,
Please see below, the foeclosure stop 7 has been removed. Please disburse the tax payment so we can proceed with the Mod.

Thanks

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Thorn, Ann
Sent: Wednesday, July 02, 2008 3:39 PM
To: Mathis, Julie A.; Beal, Pamela S.; Rogers, Savannah L.
Subject: FW: [Richardson]

*****Please note my phone number has changed to 904-462-2150

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150*

For Internal Use Only

From: Boulton, Elizabeth A.
Sent: Wednesday, July 02, 2008 3:37 PM
To: Thorn, Ann
Subject: RE: [Richardson]

Done.

Thank you,

Beth

From: Thorn, Ann
Sent: Wednesday, July 02, 2008 1:01 PM
To: Boulton, Elizabeth A.
Subject: FW: [Richardson]
Importance: High

Can you change back to presale stop code

*****Please note my phone number has changed to 904-462-2150

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150*

For Internal Use Only

From: Mathis, Julie A.
Sent: Wednesday, July 02, 2008 12:01 PM
To: Thorn, Ann
Cc: Rogers, Savannah L.; Beal, Pamela S.
Subject: FW: [REDACTED] Richardson
Importance: High

Ann, do you know how we can have the FC stop 7 removed?

From: Rogers, Savannah L.
Sent: Wednesday, July 02, 2008 10:57 AM
To: Mathis, Julie A.
Cc: Beal, Pamela S.
Subject: RE: [REDACTED] Richardson

I sent an email to Chrissy 6/26/08 but didn't hear anything back. Do you know how/when the fc stop 7 will be removed? That is preventing us from getting the taxes disbursed and escrow set up.

<< Message: RE: [REDACTED] Richardson >>

Thank you,
Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Mathis, Julie A.
Sent: Tuesday, July 01, 2008 9:20 PM
To: Rogers, Savannah L.
Cc: Beal, Pamela S.
Subject: FW: [REDACTED] Richardson

Are we ok with this one?

Thanks!

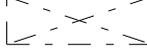
Julie

From: Thomas, Michelle M.
Sent: Thursday, June 26, 2008 11:03 AM
To: Rogers, Savannah L.; Lopez, Christina; Haywood, Oriska S.; Mathis, Julie A.
Cc: Springs, Sonya E.; Pound, Robert A.
Subject: RE: [REDACTED] Richardson

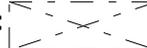
Please see tax notes on the above reference loan number indicating I will not be able to disburse

tax payment until the foreclosure stop 7 has been removed. I will monitor the account for the removal of the foreclosure stop.

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net
<< OLE Object: Picture (Metafile) >>

From: Thomas, Michelle M.
Sent: Thursday, June 26, 2008 9:57 AM
To: Rogers, Savannah L.; Lopez, Christina; Haywood, Oriska S.; 'Jullie.Mathis@wamu.net'
Cc: Springs, Sonya E.; Pound, Robert A.
Subject: RE:  Richardson

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net
<< OLE Object: Picture (Metafile) >>

From: Springs, Sonya E.
Sent: Wednesday, June 25, 2008 2:27 PM
To: Thomas, Michelle M.
Subject: FW:  Richardson

Michelle,

I am copying you on this email so you can respond to the original parties on the email.

Thanks,
Sonya Springs
<< OLE Object: Picture (Metafile) >>

Tax Mitigation Specialist, Senior
Phone (843)673-3706
Fax (843) 673-4728
Mailstop FSC0211

Sonya.Springs@Wamu.net

"The information above shall be treated as confidential and is intended solely for the named recipient(s). Without Washington Mutual's prior written consent, this information shall not be disclosed to any person other than an officer or employee of the recipient(s) company with a need to know the information. If you are not the intended recipient(s), any review, dissemination, distribution, disclosure, or copying of this message is strictly prohibited. If you have received this communication in error, please notify the sender immediately by reply e-mail, and delete the original message."

Please refer to tax notes dated 06-26-08. I will not be able to disburse tax payment for the delinquent taxes until the foreclosure stop =7 is removed. I will monitor account for the removal of the stop.

From: Pound, Robert A.
Sent: Wednesday, June 25, 2008 2:23 PM
To: Springs, Sonya E.; Morris, Linda
Cc: Kirby, Louise L.
Subject: RE: [REDACTED] Richardson

I have reassigned this to Michelle Thomas. But until the FCL Stop 7 is removed she will not be able to pay taxes.

Robert Pound

From: Springs, Sonya E.
Sent: Wednesday, June 25, 2008 2:08 PM
To: Morris, Linda
Cc: Pound, Robert A.; Kirby, Louise L.
Subject: RE: [REDACTED] Richardson
Importance: High

Louise,
There is already a NON123 task open and its assigned to Linda Morris.

Linda,
Can you go ahead and research this loan? Then e-mail a response to the all parties the e-mail below.

Thanks,
Sonya Springs
<< OLE Object: Picture (Metafile) >>

Tax Mitigation Specialist, Senior
Phone (843)673-3706
Fax (843) 673-4728
Mailstop FSC0211

Sonya.Springs@wamu.net

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From: Kirby, Louise L.
Sent: Wednesday, June 25, 2008 12:02 PM
To: Lopez, Christina; Rogers, Savannah L.
Cc: Springs, Sonya E.
Subject: RE: [REDACTED] Richardson

Sonya,
Please assign this account to someone on the non/esc team to follow up and respond to Savannah and Christina.

Thanks.

LOUISE KIRBY
LS Section Manager II
Tax Mitigation
(843) 673-4737 (phone)
(843) 673-4728 (fax)

From: Lopez, Christina
Sent: Wednesday, June 25, 2008 9:16 AM
To: Rogers, Savannah L.
Cc: Kirby, Louise L.
Subject: RE: [REDACTED] Richardson

Louise,

Loss Mit only blocks taxes on short sales. This is not a short sale and it doesn't appear that we placed the disbursement stop. Per SAF1, processor EDC placed the block on there on 5/14/08. It appears her name is Veronica McNeil-Ellis. Can you check with her to determine if the block can be removed?

Thanks

From: Rogers, Savannah L.
Sent: Wednesday, June 25, 2008 8:56 AM
To: Lopez, Christina
Cc: Kirby, Louise L.
Subject: RE: [REDACTED] Richardson

Chrissy,
This fc sale was rescinded...what should I do to get this moving? Do you know if the fc dept should remove their stops?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Kirby, Louise L.
Sent: Wednesday, June 25, 2008 8:50 AM
To: Rogers, Savannah L.
Subject: RE: [REDACTED] Richardson

Savannah,

Per instructions we have received by Christina Lopez dated 12/3/07, we cannot disburse tax if the man code is "w" with disbursement stop 1.

So with the codes that are on the account now, we are not able to pay any tax payments.

Also there is a foreclosure code 7--conveyed, which also prevents us from paying.

LOUISE KIRBY
LS Section Manager II
Tax Mitigation
(843) 673-4737 (phone)
(843) 673-4728 (fax)

From: Rogers, Savannah L.
Sent: Wednesday, June 25, 2008 8:35 AM
To: Kirby, Louise L.
Subject: FW: [Richardson
Importance: High

Louise,
Management is requesting we get this Mod out asap. I just want to make sure I asked the right person (Wonza) to help me set up the escrow - property taxes are delinquent. There is a note on the loan from 5/20/08 saying the taxes were not going to be paid because of the mancode. Now that the mancode is W - can this be taken care of? Do you have a timeframe for completion so I can let management know?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Rogers, Savannah L.
Sent: Tuesday, June 24, 2008 9:39 AM
To: Johnson, Wonza L.
Cc: Haywood, Oriska S.; Mathis, Julie A.
Subject: [Richardson
Importance: High

Hi Wonza,
There were two checks returned 4/21/08 for delinquent property taxes \$8109.81 + \$405.49. This loan went to fc sale which has been rescinded and we will be modifying this loan. Who can send the task to set up the escrow for these taxes and possibly research if those taxes are still

delinquent since the checks came back from Sacramento County?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Mathis, Julie A. <julie.mathis@wamu.net>
Sent: Wednesday, July 9, 2008 2:17 PM
To: Rogers, Savannah L. <savannah.rogers@wamu.net>
Cc: Coker, Darlene <darlene.coker@wamu.net>; Beal, Pamela S. <pamela.beal@wamu.net>; Thorn, Ann <ann.thorn@wamu.net>; Lyman, Daryl W. <daryl.lyman@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>
Subject: RE: [REDACTED] Richardson

Savannah, please bring the file over.

thanks,

Julie

From: Thorn, Ann
Sent: Wednesday, July 09, 2008 1:39 PM
To: Lyman, Daryl W.; Rogers, Savannah L.
Cc: Coker, Darlene; Mathis, Julie A.; Beal, Pamela S.; Battaglia, Paul J.
Subject: RE: [REDACTED] Richardson

great

Julie, please call Richardson today and get documents out.

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
office: 904-462-2150
cell: 414-418-8174*

For Internal Use Only

From: Lyman, Daryl W.
Sent: Wednesday, July 09, 2008 1:38 PM
To: Thorn, Ann; Rogers, Savannah L.
Cc: Coker, Darlene; Mathis, Julie A.; Beal, Pamela S.; Battaglia, Paul J.
Subject: RE: [REDACTED] Richardson

REDACTED

-Daryl

From: Thorn, Ann
Sent: Wednesday, July 09, 2008 10:31 AM
To: Lyman, Daryl W.; Rogers, Savannah L.; Battaglia, Paul J.
Cc: Coker, Darlene; Mathis, Julie A.; Beal, Pamela S.
Subject: RE: [REDACTED] Richardson

REDACTED

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
office: 904-462-2150
cell: 414-418-8174*

For Internal Use Only

From: Lyman, Daryl W.
Sent: Wednesday, July 09, 2008 1:24 PM
To: Thorn, Ann; Rogers, Savannah L.; Battaglia, Paul J.
Cc: Coker, Darlene; Mathis, Julie A.; Beal, Pamela S.
Subject: RE: [REDACTED] Richardson

REDACTED

Daryl W. Lyman
First Vice President & Senior Counsel

Washington Mutual
Legal Department
1301 Second Avenue, WMC 3501
Seattle, WA 98101

206.500.4260 direct | 206.377.2784 fax
daryl.lyman@wamu.net

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From: Thorn, Ann
Sent: Tuesday, July 08, 2008 5:44 AM
To: Rogers, Savannah L.; Battaglia, Paul J.; Lyman, Daryl W.
Cc: Coker, Darlene; Mathis, Julie A.; Beal, Pamela S.
Subject: RE: [REDACTED] Richardson

REDACTED

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
office: 904-462-2150
cell: 414-418-*

For Internal Use Only

From: Rogers, Savannah L.
Sent: Tuesday, July 08, 2008 8:42 AM
To: Battaglia, Paul J.
Cc: Thorn, Ann; Coker, Darlene; Mathis, Julie A.; Beal, Pamela S.
Subject: RE:  Richardson

Paul,



REDACTED

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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JPMC - 001975
CONFIDENTIAL
CSOC.RICH.003464

From: Thorn, Ann
Sent: Monday, July 07, 2008 6:12 PM
To: Thomas, Michelle M.; Pound, Robert A.; Rogers, Savannah L.
Cc: Coker, Darlene; Mathis, Julie A.
Subject: RE: [REDACTED] Richardson

thank you for your help.

Savannah, let's get our part done tomorrow and get copies of new documents out and communicated to Richardson

From: Thomas, Michelle M.
Sent: Mon 07/07/2008 05:00 PM
To: Thorn, Ann; Pound, Robert A.
Cc: Coker, Darlene
Subject: RE: [REDACTED] Richardson

Done

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net

From: Thorn, Ann
Sent: Monday, July 07, 2008 5:33 PM
To: Pound, Robert A.
Cc: Coker, Darlene; Thomas, Michelle M.
Subject: RE: [REDACTED] Richardson

Remove the stop and pay the taxes

From: Pound, Robert A.
Sent: Mon 07/07/2008 04:16 PM
To: Thorn, Ann
Cc: Coker, Darlene; Thomas, Michelle M.
Subject: RE: [REDACTED] Richardson

Ann,

In regards to your request, we have reached out to several people to have the disbursement stop 1 removed and have been unsuccessful. If you give me permission to remove the stop, we will be able to disburse taxes.

Thanks

Robert Pound
Washington Mutual
LS Section Manager I
843-673-4007

From: Thorn, Ann
Sent: Monday, July 07, 2008 3:50 PM
To: Rogers, Savannah L.; Thomas, Michelle M.
Cc: Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.; Pound, Robert A.; Coker, Darlene
Subject: RE: [redacted] Richardson

Michelle, can you please get this changed today as this is a highly escalated matter.
Thank you.

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
office: 904-462-2150
cell: 414-418-8174*

For Internal Use Only

From: Rogers, Savannah L.
Sent: Monday, July 07, 2008 3:39 PM
To: Thomas, Michelle M.
Cc: Thorn, Ann; Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.; Pound, Robert A.
Subject: FW: [redacted] Richardson
Importance: High

Michelle,
Please request the disbursement stop be removed so we can get this file out immediately. Ann Thorn is requesting we escalate this issue... in case you are not getting a response.

Please let us know this has been taken care of so Loss Mit can proceed.

Thank you,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Thomas, Michelle M.
Sent: Thursday, July 03, 2008 10:51 AM
To: Rogers, Savannah L.
Cc: Thorn, Ann; Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.; Pound, Robert A.
Subject: RE: [redacted] Richardson

Savannah

There is now a disbursement stop 1 preventing me from disbursing these taxes. I am attempting to contact the appropriate person to have that stop removed. Also California tax offices are adding redemption amounts to their tax roll. I have to verify with them the new amount to be paid for the month of July after it becomes available.

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net
<< OLE Object: Picture (Metafile) >>

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 10:38 AM
To: Thomas, Michelle M.
Cc: Thorn, Ann; Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.
Subject: FW: [REDACTED] Richardson

Hi Michelle,
Can you give us an idea on how long it will take for the escrow to appear? Can this be done today or will it take until Monday to see the changes in the system?

Thank you very much-

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Thorn, Ann
Sent: Thursday, July 03, 2008 10:19 AM
To: Rogers, Savannah L.; Battaglia, Paul J.
Cc: Beal, Pamela S.; Mathis, Julie A.
Subject: RE: [REDACTED] Richardson

Ok, that is probably going to be a problem.....

What are the new numbers and what changes are being made? Paul, fyi.....

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150*

For Internal Use Only

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 9:50 AM
To: Thorn, Ann
Cc: Beal, Pamela S.; Mathis, Julie A.
Subject: RE: [REDACTED] Richardson

Yes, you are correct.

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Thorn, Ann
Sent: Thursday, July 03, 2008 9:03 AM
To: Rogers, Savannah L.; Mathis, Julie A.
Cc: Beal, Pamela S.
Subject: RE: [REDACTED] Richardson
Importance: High

Ok, I need to understand something. We already talked to Richardson and told her the terms of the Modification as I understood. Then we realized taxes/insurance were not paid by Red Rock and now need to pay 2-3 weeks later and get back to her with new figures? Is that the case?

I need to understand this because it is my impression that Richardson thinks she has a new deal.....please clarify.

*****Please note my phone number has changed to 904-462-2150

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150*

For Internal Use Only

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 8:56 AM
To: Thorn, Ann
Cc: Mathis, Julie A.; Beal, Pamela S.; Thomas, Michelle M.
Subject: RE: [REDACTED] Richardson

Ann.

Once the taxes are disbursed and the escrow is set up I will work up the Modification terms. We will contact the mortgage to verify the terms and have the documents sent.

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Thorn, Ann
Sent: Thursday, July 03, 2008 8:47 AM
To: Rogers, Savannah L.; Thomas, Michelle M.
Cc: Mathis, Julie A.; Beal, Pamela S.
Subject: RE: [redacted] Richardson

What is going on with the Mod?

*****Please note my phone number has changed to 904-462-2150

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150*

For Internal Use Only

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 8:36 AM
To: Thomas, Michelle M.
Cc: Thorn, Ann; Mathis, Julie A.; Beal, Pamela S.
Subject: FW: [redacted] Richardson

Hi Michelle,

Please see below, the foreclosure stop 7 has been removed. Please disburse the tax payment so we can proceed with the Mod.

Thanks

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Thorn, Ann
Sent: Wednesday, July 02, 2008 3:39 PM
To: Mathis, Julie A.; Beal, Pamela S.; Rogers, Savannah L.
Subject: FW: [redacted] Richardson

*****Please note my phone number has changed to 904-462-2150

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150*

For Internal Use Only

From: Boulton, Elizabeth A.
Sent: Wednesday, July 02, 2008 3:37 PM
To: Thorn, Ann
Subject: RE: [redacted] Richardson

Done.

Thank you,

Beth

From: Thorn, Ann
Sent: Wednesday, July 02, 2008 1:01 PM
To: Boulton, Elizabeth A.
Subject: FW: [redacted] Richardson
Importance: High

Can you change back to presale stop code

*****Please note my phone number has changed to 904-462-2150

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150*

For Internal Use Only

From: Mathis, Julie A.
Sent: Wednesday, July 02, 2008 12:01 PM
To: Thorn, Ann
Cc: Rogers, Savannah L.; Beal, Pamela S.
Subject: FW: [REDACTED] Richardson
Importance: High

Ann, do you know how we can have the FC stop 7 removed?

From: Rogers, Savannah L.
Sent: Wednesday, July 02, 2008 10:57 AM
To: Mathis, Julie A.
Cc: Beal, Pamela S.
Subject: RE: [REDACTED] Richardson

I sent an email to Chrissy 6/26/08 but didn't hear anything back. Do you know how/when the fc stop 7 will be removed? That is preventing us from getting the taxes disbursed and escrow set up.

<< Message: RE: [REDACTED] Richardson >>

Thank you,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Mathis, Julie A.
Sent: Tuesday, July 01, 2008 9:20 PM
To: Rogers, Savannah L.
Cc: Beal, Pamela S.
Subject: FW: [REDACTED] Richardson

Are we ok with this one?

Thanks!

Julie

From: Thomas, Michelle M.
Sent: Thursday, June 26, 2008 11:03 AM
To: Rogers, Savannah L.; Lopez, Christina; Haywood, Oriska S.; Mathis, Julie A.
Cc: Springs, Sonya E.; Pound, Robert A.
Subject: RE: [REDACTED] Richardson

Please see tax notes on the above reference loan number indicating I will not be able to disburse tax payment until the foreclosure stop 7 has been removed. I will monitor the account for the removal of the foreclosure stop.

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net
<< OLE Object: Picture (Metafile) >>

From: Thomas, Michelle M.
Sent: Thursday, June 26, 2008 9:57 AM
To: Rogers, Savannah L.; Lopez, Christina; Haywood, Oriska S.; 'Jullie.Mathis@wamu.net'
Cc: Springs, Sonya E.; Pound, Robert A.
Subject: RE:  Richardson

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net
<< OLE Object: Picture (Metafile) >>

From: Springs, Sonya E.
Sent: Wednesday, June 25, 2008 2:27 PM
To: Thomas, Michelle M.
Subject: FW:  Richardson

Michelle,

I am copying you on this email so you can respond to the original parties on the email.

Thanks,
Sonya Springs
<< OLE Object: Picture (Metafile) >>

Tax Mitigation Specialist, Senior
Phone (843)673-3706
Fax (843) 673-4728
Mailstop FSC0211

Sonya.Springs@Wamu.net

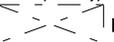
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Please refer to tax notes dated 06-26-08. I will not be able to disburse tax payment for the delinquent taxes until the foreclosure stop =7 is removed. I will monitor account for the removal of the stop.

From: Pound, Robert A.
Sent: Wednesday, June 25, 2008 2:23 PM
To: Springs, Sonya E.; Morris, Linda
Cc: Kirby, Louise L.
Subject: RE:  Richardson

I have reassigned this to Michelle Thomas. But until the FCL Stop 7 is removed she will not be able to pay taxes.

Robert Pound

From: Springs, Sonya E.
Sent: Wednesday, June 25, 2008 2:08 PM
To: Morris, Linda
Cc: Pound, Robert A.; Kirby, Louise L.
Subject: RE:  Richardson
Importance: High

Louise,
There is already a NON123 task open and its assigned to Linda Morris.

Linda,
Can you go ahead and research this loan? Then e-mail a response to the all parties the e-mail below.

Thanks,

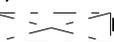
Sonya Springs

<< OLE Object: Picture (Metafile) >>

Tax Mitigation Specialist, Senior
Phone (843)673-3706
Fax (843) 673-4728
Mailstop FSC0211

Sonya.Springs@Wamu.net

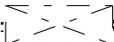
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Sent: Wednesday, June 25, 2008 12:02 PM
To: Lopez, Christina; Rogers, Savannah L.
Cc: Springs, Sonya E.
Subject: RE:  Richardson

Sonya,
Please assign this account to someone on the non/esc team to follow up and respond to Savannah and Christina.

Thanks.

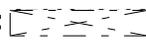
LOUISE KIRBY
LS Section Manager II
Tax Mitigation
(843) 673-4737 (phone)
(843) 673-4728 (fax)

From: Lopez, Christina
Sent: Wednesday, June 25, 2008 9:16 AM
To: Rogers, Savannah L.
Cc: Kirby, Louise L.
Subject: RE:  Richardson

Louise,

Loss Mit only blocks taxes on short sales. This is not a short sale and it doesn't appear that we placed the disbursement stop. Per SAF1, processor EDC placed the block on there on 5/14/08. It appears her name is Veronica McNeil-Ellis. Can you check with her to determine if the block can be removed?

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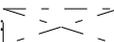
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Chrissy,
This fc sale was rescinded...what should I do to get this moving? Do you know if the fc dept should remove their stops?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Kirby, Louise L.
Sent: Wednesday, June 25, 2008 8:50 AM
To: Rogers, Savannah L.
Subject: RE:  Richardson

Savannah,
Per instructions we have received by Christina Lopez dated 12/3/07, we cannot disburse tax if the man

code is "w" with disbursement stop 1.

So with the codes that are on the account now, we are not able to pay any tax payments.

Also there is a foreclosure code 7--conveyed, which also prevents us from paying.

LOUISE KIRBY
LS Section Manager II
Tax Mitigation
(843) 673-4737 (phone)
(843) 673-4728 (fax)

From: Rogers, Savannah L.
Sent: Wednesday, June 25, 2008 8:35 AM
To: Kirby, Louise L.
Subject: FW: [REDACTED] Richardson
Importance: High

Louise,
Management is requesting we get this Mod out asap. I just want to make sure I asked the right person (Wonza) to help me set up the escrow - property taxes are delinquent. There is a note on the loan from 5/20/08 saying the taxes were not going to be paid because of the mancode. Now that the mancode is W - can this be taken care of? Do you have a timeframe for completion so I can let management know?

Thanks,

Savannah Rogers
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Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Rogers, Savannah L.
Sent: Tuesday, June 24, 2008 9:39 AM
To: Johnson, Wonza L.
Cc: Haywood, Oriska S.; Mathis, Julie A.
Subject: [REDACTED] Richardson
Importance: High

Hi Wonza,

There were two checks returned 4/21/08 for delinquent property taxes \$8109.81 + \$405.49. This loan went to fc sale which has been rescinded and we will be modifying this loan. Who can send the task to set up the escrow for these taxes and possibly research if those taxes are still delinquent since the checks came back from Sacramento County?

Thanks,

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Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Thorn, Ann <ann.thorn@wamu.net>
Sent: Wednesday, July 9, 2008 1:39 PM
To: Lyman, Daryl W. <daryl.lyman@wamu.net>; Rogers, Savannah L. <savannah.rogers@wamu.net>
Cc: Coker, Darlene <darlene.coker@wamu.net>; Mathis, Julie A. <julie.mathis@wamu.net>; Beal, Pamela S. <pamela.beal@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>
Subject: RE: [REDACTED] Richardson

great

Julie, please call Richardson today and get documents out.

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
office: 904-462-2150
cell: 414-418-8174*

For Internal Use Only

From: Lyman, Daryl W.
Sent: Wednesday, July 09, 2008 1:38 PM
To: Thorn, Ann; Rogers, Savannah L.
Cc: Coker, Darlene; Mathis, Julie A.; Beal, Pamela S.; Battaglia, Paul J.
Subject: RE: [REDACTED] Richardson

REDACTED

-Daryl

From: Thorn, Ann
Sent: Wednesday, July 09, 2008 10:31 AM
To: Lyman, Daryl W.; Rogers, Savannah L.; Battaglia, Paul J.
Cc: Coker, Darlene; Mathis, Julie A.; Beal, Pamela S.
Subject: RE: [REDACTED] richardson

REDACTED

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
office: 904-462-2150
cell: 414-418-8174*

For Internal Use Only

From: Lyman, Daryl W.
Sent: Wednesday, July 09, 2008 1:24 PM
To: Thorn, Ann; Rogers, Savannah L.; Battaglia, Paul J.
Cc: Coker, Darlene; Mathis, Julie A.; Beal, Pamela S.
Subject: RE: [REDACTED] Richardson

REDACTED

Daryl W. Lyman
First Vice President & Senior Counsel

Washington Mutual
Legal Department
1301 Second Avenue, WMC 3501
Seattle, WA 98101

206.500.4260 direct | 206.377.2784 fax
daryl.lyman@wamu.net

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From: Thorn, Ann
Sent: Tuesday, July 08, 2008 5:44 AM
To: Rogers, Savannah L.; Battaglia, Paul J.; Lyman, Daryl W.
Cc: Coker, Darlene; Mathis, Julie A.; Beal, Pamela S.
Subject: RE: [REDACTED] Richardson

REDACTED

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
office: 904-462-2150
cell: 414-418-8174*

For Internal Use Only

From: Rogers, Savannah L.
Sent: Tuesday, July 08, 2008 8:42 AM
To: Battaglia, Paul J.
Cc: Thorn, Ann; Coker, Darlene; Mathis, Julie A.; Beal, Pamela S.
Subject: RE: [REDACTED] Richardson

Paul,



Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Thorn, Ann
Sent: Monday, July 07, 2008 6:12 PM
To: Thomas, Michelle M.; Pound, Robert A.; Rogers, Savannah L.
Cc: Coker, Darlene; Mathis, Julie A.
Subject: RE: [REDACTED] Richardson

thank you for your help.

Savannah, let's get our part done tomorrow and get copies of new documents out and communicated to Richardson

From: Thomas, Michelle M.
Sent: Mon 07/07/2008 05:00 PM
To: Thorn, Ann; Pound, Robert A.
Cc: Coker, Darlene
Subject: RE: [redacted] Richardson

Done

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net

From: Thorn, Ann
Sent: Monday, July 07, 2008 5:33 PM
To: Pound, Robert A.
Cc: Coker, Darlene; Thomas, Michelle M.
Subject: RE: [redacted] Richardson

Remove the stop and pay the taxes

From: Pound, Robert A.
Sent: Mon 07/07/2008 04:16 PM
To: Thorn, Ann
Cc: Coker, Darlene; Thomas, Michelle M.
Subject: RE: [redacted] Richardson

Ann,

In regards to your request, we have reached out to several people to have the disbursement stop 1 removed and have been unsuccessful. If you give me permission to remove the stop, we will be able to disburse taxes.

Thanks

Robert Pound
Washington Mutual
LS Section Manager I
843-673-4007

From: Thorn, Ann
Sent: Monday, July 07, 2008 3:50 PM
To: Rogers, Savannah L.; Thomas, Michelle M.
Cc: Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.; Pound, Robert A.; Coker, Darlene
Subject: RE: [redacted] Richardson

Michelle, can you please get this changed today as this is a highly escalated matter.
Thank you.

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
office: 904-462-2150
cell: 414-418-8174

For Internal Use Only

From: Rogers, Savannah L.
Sent: Monday, July 07, 2008 3:39 PM
To: Thomas, Michelle M.
Cc: Thorn, Ann; Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.; Pound, Robert A.
Subject: FW:   Richardson
Importance: High

Michelle,
Please request the disbursement stop be removed so we can get this file out immediately. Ann Thorn is requesting we escalate this issue... in case you are not getting a response.

Please let us know this has been taken care of so Loss Mit can proceed.

Thank you,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Thomas, Michelle M.
Sent: Thursday, July 03, 2008 10:51 AM
To: Rogers, Savannah L.
Cc: Thorn, Ann; Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.; Pound, Robert A.
Subject: RE:   Richardson

Savannah

There is now a disbursement stop 1 preventing me from disbursing these taxes. I am attempting to contact the appropriate person to have that stop removed. Also California tax offices are adding redemption amounts to their tax roll. I have to verify with them the new amount to be paid for the month of July after it becomes available.

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net
<< OLE Object: Picture (Metafile) >>

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 10:38 AM
To: Thomas, Michelle M.
Cc: Thorn, Ann; Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.
Subject: FW: [REDACTED] Richardson

Hi Michelle,

Can you give us an idea on how long it will take for the escrow to appear? Can this be done today or will it take until Monday to see the changes in the system?

Thank you very much-

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Thorn, Ann
Sent: Thursday, July 03, 2008 10:19 AM
To: Rogers, Savannah L.; Battaglia, Paul J.
Cc: Beal, Pamela S.; Mathis, Julie A.
Subject: RE: [REDACTED] Richardson

Ok, that is probably going to be a problem.....

What are the new numbers and what changes are being made? Paul, fyi.....

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150*

For Internal Use Only

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 9:50 AM
To: Thorn, Ann
Cc: Beal, Pamela S.; Mathis, Julie A.
Subject: RE: [REDACTED] Richardson

Yes, you are correct.

Savannah Rogers

Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Thorn, Ann
Sent: Thursday, July 03, 2008 9:03 AM
To: Rogers, Savannah L.; Mathis, Julie A.
Cc: Beal, Pamela S.
Subject: RE: [redacted] Richardson
Importance: High

Ok, I need to understand something. We already talked to Richardson and told her the terms of the Modification as I understood. Then we realized taxes/insurance were not paid by Red Rock and now need to pay 2-3 weeks later and get back to her with new figures? Is that the case?

I need to understand this because it is my impression that Richardson thinks she has a new deal.....please clarify.

*****Please note my phone number has changed to 904-462-2150

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150*

For Internal Use Only

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 8:56 AM
To: Thorn, Ann
Cc: Mathis, Julie A.; Beal, Pamela S.; Thomas, Michelle M.
Subject: RE: [redacted] Richardson

Ann.

Once the taxes are disbursed and the escrow is set up I will work up the Modification terms. We will contact the mortgage to verify the terms and have the documents sent.

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Thorn, Ann
Sent: Thursday, July 03, 2008 8:47 AM
To: Rogers, Savannah L.; Thomas, Michelle M.
Cc: Mathis, Julie A.; Beal, Pamela S.
Subject: RE: [REDACTED] Richardson

What is going on with the Mod?

*****Please note my phone number has changed to 904-462-2150

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150*

For Internal Use Only

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 8:36 AM
To: Thomas, Michelle M.
Cc: Thorn, Ann; Mathis, Julie A.; Beal, Pamela S.
Subject: FW: [REDACTED] Richardson

Hi Michelle,

Please see below, the foeclosure stop 7 has been removed. Please disburse the tax payment so we can proceed with the Mod.

Thanks

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Thorn, Ann
Sent: Wednesday, July 02, 2008 3:39 PM
To: Mathis, Julie A.; Beal, Pamela S.; Rogers, Savannah L.
Subject: FW: [REDACTED] Richardson

*****Please note my phone number has changed to 904-462-2150

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150

For Internal Use Only

From: Boulton, Elizabeth A.
Sent: Wednesday, July 02, 2008 3:37 PM
To: Thorn, Ann
Subject: RE:  Richardson

Done.

Thank you,

Beth

From: Thorn, Ann
Sent: Wednesday, July 02, 2008 1:01 PM
To: Boulton, Elizabeth A.
Subject: FW:  Richardson
Importance: High

Can you change back to presale stop code

*****Please note my phone number has changed to 904-462-2150

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150

For Internal Use Only

From: Mathis, Julie A.
Sent: Wednesday, July 02, 2008 12:01 PM
To: Thorn, Ann
Cc: Rogers, Savannah L.; Beal, Pamela S.
Subject: FW:  Richardson
Importance: High

Ann, do you know how we can have the FC stop 7 removed?

From: Rogers, Savannah L.
Sent: Wednesday, July 02, 2008 10:57 AM
To: Mathis, Julie A.
Cc: Beal, Pamela S.
Subject: RE: [REDACTED] Richardson

I sent an email to Chrissy 6/26/08 but didn't hear anything back. Do you know how/when the fc stop 7 will be removed? That is preventing us from getting the taxes disbursed and escrow set up.

<< Message: RE: [REDACTED] Richardson >>

Thank you,
Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Mathis, Julie A.
Sent: Tuesday, July 01, 2008 9:20 PM
To: Rogers, Savannah L.
Cc: Beal, Pamela S.
Subject: FW: [REDACTED] Richardson

Are we ok with this one?

Thanks!

Julie

From: Thomas, Michelle M.
Sent: Thursday, June 26, 2008 11:03 AM
To: Rogers, Savannah L.; Lopez, Christina; Haywood, Oriska S.; Mathis, Julie A.
Cc: Springs, Sonya E.; Pound, Robert A.
Subject: RE: [REDACTED] Richardson

Please see tax notes on the above reference loan number indicating I will not be able to disburse tax payment until the foreclosure stop 7 has been removed. I will monitor the account for the removal of the foreclosure stop.

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net
<< OLE Object: Picture (Metafile) >>

From: Thomas, Michelle M.
Sent: Thursday, June 26, 2008 9:57 AM

To: Rogers, Savannah L.; Lopez, Christina; Haywood, Oriska S.; 'Jullie.Mathis@wamu.net'
Cc: Springs, Sonya E.; Pound, Robert A.
Subject: RE: [REDACTED] Richardson

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net
<< OLE Object: Picture (Metafile) >>

From: Springs, Sonya E.
Sent: Wednesday, June 25, 2008 2:27 PM
To: Thomas, Michelle M.
Subject: FW: [REDACTED] Richardson

Michelle,

I am copying you on this email so you can respond to the original parties on the email.

Thanks,
Sonya Springs
<< OLE Object: Picture (Metafile) >>

Tax Mitigation Specialist, Senior
Phone (843)673-3706
Fax (843) 673-4728
Mailstop FSC0211

Sonya.Springs@Wamu.net

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Please refer to tax notes dated 06-26-08. I will not be able to disburse tax payment for the delinquent taxes until the foreclosure stop =7 is removed. I will monitor account for the removal of the stop.

From: Pound, Robert A.
Sent: Wednesday, June 25, 2008 2:23 PM
To: Springs, Sonya E.; Morris, Linda
Cc: Kirby, Louise L.
Subject: RE: [REDACTED] Richardson

I have reassigned this to Michelle Thomas. But until the FCL Stop 7 is removed she will not be able to pay taxes.

Robert Pound

From: Springs, Sonya E.

Sent: Wednesday, June 25, 2008 2:08 PM
To: Morris, Linda
Cc: Pound, Robert A.; Kirby, Louise L.
Subject: RE: [REDACTED] Richardson
Importance: High

Louise,
There is already a NON123 task open and its assigned to Linda Morris.

Linda,
Can you go ahead and research this loan? Then e-mail a response to the all parties the e-mail below.

Thanks,

Sonya Springs

<< OLE Object: Picture (Metafile) >>

Tax Mitigation Specialist, Senior
Phone (843)673-3706
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To: Lopez, Christina; Rogers, Savannah L.
Cc: Springs, Sonya E.
Subject: RE: [REDACTED] Richardson

Sonya,
Please assign this account to someone on the non/esc team to follow up and respond to Savannah and Christina.

Thanks.

LOUISE KIRBY
LS Section Manager II
Tax Mitigation
(843) 673-4737 (phone)
(843) 673-4728 (fax)

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To: Rogers, Savannah L.

Cc: Kirby, Louise L.
Subject: RE: [redacted] Richardson

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Sent: Wednesday, June 25, 2008 8:56 AM
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Subject: RE: [redacted] Richardson

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To: Rogers, Savannah L.
Subject: RE: [redacted] Richardson

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So with the codes that are on the account now, we are not able to pay any tax payments.

Also there is a foreclosure code 7--conveyed, which also prevents us from paying.

LOUISE KIRBY
LS Section Manager II
Tax Mitigation

(843) 673-4737 (phone)
(843) 673-4728 (fax)

From: Rogers, Savannah L.
Sent: Wednesday, June 25, 2008 8:35 AM
To: Kirby, Louise L.
Subject: FW: [Richardson]
Importance: High

Louise,
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Savannah Rogers
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Toll Free 866 926 8937
Direct fax 469 549 5978

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Sent: Tuesday, June 24, 2008 9:39 AM
To: Johnson, Wonza L.
Cc: Haywood, Oriska S.; Mathis, Julie A.
Subject: [Richardson]
Importance: High

Hi Wonza,
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Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Lyman, Daryl W. <daryl.lyman@wamu.net>
Sent: Wednesday, July 9, 2008 1:38 PM
To: Thorn, Ann <ann.thorn@wamu.net>; Rogers, Savannah L. <savannah.rogers@wamu.net>
Cc: Coker, Darlene <darlene.coker@wamu.net>; Mathis, Julie A. <julie.mathis@wamu.net>; Beal, Pamela S. <pamela.beal@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>
Subject: RE: [REDACTED] Richardson

REDACTED

-Daryl

From: Thorn, Ann
Sent: Wednesday, July 09, 2008 10:31 AM
To: Lyman, Daryl W.; Rogers, Savannah L.; Battaglia, Paul J.
Cc: Coker, Darlene; Mathis, Julie A.; Beal, Pamela S.
Subject: RE: [REDACTED] Richardson

REDACTED

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
office: 904-462-2150
cell: 414-418-8174*

For Internal Use Only

From: Lyman, Daryl W.
Sent: Wednesday, July 09, 2008 1:24 PM
To: Thorn, Ann; Rogers, Savannah L.; Battaglia, Paul J.
Cc: Coker, Darlene; Mathis, Julie A.; Beal, Pamela S.
Subject: RE: [REDACTED] Richardson

REDACTED

Daryl W. Lyman
First Vice President & Senior Counsel

Washington Mutual
Legal Department
1301 Second Avenue, WMC 3501
Seattle, WA 98101

206.500.4260 direct | 206.377.2784 fax
daryl.lyman@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Thorn, Ann
Sent: Tuesday, July 08, 2008 5:44 AM
To: Rogers, Savannah L.; Battaglia, Paul J.; Lyman, Daryl W.
Cc: Coker, Darlene; Mathis, Julie A.; Beal, Pamela S.
Subject: RE: [REDACTED] Richardson

[REDACTED]

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
office: 904-462-2150
cell: [REDACTED]*

For Internal Use Only

From: Rogers, Savannah L.
Sent: Tuesday, July 08, 2008 8:42 AM
To: Battaglia, Paul J.
Cc: Thorn, Ann; Coker, Darlene; Mathis, Julie A.; Beal, Pamela S.
Subject: RE: [REDACTED] Richardson

Paul,

[REDACTED]

REDACTED

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Thorn, Ann
Sent: Monday, July 07, 2008 6:12 PM
To: Thomas, Michelle M.; Pound, Robert A.; Rogers, Savannah L.
Cc: Coker, Darlene; Mathis, Julie A.
Subject: RE: [REDACTED] Richardson

thank you for your help.

Savannah, let's get our part done tomorrow and get copies of new documents out and communicated to Richardson

From: Thomas, Michelle M.
Sent: Mon 07/07/2008 05:00 PM
To: Thorn, Ann; Pound, Robert A.
Cc: Coker, Darlene
Subject: RE: [REDACTED] Richardson

Done

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net

From: Thorn, Ann
Sent: Monday, July 07, 2008 5:33 PM
To: Pound, Robert A.
Cc: Coker, Darlene; Thomas, Michelle M.
Subject: RE: [REDACTED] Richardson

Remove the stop and pay the taxes

From: Pound, Robert A.
Sent: Mon 07/07/2008 04:16 PM
To: Thorn, Ann
Cc: Coker, Darlene; Thomas, Michelle M.
Subject: RE: [REDACTED] Richardson

Ann,

In regards to your request, we have reached out to several people to have the disbursement stop 1 removed and have been unsuccessful. If you give me permission to remove the stop, we will be able to disburse taxes.

Thanks

Robert Pound
Washington Mutual
LS Section Manager I
843-673-4007

From: Thorn, Ann
Sent: Monday, July 07, 2008 3:50 PM
To: Rogers, Savannah L.; Thomas, Michelle M.
Cc: Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.; Pound, Robert A.; Coker, Darlene
Subject: RE: [REDACTED] Richardson

Michelle, can you please get this changed today as this is a highly escalated matter.
Thank you.

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
office: 904-462-2150
cell: [REDACTED]*

For Internal Use Only

From: Rogers, Savannah L.
Sent: Monday, July 07, 2008 3:39 PM
To: Thomas, Michelle M.
Cc: Thorn, Ann; Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.; Pound, Robert A.
Subject: FW: [REDACTED] Richardson
Importance: High

Michelle,
Please request the disbursement stop be removed so we can get this file out immediately. Ann Thorn is requesting we escalate this issue... in case you are not getting a response.

Please let us know this has been taken care of so Loss Mit can proceed.

Thank you,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Thomas, Michelle M.
Sent: Thursday, July 03, 2008 10:51 AM
To: Rogers, Savannah L.
Cc: Thorn, Ann; Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.; Pound, Robert A.
Subject: RE:   Richardson

Savannah

There is now a disbursement stop 1 preventing me from disbursing these taxes. I am attempting to contact the appropriate person to have that stop removed. Also California tax offices are adding redemption amounts to their tax roll. I have to verify with them the new amount to be paid for the month of July after it becomes available.

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net
<< OLE Object: Picture (Metafile) >>

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 10:38 AM
To: Thomas, Michelle M.
Cc: Thorn, Ann; Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.
Subject: FW:    Richardson

Hi Michelle,
Can you give us an idea on how long it will take for the escrow to appear? Can this be done today or will it take until Monday to see the changes in the system?

Thank you very much-

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Thorn, Ann

Sent: Thursday, July 03, 2008 10:19 AM
To: Rogers, Savannah L.; Battaglia, Paul J.
Cc: Beal, Pamela S.; Mathis, Julie A.
Subject: RE: [REDACTED] Richardson

Ok, that is probably going to be a problem.....

What are the new numbers and what changes are being made? Paul, fyi.....

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150*

For Internal Use Only

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 9:50 AM
To: Thorn, Ann
Cc: Beal, Pamela S.; Mathis, Julie A.
Subject: RE: [REDACTED] Richardson

Yes, you are correct.

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Thorn, Ann
Sent: Thursday, July 03, 2008 9:03 AM
To: Rogers, Savannah L.; Mathis, Julie A.
Cc: Beal, Pamela S.
Subject: RE: [REDACTED] Richardson
Importance: High

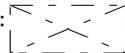
Ok, I need to understand something. We already talked to Richardson and told her the terms of the Modification as I understood. Then we realized taxes/insurance were not paid by Red Rock and now need to pay 2-3 weeks later and get back to her with new figures? Is that the case?

I need to understand this because it is my impression that Richardson thinks she has a new deal.....please clarify.

*****Please note my phone number has changed to 904-462-2150

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150*

For Internal Use Only

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 8:56 AM
To: Thorn, Ann
Cc: Mathis, Julie A.; Beal, Pamela S.; Thomas, Michelle M.
Subject: RE:  Richardson

Ann.

Once the taxes are disbursed and the escrow is set up I will work up the Modification terms. We will contact the mortgagor to verify the terms and have the documents sent.

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Thorn, Ann
Sent: Thursday, July 03, 2008 8:47 AM
To: Rogers, Savannah L.; Thomas, Michelle M.
Cc: Mathis, Julie A.; Beal, Pamela S.
Subject: RE:  Richardson

What is going on with the Mod?

*****Please note my phone number has changed to 904-462-2150

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150*

For Internal Use Only

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 8:36 AM
To: Thomas, Michelle M.
Cc: Thorn, Ann; Mathis, Julie A.; Beal, Pamela S.
Subject: FW: [REDACTED] Richardson

Hi Michelle,
Please see below, the foreclosure stop 7 has been removed. Please disburse the tax payment so we can proceed with the Mod.

Thanks

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Thorn, Ann
Sent: Wednesday, July 02, 2008 3:39 PM
To: Mathis, Julie A.; Beal, Pamela S.; Rogers, Savannah L.
Subject: FW: [REDACTED] Richardson

*****Please note my phone number has changed to 904-462-2150

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150*

For Internal Use Only

From: Boulton, Elizabeth A.
Sent: Wednesday, July 02, 2008 3:37 PM
To: Thorn, Ann
Subject: RE: [REDACTED] Richardson

Done.

Thank you,

Beth

From: Thorn, Ann
Sent: Wednesday, July 02, 2008 1:01 PM
To: Boulton, Elizabeth A.
Subject: FW: [redacted] Richardson
Importance: High

Can you change back to presale stop code

*****Please note my phone number has changed to 904-462-2150

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150*

For Internal Use Only

From: Mathis, Julie A.
Sent: Wednesday, July 02, 2008 12:01 PM
To: Thorn, Ann
Cc: Rogers, Savannah L.; Beal, Pamela S.
Subject: FW: [redacted] Richardson
Importance: High

Ann, do you know how we can have the FC stop 7 removed?

From: Rogers, Savannah L.
Sent: Wednesday, July 02, 2008 10:57 AM
To: Mathis, Julie A.
Cc: Beal, Pamela S.
Subject: RE: [redacted] Richardson

I sent an email to Chrissy 6/26/08 but didn't hear anything back. Do you know how/when the fc stop 7 will be removed? That is preventing us from getting the taxes disbursed and escrow set up.

<< Message: RE: [redacted] Richardson >>
Thank you,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Mathis, Julie A.
Sent: Tuesday, July 01, 2008 9:20 PM
To: Rogers, Savannah L.
Cc: Beal, Pamela S.
Subject: FW:  Richardson

Are we ok with this one?

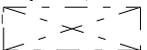
Thanks!

Julie

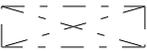
From: Thomas, Michelle M.
Sent: Thursday, June 26, 2008 11:03 AM
To: Rogers, Savannah L.; Lopez, Christina; Haywood, Oriska S.; Mathis, Julie A.
Cc: Springs, Sonya E.; Pound, Robert A.
Subject: RE:  Richardson

Please see tax notes on the above reference loan number indicating I will not be able to disburse tax payment until the foreclosure stop 7 has been removed. I will monitor the account for the removal of the foreclosure stop.

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net
<< OLE Object: Picture (Metafile) >>

From: Thomas, Michelle M.
Sent: Thursday, June 26, 2008 9:57 AM
To: Rogers, Savannah L.; Lopez, Christina; Haywood, Oriska S.; 'Jullie.Mathis@wamu.net'
Cc: Springs, Sonya E.; Pound, Robert A.
Subject: RE:  Richardson

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net
<< OLE Object: Picture (Metafile) >>

From: Springs, Sonya E.
Sent: Wednesday, June 25, 2008 2:27 PM
To: Thomas, Michelle M.
Subject: FW:  Richardson

Michelle,

I am copying you on this email so you can respond to the original parties on the email.

Thanks,

Sonya Springs

<< OLE Object: Picture (Metafile) >>

Tax Mitigation Specialist, Senior

Phone (843)673-3706

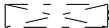
Fax (843) 673-4728

Mailstop FSC0211

Sonya.Springs@Wamu.net

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Please refer to tax notes dated 06-26-08. I will not be able to disburse tax payment for the delinquent taxes until the foreclosure stop =7 is removed. I will monitor account for the removal of the stop.

From: Pound, Robert A.
Sent: Wednesday, June 25, 2008 2:23 PM
To: Springs, Sonya E.; Morris, Linda
Cc: Kirby, Louise L.
Subject: RE:  Richardson

I have reassigned this to Michelle Thomas. But until the FCL Stop 7 is removed she will not be able to pay taxes.

Robert Pound

From: Springs, Sonya E.
Sent: Wednesday, June 25, 2008 2:08 PM
To: Morris, Linda
Cc: Pound, Robert A.; Kirby, Louise L.
Subject: RE:  Richardson
Importance: High

Louise,

There is already a NON123 task open and its assigned to Linda Morris.

Linda,

Can you go ahead and research this loan? Then e-mail a response to the all parties the e-mail below.

Thanks,

Sonya Springs

<< OLE Object: Picture (Metafile) >>

Tax Mitigation Specialist, Senior

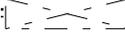
Phone (843)673-3706

Fax (843) 673-4728

Mailstop FSC0211

Sonya.Springs@Wamu.net

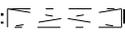
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From: Kirby, Louise L.
Sent: Wednesday, June 25, 2008 12:02 PM
To: Lopez, Christina; Rogers, Savannah L.
Cc: Springs, Sonya E.
Subject: RE:  Richardson

Sonya,
Please assign this account to someone on the non/esc team to follow up and respond to Savannah and Christina.

Thanks.

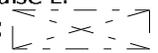
LOUISE KIRBY
LS Section Manager II
Tax Mitigation
(843) 673-4737 (phone)
(843) 673-4728 (fax)

From: Lopez, Christina
Sent: Wednesday, June 25, 2008 9:16 AM
To: Rogers, Savannah L.
Cc: Kirby, Louise L.
Subject: RE:  Richardson

Louise,

Loss Mit only blocks taxes on short sales. This is not a short sale and it doesn't appear that we placed the disbursement stop. Per SAF1, processor EDC placed the block on there on 5/14/08. It appears her name is Veronica McNeil-Ellis. Can you check with her to determine if the block can be removed?

Thanks

From: Rogers, Savannah L.
Sent: Wednesday, June 25, 2008 8:56 AM
To: Lopez, Christina
Cc: Kirby, Louise L.
Subject: RE:  Richardson

Chrissy,
This fc sale was rescinded...what should I do to get this moving? Do you know if the fc dept should remove their stops?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Kirby, Louise L.
Sent: Wednesday, June 25, 2008 8:50 AM
To: Rogers, Savannah L.
Subject: RE: [Richardson]

Savannah,

Per instructions we have received by Christina Lopez dated 12/3/07, we cannot disburse tax if the man code is "w" with disbursement stop 1.

So with the codes that are on the account now, we are not able to pay any tax payments.

Also there is a foreclosure code 7--conveyed, which also prevents us from paying.

LOUISE KIRBY
LS Section Manager II
Tax Mitigation
(843) 673-4737 (phone)
(843) 673-4728 (fax)

From: Rogers, Savannah L.
Sent: Wednesday, June 25, 2008 8:35 AM
To: Kirby, Louise L.
Subject: FW: [Richardson]
Importance: High

Louise,

Management is requesting we get this Mod out asap. I just want to make sure I asked the right person (Wonza) to help me set up the escrow - property taxes are delinquent. There is a note on the loan from 5/20/08 saying the taxes were not going to be paid because of the mancode. Now that the mancode is W - can this be taken care of? Do you have a timeframe for completion so I can let management know?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937

Direct fax 469 549 5978

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From: Rogers, Savannah L.
Sent: Tuesday, June 24, 2008 9:39 AM
To: Johnson, Wonza L.
Cc: Haywood, Oriska S.; Mathis, Julie A.
Subject:   Richardson
Importance: High

Hi Wonza,

There were two checks returned 4/21/08 for delinquent property taxes \$8109.81 + \$405.49. This loan went to fc sale which has been rescinded and we will be modifying this loan. Who can send the task to set up the escrow for these taxes and possibly research if those taxes are still delinquent since the checks came back from Sacramento County?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Thorn, Ann <ann.thorn@wamu.net>
Sent: Wednesday, July 9, 2008 1:31 PM
To: Lyman, Daryl W. <daryl.lyman@wamu.net>; Rogers, Savannah L. <savannah.rogers@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>
Cc: Coker, Darlene <darlene.coker@wamu.net>; Mathis, Julie A. <julie.mathis@wamu.net>; Beal, Pamela S. <pamela.beal@wamu.net>
Subject: RE: [REDACTED] Richardson

REDACTED

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
office: 904-462-2150
cell: 414-418-8174*

For Internal Use Only

From: Lyman, Daryl W.
Sent: Wednesday, July 09, 2008 1:24 PM
To: Thorn, Ann; Rogers, Savannah L.; Battaglia, Paul J.
Cc: Coker, Darlene; Mathis, Julie A.; Beal, Pamela S.
Subject: RE: [REDACTED] Richardson

REDACTED

Daryl W. Lyman
First Vice President & Senior Counsel

Washington Mutual
Legal Department
1301 Second Avenue, WMC 3501
Seattle, WA 98101

206.500.4260 direct | 206.377.2784 fax
daryl.lyman@wamu.net

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From: Thorn, Ann
Sent: Tuesday, July 08, 2008 5:44 AM
To: Rogers, Savannah L.; Battaglia, Paul J.; Lyman, Daryl W.

JPMC - 002017
CONFIDENTIAL
CSOC.RICH.003506

Cc: Coker, Darlene; Mathis, Julie A.; Beal, Pamela S.
Subject: RE: [REDACTED] Richardson

REDACTED

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
office: 904-462-2150
cell: [REDACTED]*

For Internal Use Only

From: Rogers, Savannah L.
Sent: Tuesday, July 08, 2008 8:42 AM
To: Battaglia, Paul J.
Cc: Thorn, Ann; Coker, Darlene; Mathis, Julie A.; Beal, Pamela S.
Subject: RE: [REDACTED] Richardson

Paul,

REDACTED

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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JPMC - 002018
CONFIDENTIAL
CSOC.RICH.003507

From: Thorn, Ann
Sent: Monday, July 07, 2008 6:12 PM
To: Thomas, Michelle M.; Pound, Robert A.; Rogers, Savannah L.
Cc: Coker, Darlene; Mathis, Julie A.
Subject: RE: [REDACTED] Richardson

thank you for your help.

Savannah, let's get our part done tomorrow and get copies of new documents out and communicated to Richardson

From: Thomas, Michelle M.
Sent: Mon 07/07/2008 05:00 PM
To: Thorn, Ann; Pound, Robert A.
Cc: Coker, Darlene
Subject: RE: [REDACTED] Richardson

Done

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net

From: Thorn, Ann
Sent: Monday, July 07, 2008 5:33 PM
To: Pound, Robert A.
Cc: Coker, Darlene; Thomas, Michelle M.
Subject: RE: [REDACTED] Richardson

Remove the stop and pay the taxes

From: Pound, Robert A.
Sent: Mon 07/07/2008 04:16 PM
To: Thorn, Ann
Cc: Coker, Darlene; Thomas, Michelle M.
Subject: RE: [REDACTED] Richardson

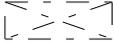
Ann,

In regards to your request, we have reached out to several people to have the disbursement stop 1 removed and have been unsuccessful. If you give me permission to remove the stop, we will be able to disburse taxes.

Thanks

Robert Pound
Washington Mutual
LS Section Manager I

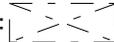


From: Thorn, Ann
Sent: Monday, July 07, 2008 3:50 PM
To: Rogers, Savannah L.; Thomas, Michelle M.
Cc: Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.; Pound, Robert A.; Coker, Darlene
Subject: RE:  Richardson

Michelle, can you please get this changed today as this is a highly escalated matter.
Thank you.

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
office: 904-462-2150
cell: *

For Internal Use Only

From: Rogers, Savannah L.
Sent: Monday, July 07, 2008 3:39 PM
To: Thomas, Michelle M.
Cc: Thorn, Ann; Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.; Pound, Robert A.
Subject: FW:  Richardson
Importance: High

Michelle,
Please request the disbursement stop be removed so we can get this file out immediately. Ann Thorn is requesting we escalate this issue... in case you are not getting a response.

Please let us know this has been taken care of so Loss Mit can proceed.

Thank you,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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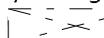
From: Thomas, Michelle M.
Sent: Thursday, July 03, 2008 10:51 AM
To: Rogers, Savannah L.
Cc: Thorn, Ann; Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.; Pound, Robert A.

Subject: RE:  Richardson

Savannah

There is now a disbursement stop 1 preventing me from disbursing these taxes. I am attempting to contact the appropriate person to have that stop removed. Also California tax offices are adding redemption amounts to their tax roll. I have to verify with them the new amount to be paid for the month of July after it becomes available.

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net
<< OLE Object: Picture (Metafile) >>

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 10:38 AM
To: Thomas, Michelle M.
Cc: Thorn, Ann; Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.
Subject: FW:  Richardson

Hi Michelle,
Can you give us an idea on how long it will take for the escrow to appear? Can this be done today or will it take until Monday to see the changes in the system?

Thank you very much-

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Thorn, Ann
Sent: Thursday, July 03, 2008 10:19 AM
To: Rogers, Savannah L.; Battaglia, Paul J.
Cc: Beal, Pamela S.; Mathis, Julie A.
Subject: RE:  Richardson

Ok, that is probably going to be a problem.....

What are the new numbers and what changes are being made? Paul, fyi.....

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150*

For Internal Use Only

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 9:50 AM
To: Thorn, Ann
Cc: Beal, Pamela S.; Mathis, Julie A.
Subject: RE: [REDACTED] Richardson

Yes, you are correct.

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Thorn, Ann
Sent: Thursday, July 03, 2008 9:03 AM
To: Rogers, Savannah L.; Mathis, Julie A.
Cc: Beal, Pamela S.
Subject: RE: [REDACTED] Richardson
Importance: High

Ok, I need to understand something. We already talked to Richardson and told her the terms of the Modification as I understood. Then we realized taxes/insurance were not paid by Red Rock and now need to pay 2-3 weeks later and get back to her with new figures? Is that the case?

I need to understand this because it is my impression that Richardson thinks she has a new deal.....please clarify.

*****Please note my phone number has changed to **904-462-2150**

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150*

For Internal Use Only

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 8:56 AM
To: Thorn, Ann

Cc: Mathis, Julie A.; Beal, Pamela S.; Thomas, Michelle M.

Subject: RE: [REDACTED] Richardson

Ann.

Once the taxes are disbursed and the escrow is set up I will work up the Modification terms. We will contact the mortgagor to verify the terms and have the documents sent.

Thanks,

Savannah Rogers
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Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Thorn, Ann

Sent: Thursday, July 03, 2008 8:47 AM

To: Rogers, Savannah L.; Thomas, Michelle M.

Cc: Mathis, Julie A.; Beal, Pamela S.

Subject: RE: [REDACTED] Richardson

What is going on with the Mod?

*****Please note my phone number has changed to 904-462-2150

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150*

For Internal Use Only

From: Rogers, Savannah L.

Sent: Thursday, July 03, 2008 8:36 AM

To: Thomas, Michelle M.

Cc: Thorn, Ann; Mathis, Julie A.; Beal, Pamela S.

Subject: FW: [REDACTED] Richardson

Hi Michelle,

Please see below, the foreclosure stop 7 has been removed. Please disburse the tax payment so we can proceed with the Mod.

Thanks

Savannah Rogers
Homeownership Preservation
Washington Mutual

Toll Free 866 926 8937

Direct fax 469 549 5978

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From: Thorn, Ann
Sent: Wednesday, July 02, 2008 3:39 PM
To: Mathis, Julie A.; Beal, Pamela S.; Rogers, Savannah L.
Subject: FW: [REDACTED] Richardson

*****Please note my phone number has changed to 904-462-2150

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150*

For Internal Use Only

From: Boulton, Elizabeth A.
Sent: Wednesday, July 02, 2008 3:37 PM
To: Thorn, Ann
Subject: RE: [REDACTED] Richardson

Done.

Thank you,

Beth

From: Thorn, Ann
Sent: Wednesday, July 02, 2008 1:01 PM
To: Boulton, Elizabeth A.
Subject: FW: [REDACTED] Richardson
Importance: High

Can you change back to presale stop code

*****Please note my phone number has changed to 904-462-2150

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager*



For Internal Use Only

From: Mathis, Julie A.
Sent: Wednesday, July 02, 2008 12:01 PM
To: Thorn, Ann
Cc: Rogers, Savannah L.; Beal, Pamela S.
Subject: FW: [redacted] Richardson
Importance: High

Ann, do you know how we can have the FC stop 7 removed?

From: Rogers, Savannah L.
Sent: Wednesday, July 02, 2008 10:57 AM
To: Mathis, Julie A.
Cc: Beal, Pamela S.
Subject: RE: [redacted] Richardson

I sent an email to Chrissy 6/26/08 but didn't hear anything back. Do you know how/when the fc stop 7 will be removed? That is preventing us from getting the taxes disbursed and escrow set up.

<< Message: RE: [redacted] Richardson >>

Thank you,
Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Mathis, Julie A.
Sent: Tuesday, July 01, 2008 9:20 PM
To: Rogers, Savannah L.
Cc: Beal, Pamela S.
Subject: FW: [redacted] Richardson

Are we ok with this one?

Thanks!

Julie

From: Thomas, Michelle M.
Sent: Thursday, June 26, 2008 11:03 AM
To: Rogers, Savannah L.; Lopez, Christina; Haywood, Oriska S.; Mathis, Julie A.
Cc: Springs, Sonya E.; Pound, Robert A.

Subject: RE: [REDACTED] Richardson

Please see tax notes on the above reference loan number indicating I will not be able to disburse tax payment until the foreclosure stop 7 has been removed. I will monitor the account for the removal of the foreclosure stop.

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net
<< OLE Object: Picture (Metafile) >>

From: Thomas, Michelle M.
Sent: Thursday, June 26, 2008 9:57 AM
To: Rogers, Savannah L.; Lopez, Christina; Haywood, Oriska S.; 'Jullie.Mathis@wamu.net'
Cc: Springs, Sonya E.; Pound, Robert A.
Subject: RE: [REDACTED] Richardson

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net
<< OLE Object: Picture (Metafile) >>

From: Springs, Sonya E.
Sent: Wednesday, June 25, 2008 2:27 PM
To: Thomas, Michelle M.
Subject: FW: [REDACTED] Richardson

Michelle,

I am copying you on this email so you can respond to the original parties on the email.

Thanks,
Sonya Springs
<< OLE Object: Picture (Metafile) >>

Tax Mitigation Specialist, Senior
Phone (843)673-3706
Fax (843) 673-4728
Mailstop FSC0211

Sonya.Springs@Wamu.net

"The information above shall be treated as confidential and is intended solely for the named recipient(s). Without Washington Mutual's prior written consent, this information shall not be disclosed to any person other than an officer or employee of the recipient(s) company with a need to know the information. If you are not the intended recipient(s), any review, dissemination, distribution, disclosure, or copying of this message is strictly prohibited. If you have received this communication in error, please notify the sender immediately by reply e-mail, and delete the original message."

Please refer to tax notes dated 06-26-08. I will not be able to disburse tax payment for the delinquent taxes until the foreclosure stop =7 is removed. I will monitor account for the removal of the stop.

From: Pound, Robert A.
Sent: Wednesday, June 25, 2008 2:23 PM
To: Springs, Sonya E.; Morris, Linda
Cc: Kirby, Louise L.
Subject: RE:   Richardson

I have reassigned this to Michelle Thomas. But until the FCL Stop 7 is removed she will not be able to pay taxes.

Robert Pound

From: Springs, Sonya E.
Sent: Wednesday, June 25, 2008 2:08 PM
To: Morris, Linda
Cc: Pound, Robert A.; Kirby, Louise L.
Subject: RE:    richardson
Importance: High

Louise,
There is already a NON123 task open and its assigned to Linda Morris.

Linda,
Can you go ahead and research this loan? Then e-mail a response to the all parties the e-mail below.

Thanks,
Sonya Springs

<< OLE Object: Picture (Metafile) >>

Tax Mitigation Specialist, Senior
Phone (843)673-3706
Fax (843) 673-4728
Mailstop FSC0211

Sonya.Springs@Wamu.net

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From: Kirby, Louise L.
Sent: Wednesday, June 25, 2008 12:02 PM
To: Lopez, Christina; Rogers, Savannah L.
Cc: Springs, Sonya E.
Subject: RE:   Richardson

Sonya,
Please assign this account to someone on the non/esc team to follow up and respond to Savannah and Christina.

Thanks.

LOUISE KIRBY

LS Section Manager II
Tax Mitigation
(843) 673-4737 (phone)
(843) 673-4728 (fax)

From: Lopez, Christina
Sent: Wednesday, June 25, 2008 9:16 AM
To: Rogers, Savannah L.
Cc: Kirby, Louise L.
Subject: RE: [REDACTED] Richardson

Louise,

Loss Mit only blocks taxes on short sales. This is not a short sale and it doesn't appear that we placed the disbursement stop. Per SAF1, processor EDC placed the block on there on 5/14/08. It appears her name is Veronica McNeil-Ellis. Can you check with her to determine if the block can be removed?

Thanks

From: Rogers, Savannah L.
Sent: Wednesday, June 25, 2008 8:56 AM
To: Lopez, Christina
Cc: Kirby, Louise L.
Subject: RE: [REDACTED] Richardson

Chrissy,
This fc sale was rescinded...what should I do to get this moving? Do you know if the fc dept should remove their stops?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Kirby, Louise L.
Sent: Wednesday, June 25, 2008 8:50 AM
To: Rogers, Savannah L.
Subject: RE: [REDACTED] Richardson

Savannah,
Per instructions we have received by Christina Lopez dated 12/3/07, we cannot disburse tax if the man code is "w" with disbursement stop 1.

So with the codes that are on the account now, we are not able to pay any tax payments.

Also there is a foreclosure code 7--conveyed, which also prevents us from paying.

LOUISE KIRBY
LS Section Manager II
Tax Mitigation
(843) 673-4737 (phone)
(843) 673-4728 (fax)

From: Rogers, Savannah L.
Sent: Wednesday, June 25, 2008 8:35 AM
To: Kirby, Louise L.
Subject: FW: [Richardson]
Importance: High

Louise,
Management is requesting we get this Mod out asap. I just want to make sure I asked the right person (Wonza) to help me set up the escrow - property taxes are delinquent. There is a note on the loan from 5/20/08 saying the taxes were not going to be paid because of the mancode. Now that the mancode is W - can this be taken care of? Do you have a timeframe for completion so I can let management know?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Rogers, Savannah L.
Sent: Tuesday, June 24, 2008 9:39 AM
To: Johnson, Wonza L.
Cc: Haywood, Oriska S.; Mathis, Julie A.
Subject: [Richardson]
Importance: High

Hi Wonza,
There were two checks returned 4/21/08 for delinquent property taxes \$8109.81 + \$405.49. This loan went to fc sale which has been rescinded and we will be modifying this loan. Who can send the task to set up the escrow for these taxes and possibly research if those taxes are still delinquent since the checks came back from Sacramento County?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Lyman, Daryl W. <daryl.lyman@wamu.net>
Sent: Wednesday, July 9, 2008 1:24 PM
To: Thorn, Ann <ann.thorn@wamu.net>; Rogers, Savannah L. <savannah.rogers@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>
Cc: Coker, Darlene <darlene.coker@wamu.net>; Mathis, Julie A. <julie.mathis@wamu.net>; Beal, Pamela S. <pamela.beal@wamu.net>
Subject: RE: [REDACTED] Richardson

REDACTED

Daryl W. Lyman

First Vice President & Senior Counsel

Washington Mutual
Legal Department
1301 Second Avenue, WMC 3501
Seattle, WA 98101

206.500.4260 direct | 206.377.2784 fax
daryl.lyman@wamu.net

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From: Thorn, Ann
Sent: Tuesday, July 08, 2008 5:44 AM
To: Rogers, Savannah L.; Battaglia, Paul J.; Lyman, Daryl W.
Cc: Coker, Darlene; Mathis, Julie A.; Beal, Pamela S.
Subject: RE: [REDACTED] Richardson

REDACTED

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
office: 904-462-2150
cell: [REDACTED]
[REDACTED]*
For Internal Use Only

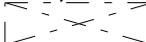
From: Rogers, Savannah L.
Sent: Tuesday, July 08, 2008 8:42 AM
To: Battaglia, Paul J.
Cc: Thorn, Ann; Coker, Darlene; Mathis, Julie A.; Beal, Pamela S.
Subject: RE: [REDACTED] Richardson

Paul.

REDACTED

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Thorn, Ann
Sent: Monday, July 07, 2008 6:12 PM
To: Thomas, Michelle M.; Pound, Robert A.; Rogers, Savannah L.
Cc: Coker, Darlene; Mathis, Julie A.
Subject: RE:  Richardson

thank you for your help.

Savannah, let's get our part done tomorrow and get copies of new documents out and communicated to Richardson

From: Thomas, Michelle M.
Sent: Mon 07/07/2008 05:00 PM
To: Thorn, Ann; Pound, Robert A.
Cc: Coker, Darlene
Subject: RE:  Richardson

Done

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net

From: Thorn, Ann
Sent: Monday, July 07, 2008 5:33 PM
To: Pound, Robert A.
Cc: Coker, Darlene; Thomas, Michelle M.
Subject: RE: [REDACTED] Richardson

Remove the stop and pay the taxes

From: Pound, Robert A.
Sent: Mon 07/07/2008 04:16 PM
To: Thorn, Ann
Cc: Coker, Darlene; Thomas, Michelle M.
Subject: RE: [REDACTED] Richardson

Ann,

In regards to your request, we have reached out to several people to have the disbursement stop 1 removed and have been unsuccessful. If you give me permission to remove the stop, we will be able to disburse taxes.

Thanks

Robert Pound
Washington Mutual
LS Section Manager I
843-673-4007

From: Thorn, Ann
Sent: Monday, July 07, 2008 3:50 PM
To: Rogers, Savannah L.; Thomas, Michelle M.
Cc: Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.; Pound, Robert A.; Coker, Darlene
Subject: RE: [REDACTED] Richardson

Michelle, can you please get this changed today as this is a highly escalated matter.
Thank you.

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
office: 904-462-2150
cell: [REDACTED]*

For Internal Use Only

From: Rogers, Savannah L.
Sent: Monday, July 07, 2008 3:39 PM
To: Thomas, Michelle M.
Cc: Thorn, Ann; Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.; Pound, Robert A.
Subject: FW: [REDACTED] Richardson
Importance: High

Michelle,
Please request the disbursement stop be removed so we can get this file out immediately. Ann Thorn is requesting we escalate this issue... in case you are not getting a response.

Please let us know this has been taken care of so Loss Mit can proceed.

Thank you,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Thomas, Michelle M.
Sent: Thursday, July 03, 2008 10:51 AM
To: Rogers, Savannah L.
Cc: Thorn, Ann; Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.; Pound, Robert A.
Subject: RE: [REDACTED] Richardson

Savannah

There is now a disbursement stop 1 preventing me from disbursing these taxes. I am attempting to contact the appropriate person to have that stop removed. Also California tax offices are adding redemption amounts to their tax roll. I have to verify with them the new amount to be paid for the month of July after it becomes available.

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Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net
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From: Rogers, Savannah L.
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Cc: Thorn, Ann; Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.
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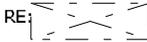
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To: Rogers, Savannah L.; Battaglia, Paul J.
Cc: Beal, Pamela S.; Mathis, Julie A.
Subject: RE:  Richardson

Ok, that is probably going to be a problem.....

What are the new numbers and what changes are being made? Paul, fyi.....

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150*

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From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 9:50 AM
To: Thorn, Ann
Cc: Beal, Pamela S.; Mathis, Julie A.
Subject: RE:  Richardson

Yes, you are correct.

Savannah Rogers
Homeownership Preservation
Washington Mutual
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Sent: Thursday, July 03, 2008 9:03 AM
To: Rogers, Savannah L.; Mathis, Julie A.
Cc: Beal, Pamela S.
Subject: RE: [> > > } Richardson
Importance: High

Ok, I need to understand something. We already talked to Richardson and told her the terms of the Modification as I understood. Then we realized taxes/insurance were not paid by Red Rock and now need to pay 2-3 weeks later and get back to her with new figures? Is that the case?

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Savannah Rogers
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What is going on with the Mod?

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*Ann Thorn, FVP
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National Asset Recovery Manager
904-462-2150*

For Internal Use Only

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To: Thomas, Michelle M.
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Subject: FW: [REDACTED] Richardson

Hi Michelle,
Please see below, the foeclosure stop 7 has been removed. Please disburse the tax payment so we can proceed with the Mod.

Thanks

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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To: Mathis, Julie A.; Beal, Pamela S.; Rogers, Savannah L.
Subject: FW: [REDACTED] Richardson

*****Please note my phone number has changed to 904-462-2150

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150*

For Internal Use Only

From: Boulton, Elizabeth A.
Sent: Wednesday, July 02, 2008 3:37 PM
To: Thorn, Ann
Subject: RE: [REDACTED] Richardson

Done.

Thank you,

Beth

From: Thorn, Ann
Sent: Wednesday, July 02, 2008 1:01 PM
To: Boulton, Elizabeth A.
Subject: FW: [REDACTED] Richardson
Importance: High

Can you change back to presale stop code

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Ann, do you know how we can have the FC stop 7 removed?

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Savannah Rogers
Homeownership Preservation

Washington Mutual

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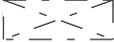
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Cc: Beal, Pamela S.

Subject: FW:  Richardson

Are we ok with this one?

Thanks!

Julie

From: Thomas, Michelle M.

Sent: Thursday, June 26, 2008 11:03 AM

To: Rogers, Savannah L.; Lopez, Christina; Haywood, Oriska S.; Mathis, Julie A.

Cc: Springs, Sonya E.; Pound, Robert A.

Subject: RE:  Richardson

Please see tax notes on the above reference loan number indicating I will not be able to disburse tax payment until the foreclosure stop 7 has been removed. I will monitor the account for the removal of the foreclosure stop.

Michelle M. Thomas

Real Estate Tax Associate Sr.

1-800-353-3860 ext. 4726

email: michelle.m.thomas@wamu.net

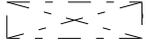
<< OLE Object: Picture (Metafile) >>

From: Thomas, Michelle M.

Sent: Thursday, June 26, 2008 9:57 AM

To: Rogers, Savannah L.; Lopez, Christina; Haywood, Oriska S.; 'Julie.Mathis@wamu.net'

Cc: Springs, Sonya E.; Pound, Robert A.

Subject: RE:  Richardson

Michelle M. Thomas

Real Estate Tax Associate Sr.

1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net
<< OLE Object: Picture (Metafile) >>

From: Springs, Sonya E.
Sent: Wednesday, June 25, 2008 2:27 PM
To: Thomas, Michelle M.
Subject: FW:  Richardson

Michelle,

I am copying you on this email so you can respond to the original parties on the email.

Thanks,
Sonya Springs
<< OLE Object: Picture (Metafile) >>

Tax Mitigation Specialist, Senior
Phone (843)673-3706
Fax (843) 673-4728
Mailstop FSC0211

Sonya.Springs@Wamu.net

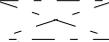
"The information above shall be treated as confidential and is intended solely for the named recipient(s). Without Washington Mutual's prior written consent, this information shall not be disclosed to any person other than an officer or employee of the recipient(s) company with a need to know the information. If you are not the intended recipient(s), any review, dissemination, distribution, disclosure, or copying of this message is strictly prohibited. If you have received this communication in error, please notify the sender immediately by reply e-mail, and delete the original message."

Please refer to tax notes dated 06-26-08. I will not be able to disburse tax payment for the delinquent taxes until the foreclosure stop =7 is removed. I will monitor account for the removal of the stop.

From: Pound, Robert A.
Sent: Wednesday, June 25, 2008 2:23 PM
To: Springs, Sonya E.; Morris, Linda
Cc: Kirby, Louise L.
Subject: RE:  Richardson

I have reassigned this to Michelle Thomas. But until the FCL Stop 7 is removed she will not be able to pay taxes.

Robert Pound

From: Springs, Sonya E.
Sent: Wednesday, June 25, 2008 2:08 PM
To: Morris, Linda
Cc: Pound, Robert A.; Kirby, Louise L.
Subject: RE:  richardson
Importance: High

Louise,
There is already a NON123 task open and its assigned to Linda Morris.

Linda,

Can you go ahead and research this loan? Then e-mail a response to the all parties the e-mail below.

Thanks,
Sonya Springs

<< OLE Object: Picture (Metafile) >>

Tax Mitigation Specialist, Senior

Phone (843)673-3706

Fax (843) 673-4728

Mailstop FSC0211

Sonya.Springs@Wamu.net

"The information above shall be treated as confidential and is intended solely for the named recipient(s). Without Washington Mutual's prior written consent, this information shall not be disclosed to any person other than an officer or employee of the recipient(s) company with a need to know the information. If you are not the intended recipient(s), any review, dissemination, distribution, disclosure, or copying of this message is strictly prohibited. If you have received this communication in error, please notify the sender immediately by reply e-mail, and delete the original message."

From: Kirby, Louise L.
Sent: Wednesday, June 25, 2008 12:02 PM
To: Lopez, Christina; Rogers, Savannah L.
Cc: Springs, Sonya E.
Subject: RE:   Richardson

Sonya,

Please assign this account to someone on the non/esc team to follow up and respond to Savannah and Christina.

Thanks.

LOUISE KIRBY
LS Section Manager II
Tax Mitigation
(843) 673-4737 (phone)
(843) 673-4728 (fax)

From: Lopez, Christina
Sent: Wednesday, June 25, 2008 9:16 AM
To: Rogers, Savannah L.
Cc: Kirby, Louise L.
Subject: RE:   Richardson

Louise,

Loss Mit only blocks taxes on short sales. This is not a short sale and it doesn't appear that we placed the disbursement stop. Per SAF1, processor EDC placed the block on there on 5/14/08. It appears her name is Veronica McNeil-Ellis. Can you check with her to determine if the block can be removed?

Thanks

From: Rogers, Savannah L.
Sent: Wednesday, June 25, 2008 8:56 AM
To: Lopez, Christina
Cc: Kirby, Louise L.
Subject: RE: [redacted] Richardson

Chrissy,

This fc sale was rescinded...what should I do to get this moving? Do you know if the fc dept should remove their stops?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Kirby, Louise L.
Sent: Wednesday, June 25, 2008 8:50 AM
To: Rogers, Savannah L.
Subject: RE: [redacted] Richardson

Savannah,

Per instructions we have received by Christina Lopez dated 12/3/07, we cannot disburse tax if the man code is "w" with disbursement stop 1.

So with the codes that are on the account now, we are not able to pay any tax payments.

Also there is a foreclosure code 7--conveyed, which also prevents us from paying.

LOUISE KIRBY
LS Section Manager II
Tax Mitigation
(843) 673-4737 (phone)
(843) 673-4728 (fax)

From: Rogers, Savannah L.
Sent: Wednesday, June 25, 2008 8:35 AM
To: Kirby, Louise L.
Subject: FW: [redacted] Richardson
Importance: High

Louise,

Management is requesting we get this Mod out asap. I just want to make sure I asked the right person (Wonza) to help me set up the escrow - property taxes are delinquent. There is a note on the loan from 5/20/08 saying the taxes were not going to be paid because of the mancode. Now that the mancode is W - can this be taken care of? Do you have a timeframe for completion so I can let management know?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Rogers, Savannah L.
Sent: Tuesday, June 24, 2008 9:39 AM
To: Johnson, Wonza L.
Cc: Haywood, Oriska S.; Mathis, Julie A.
Subject:    Richardson
Importance: High

Hi Wonza,

There were two checks returned 4/21/08 for delinquent property taxes \$8109.81 + \$405.49. This loan went to fc sale which has been rescinded and we will be modifying this loan. Who can send the task to set up the escrow for these taxes and possibly research if those taxes are still delinquent since the checks came back from Sacramento County?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Martin T. McGuinn <[REDACTED]>
Sent: Tuesday, July 8, 2008 3:12 PM
To: Thorn, Ann <ann.thorn@wamu.net>; Brignac, Deborah P. <deborah.brignac@wamu.net>
Cc: Cook, Don <donald.cook@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>
Subject: FINAL VERSION OF RICHARDSON SETTLEMENT 7-8-08.pdf - Adobe Acrobat Professional
Attach: FINAL VERSION OF RICHARDSON SETTLEMENT 7-8-08.pdf

REDACTED

Martin T. McGuinn
Kirby & McGuinn, A P.C.
600 B Street, Ste. 1950
San Diego, CA 92101
mmcguinn@kirbyandmcguinn.com
Direct Dial: (619) 525-1659
Direct Fax: (619) 525-1659

In Compliance with the Fair Debt Collection Practices Act, 15 U.S.C. § 1692e(11):
THIS MESSAGE IS FROM A DEBT COLLECTOR.
ANY INFORMATION OBTAINED MAY BE USED FOR THAT PURPOSE.

This electronic message contains privileged or confidential information which is solely intended for the use of the addressee(s) listed as recipient(s). If you are not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any disclosure, dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this transmission in error, please immediately notify us by telephone at (619) 525-1659 or (619) 685-4000, and return the original message to Kirby & McGuinn, A P.C., 600 B Street, Ste. 1950, San Diego, CA 92101.

SETTLEMENT AND RELEASE AGREEMENT

This Settlement and Release Agreement ("Agreement") is entered into as of June 18, 2008, by and between Washington Mutual Bank, , a federally chartered savings association ("WaMu"), California Reconveyance Company ("CRC"), James York ("York") and Red Rock Mortgage Inc. ("Red Rock"). York and Red Rock shall hereafter be collectively referred to as Red Rock. For purposes of this Agreement, the term "WaMu" shall also refer to all predecessors, successors, assigns and investors of WaMu, including, without limitation, any person or entity taking assignment of the Note and Deed of Trust originated by WaMu as described below, except as specifically identified herein. WaMu, CRC, York and Red Rock are at times referred to in this Agreement individually as a "Party" and, collectively, as the "Parties."

RECITALS

A. On or about January 4, 2007, WaMu made a loan to Laura Richardson, ("Richardson") evidenced by a promissory note in the sum of \$535,001.00 (the "Note").

B. On or about January 4, 2007, Richardson executed and delivered to WaMu a Deed of Trust (the "WaMu Deed of Trust") securing the real property located at 3622 West Curtis Drive, Sacramento, California 95818 ("the Property"). On or about January 10, 2007, the WaMu Deed of Trust was recorded in the County Recorder's Office for Sacramento County, California at Book 20070110, Page 1818.

C. Richardson became delinquent on the Note and on December 14, 2007, WaMu caused CRC to record a Notice of Default against the Property at Book 20071214, Page 358. Thereafter, CRC recorded a Notice of Sale on March 19, 2008 setting the original sale date for the Property on April 7, 2008 at Book 2008-0319, Page 352. CRC conducted a foreclosure sale on May 7, 2008, and Red Rock was the highest bidder at the sale. On or about May 19, 2008, Red Rock recorded a Trustees Deed Upon Sale, which was recorded, at Book 20080519, Page 0487 in the Official Records of the Sacramento County Recorder.

D. Prior to the foreclosure sale through which Red Rock claims title to the Property, WaMu claims it had agreed in writing to provide Richardson with a postponement of the foreclosure sale to June 4, 2008. Red Rock acknowledges that it received a copy of said letter after the foreclosure sale. WaMu and CRC contend that as a result of their purported agreement to postpone the foreclosure sale to June 4, 2008, CRC did not have the requisite legal authority to proceed with the foreclosure sale on May 7, 2008, and that the sale to Red Rock was invalid and could be rescinded. On June 2, 2008, CRC recorded a Notice of Rescission of Trustee's Deed Upon Sale at Book 20080602, Page 0885 in the Official Records of the Sacramento County Recorder.

E. Red Rock disagrees that CRC had the right to rescind the foreclosure sale conducted on May 7, 2008. Red Rock claims the foreclosure sale was final and that it was a bona fide purchaser for value and that it was not aware of the postponement issue until after May 7, 2008. On June 12, 2008, Red Rock filed a lawsuit in Sacramento County

Superior Court under cause number 34-2008.00013081-CU-OR-GDS (the "Action") seeking, among other things, to quiet title to the Property in Red Rock's name.

F. The parties wish to resolve their differences and avoid further litigation over the nature and extent of WaMu's and CRC's rights to rescind the foreclosure sale conducted on May 7, 2008, to confirm title to the Property in favor of Richardson subject to the lien of WaMu, and to reimburse Red Rock for its out of pocket expenses related to the Property and incurred in the Action and any related claims for loss arising over the quieting of title to the Property and any claims Red Rock may have against WaMu, CRC, or their agents or employees related to the rescission of the Trustee's Deed Upon Sale to Red Rock, and any dispute over title to the Property prior, during and after the foreclosure sale conducted on May 7, 2008.

G. The Parties desire to rescind the effect of the foreclosure sale through this Agreement whereby WaMu will pay a settlement to Red Rock and Red Rock will execute and deliver to WaMu a quitclaim deed from Red Rock to Richardson. Red Rock further agrees that by executing this Agreement, it is disclaiming any interest in the Property.

H. The Parties desire to clarify and confirm how the title to the Property will be held, resolve their differences, and confirm their understanding of how the foreclosure sale will be rescinded. The parties are entering into this Agreement in order to avoid the costs and uncertainty of litigation and settle all alleged claims Red Rock has against WaMu or CRC, known and unknown arising from the May 7, 2008 foreclosure sale and the rescission of the foreclosure sale and restoration of the viability of the Note and WaMu's Deed of Trust against the Property.

AGREEMENT

The Parties, on behalf of themselves and on behalf of their respective principals, officers, directors, investors, parents, affiliates, employees, trustees, attorneys, agents, predecessors and successors, and on behalf of all other nonparties, in consideration of the promises set forth below, agree as follows:

1. OBLIGATIONS OF WaMu AND CRC.

1.1. WaMu agrees to pay the sum of \$100,000.00 to Red Rock upon the execution of the Agreement by all Parties. The sum of \$100,000.00 includes sums to reimburse Red Rock for any out of pocket expenses it has incurred related to the Property, any interest on the funds paid by Red Rock at the foreclosure sale on May 7, 2008, Red Rock's anticipated profits on the resale of the Property and any legal fees incurred by Red Rock prior to and after the Action was filed.

1.2. WaMu, contemporaneously with the payment of the sum of \$100,000.00, shall also return the sum of \$388,000.01 paid by Red Rock at the foreclosure sale conducted on May 7, 2008.

1.3. WaMu and CRC agree to execute this Agreement and be bound by the terms of the Agreement.

2. Obligations of Red Rock and York under this Agreement.

2.1. Red Rock agrees to be bound by the terms of this Agreement and execute the Agreement.

2.2. Red Rock agrees to accept the sum of \$100,000.00, plus the return of the \$388,000.01 paid at the foreclosure sale on May 7, 2008.

2.3. Upon execution of the Agreement Red Rock also agrees to contemporaneously execute a quitclaim deed in recordable form for the Property to Richardson in the form attached hereto and incorporated herein by reference as Exhibit A.

2.4. Red Rock warrants and represents that it has not encumbered or transferred the Property to any third party after May 7, 2008 to, and including, the date of the execution of this Agreement.

2.5. Red Rock shall immediately file a dismissal of the Action with prejudice.

2.6. Red Rock will deliver with its signatures to this Agreement all sets of the keys to the Property in its possession or control.

3. Release of All Claims.

3.1. Upon execution of this Agreement by the Parties, and performance of all acts required to be done by each of them under this Agreement, the Parties release each other and all who acted in concert or participation with them, their officers, directors, employees, agents, attorneys, investors, predecessors, successors, assigns, parents, affiliates, and all others (the "Related Parties") from and against all claims, causes of action, liabilities, demands, obligations, damages, costs, expenses, and attorneys' fees, of whatever kind or nature, whether known or unknown, whether accrued or not yet accrued, based on, arising out of, or relating to the foreclosure sale of May 7, 2008, the delivery of the Trustee's Deed from CRC to the Red Rock on or about May 19, 2008, all claims alleged in the Action, and any claims of loss or reimbursement of expenses or legal fees, including interest on said sums, arising out of or relating to the foreclosure sale of May 7, 2008, and the rescission of the Trustees Deed Upon Sale by CRC.

3.2. In consideration of this Agreement, the Parties further waive and will not assert against the Related Parties, any claim, counterclaim, defense, offset, action, or cause of action under common law or any federal or state statute, rule, or regulation, that the Parties may have prior to the date of this Agreement, based on, arising out of, or relating to the foreclosure sale of May 7, 2008, and the delivery of the Trustee's Deed from CRC to Red Rock on or about May 19, 2008, including, but not limited to, all claims alleged in the Action and any claims of loss or reimbursement of expenses or legal fees, including interest on said sums, arising out of or relating to the purchase of the Property by Red Rock at the May 7, 2008 foreclosure sale and the rescission of the Trustees Deed Upon Sale by CRC.

4. Waiver of California Civil Code Section 1542.

4.1. It is the intention of the Parties to this Agreement that this Agreement shall be effective as a full and complete release of each and every claim that the Parties may have against each other and the Released Parties based on, arising out of, or relating to the foreclosure sale of May 7, 2008, the delivery of the Deed from CRC to the Red Rock on or about May 19, 2008, including, but not limited to, all claims alleged in the Action and any claims of loss or reimbursement of expenses or legal fees, including interest on said sums, arising out of or relating to the purchase of the Property by Red Rock and the rescission of the Trustees Deed Upon Sale by CRC, with the exception of obligations created under this Agreement.

4.2. The Parties acknowledge each of them have been advised, and is familiar with, Section 1542 of the California Civil Code, which provides as follows:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

(York Red Rock WMB CRC

4.3. The Parties waive and release any right, claim, or benefit which each of them now has or may have under Civil Code Section 1542 to the full extent that each of them may lawfully waive all such rights and benefits in connection with the claims released in the Agreement.

5. Time of the Essence. The Parties agree time is of the essence in the Agreement.

6. Assumption of Risk. Each Party expressly elects to assume all risks arising prior to this Agreement based on, arising out of, or relating to the foreclosure sale of May 7, 2008 and the delivery of the Deed from CRC to the Red Rock on or about May 19, 2008, including, but not limited to, all claims alleged in the Action and any claims of loss or reimbursement of expenses or legal fees, including interest on said sums, arising out of or relating to the purchase of the Property by Red Rock at the foreclosure sale of May 7, 2008 and the rescission of the Trustees Deed Upon Sale by CRC.

6.1. Each Party fully understands that the facts upon which this Agreement is executed may be found hereafter to be other than or different from the facts now believed by them and their attorneys (if any) to be true, and expressly accept to assume the risks of such possible differences and facts and agree that the Agreement shall remain effective notwithstanding any such difference in facts.

7. Governing Law. This Agreement is made and entered into in the State of California and shall be enforced and governed by the laws of the State of California.

8. No Admission of Liability. This Agreement is entered into solely as a settlement and compromise of disputed claims; this Agreement shall not be deemed to constitute an admission of guilt or liability by any Party.

9. Drafting Ambiguities. The terms of this Agreement are contractual in nature and are not merely recitals. This Agreement shall not be construed in favor of or against any Party to this Agreement, but shall be construed as if all Parties prepared the Agreement. If any term, provision, covenant, or condition to this Agreement is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired, or invalidated, unless such invalid, void or unenforceable provision is determined to be material to this Agreement.

10. Entire Agreement. This Agreement, and all prior or contemporaneous agreements, understandings, representations and statements, whether oral or written, and whether by a Party or a Party's legal counsel, are merged herein. No modification, waiver, amendment, discharge, or change of this Agreement shall be valid unless the same is in writing and signed by all Parties hereto. This Agreement constitutes the entire Agreement between the Parties as to the subject matter contained in this Agreement.

11. Warranty of No Sale or Assignment. All Parties to this Agreement represent, agree, and warrant to each other that each has not sold, assigned, or otherwise transferred in any manner to any person or entity, any rights, duties, obligations, claims, causes of action or other interests which are the subject matter of this Agreement, either in whole or in part, and each agrees to indemnify and hold harmless each other from and against all claims of every nature whatsoever which are based on or arise out of or in any way relate to any such sale, assignment, or transfer.

12. Execution of Other Documents. The Parties agree to execute and deliver any and all further documents and shall do all acts which may be necessary and appropriate to fully implement the provisions of this Agreement within the time required by this Agreement.

13. Enforcement of the Agreement. In the event that any Party brings any action or proceeding against the other for the recovery of any sum due pursuant to this Agreement, or due to any provision of this Agreement, or for any other relief, declaratory or otherwise, including appeal, the prevailing Party in each such action or proceeding shall recover its reasonable attorneys' fees and all costs from other Party to the action or proceeding, and that the right to reasonable attorneys' fees and costs shall be enforceable whether or not the actual proceeding is prosecuted to final judgment.

14. Authority to Execute Agreement. Each individual signing this Agreement warrants and represents that the individual has full authority to execute the Agreement on behalf of the Party on whose behalf the individual signs.

15. Counterparts. This Agreement may be executed in counterparts, and the counterparts shall constitute one and the same document.

16. Costs and Attorneys' Fees. The Parties agree that they shall be responsible for their own respective costs and attorneys' fees in connection with the drafting and

negotiation of this Agreement, except as the parties may otherwise agree in a separate writing.

17. Venue. Should any dispute arise between the Parties as to the meaning and interpretation of this Agreement or should any of the parties be required to take legal action to enforce the terms of this Agreement, venue for any dispute shall be in Sacramento County, California.

18. Attorney Review. The Parties hereby represent and warrant and in executing this Agreement, that they have relied upon legal advice from an attorney of their choice; that the terms of this Agreement have been read and its consequences have been completely explained to them by that attorney; and that they fully understand the terms of this Agreement. The Parties further represent and warrant that in executing this Agreement, they have not relied on any inducements, promises or representations made by the other party or any person serving another party.

19. Survivability of Agreement. Any and all executory provisions under the Agreement and the documents referred to herein shall survive consummation of the Agreement and shall continue in full force and effect until fully performed and satisfied.

20. Notices. All notices under the Agreement shall be in writing and shall be deemed effective on the date of delivery (if delivered personally and a receipt obtained therefore), or on the third calendar day after mailing if mailed by first-class mail, registered or certified, postage prepaid, and shall be addressed as follows or as may be amended by written communication pursuant to this paragraph:

Washington Mutual Bank
California Reconveyance Company
c/o Martin McGuinn
Kirby & McGuinn A P.C.
600 B Street, Suite 1950
San Diego, CA 92101
Telephone: (619) 525-1659
Facsimile: (619) 525-1669

Washington Mutual Bank
California Reconveyance Company
Attn.: Paul Battaglia
1301 Second Avenue, WaMuT 3501
Seattle, WA 98101
Telephone: (206) 500-4261
Facsimile: (206) 377-2784

Red Rock Mortgage Inc.
James York
c/o Thomas B. Sheridan
Wagner Kirkman Blaine
Klomprens & Youmans LLC
10640 Mather Blvd., Suite 200I
Mather, CA 956554
Telephone: (916) 920-5286
Facsimile: (916) 920-8608

21. Other Agreements with WaMu or CRC. Nothing contained herein shall effect, amend or modify any provision of any checking account, savings account, loan agreement, deed of trust, mortgage or any other contract or agreement between Red Rock or York and WaMu or CRC except as expressly set forth herein.

22. Taxes. WaMu makes no representation or warranty as to effect of this Agreement upon Red Rock's liabilities pursuant to federal, state or local tax laws, including, but not limited to, real property taxes or regulations. Red Rock acknowledges that any and all tax consequences of this Agreement are their sole responsibility.

23. Confidentiality. This Agreement and its terms as recited herein are and shall be treated as strictly confidential so that no Party, nor his, her, or its counsel may disclose the fact or the terms of, or the negotiation or circumstances surrounding the negotiation of, this Agreement to anyone, except with respect to any disclosure necessary to record any document with the Sacramento County Recorder; to an insurer for purposes of obtaining insurance; or to a tax preparer/accountant for tax or financial reporting purposes (however, upon disclosure for such tax or financial reporting purposes, the person making the disclosure shall advise the person to whom disclosure is made of this confidentiality provision). A Party may disclose the fact and terms of this Agreement in order to satisfy disclosure or reporting requirements imposed by law or to enforce the terms of this Agreement. In response to any inquiry by a non-party to this Agreement concerning the Agreement, the terms of this Agreement, the negotiation or circumstances surrounding the negotiation of this Agreement, whether such inquiry is formal, at a deposition, in any proceeding, or otherwise, a Party or counsel may respond only that the Action was resolved to the satisfaction of all Parties. Furthermore, the Parties and their respective counsel agree that they will not discuss with or disclose to any non-party to this Agreement the facts, circumstances and documents relating, giving rise to or alleged in the Action, except as may be required to be provided in connection with testimony under oath by judicial process, or as required by law. Breach or the threatened breach of this confidentiality clause shall entitle the non-breaching party to seek any remedy available under the law, including injunctive relief and/or damages. Any other provision of this paragraph notwithstanding, Red Rock is authorized to: (i) file a dismissal with prejudice in the Sacramento Superior Court, such as it is a part of the record in the Action and available for public inspection; and (ii) disclose the amounts received and all other terms of this settlement in connection with reporting and accounting requirements under the Internal Revenue Code.

I CERTIFY THAT I HAVE READ AND FULLY UNDERSTAND THE ENTIRE AGREEMENT

WASHINGTON MUTUAL BANK

By: _____
Its: _____

CALIFORNIA RECONVEYANCE COMPANY

By: _____

Deborah Brignac

Its: Vice President

RED ROCK MORTGAGE INC.

By: _____

James York, President

James York

From: Thorn, Ann <ann.thorn@wamu.net>
Sent: Tuesday, July 8, 2008 8:44 AM
To: Rogers, Savannah L. <savannah.rogers@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>; Lyman, Daryl W. <daryl.lyman@wamu.net>
Cc: Coker, Darlene <darlene.coker@wamu.net>; Mathis, Julie A. <julie.mathis@wamu.net>; Beal, Pamela S. <pamela.beal@wamu.net>
Subject: RE: [REDACTED] Richardson

REDACTED

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
office: 904-462-2150
cell: 414-418-8174*

For Internal Use Only

From: Rogers, Savannah L.
Sent: Tuesday, July 08, 2008 8:42 AM
To: Battaglia, Paul J.
Cc: Thorn, Ann; Coker, Darlene; Mathis, Julie A.; Beal, Pamela S.
Subject: RE: [REDACTED] Richardson

Paul,

REDACTED

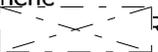
Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Thorn, Ann
Sent: Monday, July 07, 2008 6:12 PM
To: Thomas, Michelle M.; Pound, Robert A.; Rogers, Savannah L.
Cc: Coker, Darlene; Mathis, Julie A.
Subject: RE:  Richardson

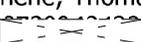
thank you for your help.

Savannah, let's get our part done tomorrow and get copies of new documents out and communicated to Richardson

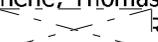
From: Thomas, Michelle M.
Sent: Mon 07/07/2008 05:00 PM
To: Thorn, Ann; Pound, Robert A.
Cc: Coker, Darlene
Subject: RE:  Richardson

Done

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net

From: Thorn, Ann
Sent: Monday, July 07, 2008 5:33 PM
To: Pound, Robert A.
Cc: Coker, Darlene; Thomas, Michelle M.
Subject: RE:  Richardson

Remove the stop and pay the taxes

From: Pound, Robert A.
Sent: Mon 07/07/2008 04:16 PM
To: Thorn, Ann
Cc: Coker, Darlene; Thomas, Michelle M.
Subject: RE:  Richardson

Ann,

In regards to your request, we have reached out to several people to have the disbursement stop 1 removed and have

been unsuccessful. If you give me permission to remove the stop, we will be able to disburse taxes.

Thanks

Robert Pound
Washington Mutual
LS Section Manager I
843-673-4007

From: Thorn, Ann
Sent: Monday, July 07, 2008 3:50 PM
To: Rogers, Savannah L.; Thomas, Michelle M.
Cc: Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.; Pound, Robert A.; Coker, Darlene
Subject: RE: [REDACTED] Richardson

Michelle, can you please get this changed today as this is a highly escalated matter.
Thank you.

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
office: 904-462-2150
cell: [REDACTED]*

For Internal Use Only

From: Rogers, Savannah L.
Sent: Monday, July 07, 2008 3:39 PM
To: Thomas, Michelle M.
Cc: Thorn, Ann; Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.; Pound, Robert A.
Subject: FW: [REDACTED] Richardson
Importance: High

Michelle,
Please request the disbursement stop be removed so we can get this file out immediately. Ann Thorn is requesting we escalate this issue... in case you are not getting a response.

Please let us know this has been taken care of so Loss Mit can proceed.

Thank you,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Thomas, Michelle M.
Sent: Thursday, July 03, 2008 10:51 AM
To: Rogers, Savannah L.
Cc: Thorn, Ann; Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.; Pound, Robert A.
Subject: RE: [REDACTED] Richardson

Savannah

There is now a disbursement stop 1 preventing me from disbursing these taxes. I am attempting to contact the appropriate person to have that stop removed. Also California tax offices are adding redemption amounts to their tax roll. I have to verify with them the new amount to be paid for the month of July after it becomes available.

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net
<< OLE Object: Picture (Metafile) >>

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 10:38 AM
To: Thomas, Michelle M.
Cc: Thorn, Ann; Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.
Subject: FW: [REDACTED] Richardson

Hi Michelle,
Can you give us an idea on how long it will take for the escrow to appear? Can this be done today or will it take until Monday to see the changes in the system?

Thank you very much-

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To: Rogers, Savannah L.; Battaglia, Paul J.
Cc: Beal, Pamela S.; Mathis, Julie A.
Subject: RE: [REDACTED] Richardson

Ok, that is probably going to be a problem.....

What are the new numbers and what changes are being made? Paul, fyi.....

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150

For Internal Use Only

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 9:50 AM
To: Thorn, Ann
Cc: Beal, Pamela S.; Mathis, Julie A.
Subject: RE: [REDACTED] Richardson

Yes, you are correct.

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Thorn, Ann
Sent: Thursday, July 03, 2008 9:03 AM
To: Rogers, Savannah L.; Mathis, Julie A.
Cc: Beal, Pamela S.
Subject: RE: [REDACTED] Richardson
Importance: High

Ok, I need to understand something. We already talked to Richardson and told her the terms of the Modification as I understood. Then we realized taxes/insurance were not paid by Red Rock and now need to pay 2-3 weeks later and get back to her with new figures? Is that the case?

I need to understand this because it is my impression that Richardson thinks she has a new deal.....please clarify.

*****Please note my phone number has changed to 904-462-2150

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150

For Internal Use Only

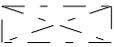
From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 8:56 AM
To: Thorn, Ann
Cc: Mathis, Julie A.; Beal, Pamela S.; Thomas, Michelle M.
Subject: RE:  Richardson

Ann.
Once the taxes are disbursed and the escrow is set up I will work up the Modification terms. We will contact the mortgagor to verify the terms and have the documents sent.

Thanks,

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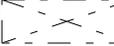
From: Thorn, Ann
Sent: Thursday, July 03, 2008 8:47 AM
To: Rogers, Savannah L.; Thomas, Michelle M.
Cc: Mathis, Julie A.; Beal, Pamela S.
Subject: RE:  Richardson

What is going on with the Mod?

*****Please note my phone number has changed to **904-462-2150**

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150*

For Internal Use Only

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 8:36 AM
To: Thomas, Michelle M.
Cc: Thorn, Ann; Mathis, Julie A.; Beal, Pamela S.
Subject: FW:  Richardson

Hi Michelle,
Please see below, the foreclosure stop 7 has been removed. Please disburse the tax payment so we can proceed with the Mod.

Thanks

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Thorn, Ann
Sent: Wednesday, July 02, 2008 3:39 PM
To: Mathis, Julie A.; Beal, Pamela S.; Rogers, Savannah L.
Subject: FW: [REDACTED] Richardson

*****Please note my phone number has changed to 904-462-2150

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150*

For Internal Use Only

From: Boulton, Elizabeth A.
Sent: Wednesday, July 02, 2008 3:37 PM
To: Thorn, Ann
Subject: RE: [REDACTED] Richardson

Done.

Thank you,

Beth

From: Thorn, Ann
Sent: Wednesday, July 02, 2008 1:01 PM
To: Boulton, Elizabeth A.
Subject: FW: [REDACTED] Richardson
Importance: High

Can you change back to presale stop code

*****Please note my phone number has changed to 904-462-2150

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150

For Internal Use Only

From: Mathis, Julie A.
Sent: Wednesday, July 02, 2008 12:01 PM
To: Thorn, Ann
Cc: Rogers, Savannah L.; Beal, Pamela S.
Subject: FW: [redacted] Richardson
Importance: High

Ann, do you know how we can have the FC stop 7 removed?

From: Rogers, Savannah L.
Sent: Wednesday, July 02, 2008 10:57 AM
To: Mathis, Julie A.
Cc: Beal, Pamela S.
Subject: RE: [redacted] Richardson

I sent an email to Chrissy 6/26/08 but didn't hear anything back. Do you know how/when the fc stop 7 will be removed? That is preventing us from getting the taxes disbursed and escrow set up.

<< Message: RE: [redacted] Richardson >>

Thank you,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937

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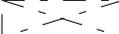
From: Mathis, Julie A.
Sent: Tuesday, July 01, 2008 9:20 PM
To: Rogers, Savannah L.
Cc: Beal, Pamela S.
Subject: FW: [redacted] Richardson

Are we ok with this one?

Thanks!

Julie

From: Thomas, Michelle M.

Sent: Thursday, June 26, 2008 11:03 AM
To: Rogers, Savannah L.; Lopez, Christina; Haywood, Oriska S.; Mathis, Julie A.
Cc: Springs, Sonya E.; Pound, Robert A.
Subject: RE:  Richardson

Please see tax notes on the above reference loan number indicating I will not be able to disburse tax payment until the foreclosure stop 7 has been removed. I will monitor the account for the removal of the foreclosure stop.

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net
<< OLE Object: Picture (Metafile) >>

From: Thomas, Michelle M.
Sent: Thursday, June 26, 2008 9:57 AM
To: Rogers, Savannah L.; Lopez, Christina; Haywood, Oriska S.; 'Jullie.Mathis@wamu.net'
Cc: Springs, Sonya E.; Pound, Robert A.
Subject: RE:  Richardson

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net
<< OLE Object: Picture (Metafile) >>

From: Springs, Sonya E.
Sent: Wednesday, June 25, 2008 2:27 PM
To: Thomas, Michelle M.
Subject: FW:  Richardson

Michelle,

I am copying you on this email so you can respond to the original parties on the email.

Thanks,
Sonya Springs
<< OLE Object: Picture (Metafile) >>

Tax Mitigation Specialist, Senior
Phone (843)673-3706
Fax (843) 673-4728
Mailstop FSC0211

Sonya.Springs@Wamu.net

"The information above shall be treated as confidential and is intended solely for the named recipient(s). Without Washington Mutual's prior written consent, this information shall not be disclosed to any person other than an officer or employee of the recipient(s) company with a need to know the information. If you are not the intended recipient(s), any review, dissemination, distribution, disclosure, or copying of this message is strictly prohibited. If you have received this communication in error, please notify the sender immediately by reply e-mail, and delete the original message."

Please refer to tax notes dated 06-26-08. I will not be able to disburse tax payment for the delinquent taxes until the foreclosure stop =7 is removed. I will monitor account for the removal of the stop.

From: Pound, Robert A.
Sent: Wednesday, June 25, 2008 2:23 PM
To: Springs, Sonya E.; Morris, Linda
Cc: Kirby, Louise L.
Subject: RE: [img alt="signature icon"] Richardson

I have reassigned this to Michelle Thomas. But until the FCL Stop 7 is removed she will not be able to pay taxes.

Robert Pound

From: Springs, Sonya E.
Sent: Wednesday, June 25, 2008 2:08 PM
To: Morris, Linda
Cc: Pound, Robert A.; Kirby, Louise L.
Subject: RE: [img alt="signature icon"] Richardson
Importance: High

Louise,
There is already a NON123 task open and its assigned to Linda Morris.

Linda,
Can you go ahead and research this loan? Then e-mail a response to the all parties the e-mail below.

Thanks,
Sonya Springs
<< OLE Object: Picture (Metafile) >>

Tax Mitigation Specialist, Senior
Phone (843)673-3706
Fax (843) 673-4728
Mailstop FSC0211

Sonya.Springs@Wamu.net

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From: Kirby, Louise L.
Sent: Wednesday, June 25, 2008 12:02 PM
To: Lopez, Christina; Rogers, Savannah L.
Cc: Springs, Sonya E.
Subject: RE: [img alt="signature icon"] Richardson

Sonya,

Please assign this account to someone on the non/esc team to follow up and respond to Savannah and Christina.

Thanks.

LOUISE KIRBY
LS Section Manager II
Tax Mitigation
(843) 673-4737 (phone)
(843) 673-4728 (fax)

From: Lopez, Christina
Sent: Wednesday, June 25, 2008 9:16 AM
To: Rogers, Savannah L.
Cc: Kirby, Louise L.
Subject: RE: [REDACTED] Richardson

Louise,

Loss Mit only blocks taxes on short sales. This is not a short sale and it doesn't appear that we placed the disbursement stop. Per SAF1, processor EDC placed the block on there on 5/14/08. It appears her name is Veronica McNeil-Ellis. Can you check with her to determine if the block can be removed?

Thanks

From: Rogers, Savannah L.
Sent: Wednesday, June 25, 2008 8:56 AM
To: Lopez, Christina
Cc: Kirby, Louise L.
Subject: RE: [REDACTED] Richardson

Chrissy,

This fc sale was rescinded...what should I do to get this moving? Do you know if the fc dept should remove their stops?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Kirby, Louise L.
Sent: Wednesday, June 25, 2008 8:50 AM
To: Rogers, Savannah L.

Subject: RE: [img alt="Richardson logo" data-bbox="168 46 238 62"/> Richardson

Savannah,

Per instructions we have received by Christina Lopez dated 12/3/07, we cannot disburse tax if the man code is "w" with disbursement stop 1.

So with the codes that are on the account now, we are not able to pay any tax payments.

Also there is a foreclosure code 7—conveyed, which also prevents us from paying.

LOUISE KIRBY
LS Section Manager II
Tax Mitigation
(843) 673-4737 (phone)
(843) 673-4728 (fax)

From: Rogers, Savannah L.
Sent: Wednesday, June 25, 2008 8:35 AM
To: Kirby, Louise L.
Subject: FW: [img alt="Richardson logo" data-bbox="168 428 238 444"/> Richardson
Importance: High

Louise,

Management is requesting we get this Mod out asap. I just want to make sure I asked the right person (Wonza) to help me set up the escrow - property taxes are delinquent. There is a note on the loan from 5/20/08 saying the taxes were not going to be paid because of the mancode. Now that the mancode is W - can this be taken care of? Do you have a timeframe for completion so I can let management know?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Rogers, Savannah L.
Sent: Tuesday, June 24, 2008 9:39 AM
To: Johnson, Wonza L.
Cc: Haywood, Oriska S.; Mathis, Julie A.
Subject: [img alt="Richardson logo" data-bbox="148 828 218 844"/> Richardson
Importance: High

Hi Wonza,

There were two checks returned 4/21/08 for delinquent property taxes \$8109.81 + \$405.49. This loan went to fc sale

which has been rescinded and we will be modifying this loan. Who can send the task to set up the escrow for these taxes and possibly research if those taxes are still delinquent since the checks came back from Sacramento County?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Rogers, Savannah L. <savannah.rogers@wamu.net>
Sent: Tuesday, July 8, 2008 8:42 AM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>
Cc: Thorn, Ann <ann.thorn@wamu.net>; Coker, Darlene <darlene.coker@wamu.net>; Mathis, Julie A. <julie.mathis@wamu.net>; Beal, Pamela S. <pamela.beal@wamu.net>
Subject: RE: [REDACTED] Richardson

Paul,

REDACTED

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Thorn, Ann
Sent: Monday, July 07, 2008 6:12 PM
To: Thomas, Michelle M.; Pound, Robert A.; Rogers, Savannah L.
Cc: Coker, Darlene; Mathis, Julie A.
Subject: RE: [REDACTED] Richardson

thank you for your help.

Savannah, let's get our part done tomorrow and get copies of new documents out and communicated to Richardson

From: Thomas, Michelle M.
Sent: Mon 07/07/2008 05:00 PM
To: Thorn, Ann; Pound, Robert A.
Cc: Coker, Darlene
Subject: RE: [REDACTED] Richardson

Done

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net

From: Thorn, Ann
Sent: Monday, July 07, 2008 5:33 PM
To: Pound, Robert A.
Cc: Coker, Darlene; Thomas, Michelle M.
Subject: RE: [REDACTED] Richardson

Remove the stop and pay the taxes

From: Pound, Robert A.
Sent: Mon 07/07/2008 04:16 PM
To: Thorn, Ann
Cc: Coker, Darlene; Thomas, Michelle M.
Subject: RE: [REDACTED] Richardson

Ann,

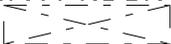
In regards to your request, we have reached out to several people to have the disbursement stop 1 removed and have been unsuccessful. If you give me permission to remove the stop, we will be able to disburse taxes.

Thanks

Robert Pound
Washington Mutual
LS Section Manager I
843-673-4007

From: Thorn, Ann
Sent: Monday, July 07, 2008 3:50 PM
To: Rogers, Savannah L.; Thomas, Michelle M.
Cc: Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.; Pound, Robert A.; Coker, Darlene
Subject: RE: [REDACTED] Richardson

Michelle, can you please get this changed today as this is a highly escalated matter.
Thank you.

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
office: 904-462-2150
cell: 

For Internal Use Only

From: Rogers, Savannah L.
Sent: Monday, July 07, 2008 3:39 PM
To: Thomas, Michelle M.
Cc: Thorn, Ann; Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.; Pound, Robert A.
Subject: FW:  Richardson
Importance: High

Michelle,
Please request the disbursement stop be removed so we can get this file out immediately. Ann Thorn is requesting we escalate this issue... in case you are not getting a response.

Please let us know this has been taken care of so Loss Mit can proceed.

Thank you,

Savannah Rogers
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Cc: Thorn, Ann; Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.; Pound, Robert A.
Subject: RE:  Richardson

Savannah

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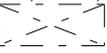
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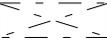
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Cc: Beal, Pamela S.; Mathis, Julie A.
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Ok, that is probably going to be a problem.....

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*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150*

For Internal Use Only

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 9:50 AM
To: Thorn, Ann
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Subject: RE:  Richardson

Yes, you are correct.

Savannah Rogers
Homeownership Preservation

Washington Mutual
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Importance: High

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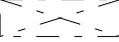
From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 8:56 AM
To: Thorn, Ann
Cc: Mathis, Julie A.; Beal, Pamela S.; Thomas, Michelle M.
Subject: RE: [redacted] richardson

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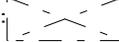
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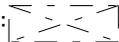
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Subject: FW:  Richardson

*****Please note my phone number has changed to 904-462-2150

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150

For Internal Use Only

From: Boulton, Elizabeth A.
Sent: Wednesday, July 02, 2008 3:37 PM
To: Thorn, Ann
Subject: RE: [REDACTED] Richardson

Done.

Thank you,

Beth

From: Thorn, Ann
Sent: Wednesday, July 02, 2008 1:01 PM
To: Boulton, Elizabeth A.
Subject: FW: [REDACTED] Richardson
Importance: High

Can you change back to presale stop code

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Subject: RE:  Richardson

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<< Message: RE:  Richardson >>

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Savannah Rogers
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Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

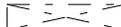
This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Mathis, Julie A.
Sent: Tuesday, July 01, 2008 9:20 PM
To: Rogers, Savannah L.
Cc: Beal, Pamela S.
Subject: FW:  Richardson

Are we ok with this one?

Thanks!

Julie

From: Thomas, Michelle M.
Sent: Thursday, June 26, 2008 11:03 AM
To: Rogers, Savannah L.; Lopez, Christina; Haywood, Oriska S.; Mathis, Julie A.
Cc: Springs, Sonya E.; Pound, Robert A.
Subject: RE:  Richardson

Please see tax notes on the above reference loan number indicating I will not be able to disburse tax payment until the foreclosure stop 7 has been removed. I will monitor the account for the removal of the foreclosure stop.

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net
<< OLE Object: Picture (Metafile) >>

From: Thomas, Michelle M.
Sent: Thursday, June 26, 2008 9:57 AM
To: Rogers, Savannah L.; Lopez, Christina; Haywood, Oriska S.; 'Jullie.Mathis@wamu.net'
Cc: Springs, Sonya E.; Pound, Robert A.

Subject: RE: [img alt="broken image icon"] [img alt="broken image icon"] [img alt="broken image icon"] Richardson

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net
<< OLE Object: Picture (Metafile) >>

From: Springs, Sonya E.
Sent: Wednesday, June 25, 2008 2:27 PM
To: Thomas, Michelle M.
Subject: FW: [img alt="broken image icon"] [img alt="broken image icon"] [img alt="broken image icon"] Richardson

Michelle,

I am copying you on this email so you can respond to the original parties on the email.

Thanks,
Sonya Springs
<< OLE Object: Picture (Metafile) >>

Tax Mitigation Specialist, Senior
Phone (843)673-3706
Fax (843) 673-4728
Mailstop FSC0211

Sonya.Springs@Wamu.net

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Please refer to tax notes dated 06-26-08. I will not be able to disburse tax payment for the delinquent taxes until the foreclosure stop =7 is removed. I will monitor account for the removal of the stop.

From: Pound, Robert A.
Sent: Wednesday, June 25, 2008 2:23 PM
To: Springs, Sonya E.; Morris, Linda
Cc: Kirby, Louise L.
Subject: RE: [img alt="broken image icon"] [img alt="broken image icon"] [img alt="broken image icon"] Richardson

I have reassigned this to Michelle Thomas. But until the FCL Stop 7 is removed she will not be able to pay taxes.

Robert Pound

From: Springs, Sonya E.
Sent: Wednesday, June 25, 2008 2:08 PM
To: Morris, Linda
Cc: Pound, Robert A.; Kirby, Louise L.

Subject: RE: [redacted] Richardson
Importance: High

Louise,
There is already a NON123 task open and its assigned to Linda Morris.

Linda,
Can you go ahead and research this loan? Then e-mail a response to the all parties the e-mail below.

Thanks,
Sonya Springs

<< OLE Object: Picture (Metafile) >>
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Phone (843)673-3706
Fax (843) 673-4728
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From: Kirby, Louise L.
Sent: Wednesday, June 25, 2008 12:02 PM
To: Lopez, Christina; Rogers, Savannah L.
Cc: Springs, Sonya E.
Subject: RE: [redacted] Richardson

Sonya,
Please assign this account to someone on the non/esc team to follow up and respond to Savannah and Christina.

Thanks.

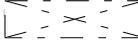
LOUISE KIRBY
LS Section Manager II
Tax Mitigation
(843) 673-4737 (phone)
(843) 673-4728 (fax)

From: Lopez, Christina
Sent: Wednesday, June 25, 2008 9:16 AM
To: Rogers, Savannah L.
Cc: Kirby, Louise L.
Subject: RE: [redacted] Richardson

Louise,

Loss Mit only blocks taxes on short sales. This is not a short sale and it doesn't appear that we placed the disbursement stop. Per SAF1, processor EDC placed the block on there on 5/14/08. It appears her name is Veronica McNeil-Ellis. Can you check with her to determine if the block can be removed?

Thanks

From: Rogers, Savannah L.
Sent: Wednesday, June 25, 2008 8:56 AM
To: Lopez, Christina
Cc: Kirby, Louise L.
Subject: RE:  Richardson

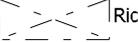
Chrissy,

This fc sale was rescinded...what should I do to get this moving? Do you know if the fc dept should remove their stops?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Kirby, Louise L.
Sent: Wednesday, June 25, 2008 8:50 AM
To: Rogers, Savannah L.
Subject: RE:  Richardson

Savannah,

Per instructions we have received by Christina Lopez dated 12/3/07, we cannot disburse tax if the man code is "w" with disbursement stop 1.

So with the codes that are on the account now, we are not able to pay any tax payments.

Also there is a foreclosure code 7--conveyed, which also prevents us from paying.

LOUISE KIRBY
LS Section Manager II
Tax Mitigation
(843) 673-4737 (phone)
(843) 673-4728 (fax)

From: Rogers, Savannah L.

Sent: Wednesday, June 25, 2008 8:35 AM
To: Kirby, Louise L.
Subject: FW: [Richardson]
Importance: High

Louise,
Management is requesting we get this Mod out asap. I just want to make sure I asked the right person (Wonza) to help me set up the escrow - property taxes are delinquent. There is a note on the loan from 5/20/08 saying the taxes were not going to be paid because of the mancode. Now that the mancode is W - can this be taken care of? Do you have a timeframe for completion so I can let management know?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Rogers, Savannah L.
Sent: Tuesday, June 24, 2008 9:39 AM
To: Johnson, Wonza L.
Cc: Haywood, Oriska S.; Mathis, Julie A.
Subject: [Richardson]
Importance: High

Hi Wonza,
There were two checks returned 4/21/08 for delinquent property taxes \$8109.81 + \$405.49. This loan went to fc sale which has been rescinded and we will be modifying this loan. Who can send the task to set up the escrow for these taxes and possibly research if those taxes are still delinquent since the checks came back from Sacramento County?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Thorn, Ann
Sent: Monday, July 07, 2008 3:49:35 PM
To: Rogers, Savannah L.; Thomas, Michelle M.
CC: Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.; Pound, Robert A.; Coker, Darlene
Subject: RE: [redacted] Richardson

Michelle, can you please get this changed today as this is a highly escalated matter.
Thank you.

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
office: 904-462-2150
cell: [redacted]*

For Internal Use Only

From: Rogers, Savannah L.
Sent: Monday, July 07, 2008 3:39 PM
To: Thomas, Michelle M.
Cc: Thorn, Ann; Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.; Pound, Robert A.
Subject: FW: [redacted] Richardson
Importance: High

Michelle,
Please request the disbursement stop be removed so we can get this file out immediately. Ann Thorn is requesting we escalate this issue... in case you are not getting a response.

Please let us know this has been taken care of so Loss Mit can proceed.

Thank you,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Thomas, Michelle M.
Sent: Thursday, July 03, 2008 10:51 AM
To: Rogers, Savannah L.
Cc: Thorn, Ann; Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.; Pound, Robert A.
Subject: RE: [redacted] Richardson

Savannah

There is now a disbursement stop 1 preventing me from disbursing these taxes. I am attempting to contact the appropriate person to have that stop removed. Also California tax offices are adding redemption amounts to their tax roll. I have to verify with them the new amount to be paid for the month of July after it becomes available.

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net

<< OLE Object: Picture (Metafile) >>

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 10:38 AM
To: Thomas, Michelle M.
Cc: Thorn, Ann; Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.
Subject: FW: [REDACTED] Richardson

REDACTED

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Thorn, Ann
Sent: Thursday, July 03, 2008 10:19 AM
To: Rogers, Savannah L.; Battaglia, Paul J.
Cc: Beal, Pamela S.; Mathis, Julie A.
Subject: RE: [REDACTED] Richardson

REDACTED

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150*

For Internal Use Only

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 9:50 AM
To: Thorn, Ann
Cc: Beal, Pamela S.; Mathis, Julie A.
Subject: RE: [REDACTED] Richardson

Yes, you are correct.

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Thorn, Ann
Sent: Thursday, July 03, 2008 9:03 AM
To: Rogers, Savannah L.; Mathis, Julie A.
Cc: Beal, Pamela S.
Subject: RE: [REDACTED] Richardson

Importance: High

Ok, I need to understand something. We already talked to Richardson and told her the terms of the Modification as I understood. Then we realized taxes/insurance were not paid by Red Rock and now need to pay 2-3 weeks later and get back to her with new figures? Is that the case?

I need to understand this because it is my impression that Richardson thinks she has a new deal.....please clarify.

*****Please note my phone number has changed to 904-462-2150

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150

For Internal Use Only

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 8:56 AM
To: Thorn, Ann
Cc: Mathis, Julie A.; Beal, Pamela S.; Thomas, Michelle M.
Subject: RE: [redacted] Richardson

Ann.

Once the taxes are disbursed and the escrow is set up I will work up the Modification terms. We will contact the mortgagor to verify the terms and have the documents sent.

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Thorn, Ann
Sent: Thursday, July 03, 2008 8:47 AM
To: Rogers, Savannah L.; Thomas, Michelle M.
Cc: Mathis, Julie A.; Beal, Pamela S.
Subject: RE: [redacted] Richardson

What is going on with the Mod?

*****Please note my phone number has changed to 904-462-2150

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150

For Internal Use Only

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 8:36 AM
To: Thomas, Michelle M.
Cc: Thorn, Ann; Mathis, Julie A.; Beal, Pamela S.
Subject: FW: [redacted] Richardson

Hi Michelle,
Please see below, the foreclosure stop 7 has been removed. Please disburse the tax payment so we can proceed with the Mod.

Thanks

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Thorn, Ann
Sent: Wednesday, July 02, 2008 3:39 PM
To: Mathis, Julie A.; Beal, Pamela S.; Rogers, Savannah L.
Subject: FW: [redacted] Richardson

*****Please note my phone number has changed to 904-462-2150

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150

For Internal Use Only

From: Boulton, Elizabeth A.
Sent: Wednesday, July 02, 2008 3:37 PM
To: Thorn, Ann
Subject: RE: [redacted] Richardson

Done.

Thank you,

Beth

From: Thorn, Ann
Sent: Wednesday, July 02, 2008 1:01 PM
To: Boulton, Elizabeth A.
Subject: FW: [redacted] Richardson
Importance: High [redacted]

Can you change back to presale stop code

*****Please note my phone number has changed to 904-462-2150

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150

For Internal Use Only

From: Mathis, Julie A.
Sent: Wednesday, July 02, 2008 12:01 PM
To: Thorn, Ann
Cc: Rogers, Savannah L.; Beal, Pamela S.
Subject: FW: [redacted] Richardson
Importance: High

Ann, do you know how we can have the FC stop 7 removed?

From: Rogers, Savannah L.
Sent: Wednesday, July 02, 2008 10:57 AM
To: Mathis, Julie A.
Cc: Beal, Pamela S.
Subject: RE: [redacted] Richardson

I sent an email to Chrissy 6/26/08 but didn't hear anything back. Do you know how/when the fc stop 7 will be removed? That is preventing us from getting the taxes disbursed and escrow set up.

<< Message: RE: [redacted] Richardson >>
Thank you,
Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Mathis, Julie A.
Sent: Tuesday, July 01, 2008 9:20 PM
To: Rogers, Savannah L.
Cc: Beal, Pamela S.
Subject: FW: [redacted] Richardson

Are we ok with this one?

Thanks!

Julie

From: Thomas, Michelle M.
Sent: Thursday, June 26, 2008 11:03 AM
To: Rogers, Savannah L.; Lopez, Christina; Haywood, Oriska S.; Mathis, Julie A.
Cc: Springs, Sonya E.; Pound, Robert A.
Subject: RE: [redacted] Richardson

Please see tax notes on the above reference loan number indicating I will not be able to disburse tax payment until the foreclosure stop 7 has been removed. I will monitor the account for the removal of the foreclosure stop.

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net

<< OLE Object: Picture (Metafile) >>

From: Thomas, Michelle M.
Sent: Thursday, June 26, 2008 9:57 AM
To: Rogers, Savannah L.; Lopez, Christina; Haywood, Oriska S.; 'Jullie.Mathis@wamu.net'
Cc: Springs, Sonya E.; Pound, Robert A.

Subject: RE: [REDACTED] Richardson

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net

<< OLE Object: Picture (Metafile) >>

From: Springs, Sonya E.
Sent: Wednesday, June 25, 2008 2:27 PM
To: Thomas, Michelle M.
Subject: FW: [REDACTED] Richardson

Michelle,

I am copying you on this email so you can respond to the original parties on the email.

Thanks,

Sonya Springs

<< OLE Object: Picture (Metafile) >>

Tax Mitigation Specialist, Senior

Phone (843)673-3706
Fax (843) 673-4728
Mailstop FSC0211

Sonya.Springs@Wamu.net

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Please refer to tax notes dated 06-26-08. I will not be able to disburse tax payment for the delinquent taxes until the foreclosure stop =7 is removed. I will monitor account for the removal of the stop.

From: Pound, Robert A.
Sent: Wednesday, June 25, 2008 2:23 PM
To: Springs, Sonya E.; Morris, Linda
Cc: Kirby, Louise L.
Subject: RE: [REDACTED] Richardson

I have reassigned this to Michelle Thomas. But until the FCL Stop 7 is removed she will not be able to pay taxes.

Robert Pound

From: Springs, Sonya E.
Sent: Wednesday, June 25, 2008 2:08 PM
To: Morris, Linda
Cc: Pound, Robert A.; Kirby, Louise L.
Subject: RE: [REDACTED] Richardson
Importance: High

Louise,
There is already a NON123 task open and its assigned to Linda Morris.

Linda,
Can you go ahead and research this loan? Then e-mail a response to the all parties the e-mail below.

Thanks,

Sonya Springs

<< OLE Object: Picture (Metafile) >>

Tax Mitigation Specialist, Senior

Phone (843)673-3706
Fax (843) 673-4728
Mailstop FSC0211

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From: Kirby, Louise L.
Sent: Wednesday, June 25, 2008 12:02 PM
To: Lopez, Christina; Rogers, Savannah L.
Cc: Springs, Sonya E.
Subject: RE: [redacted] Richardson

Sonya,
Please assign this account to someone on the non/esc team to follow up and respond to Savannah and Christina.

Thanks.

LOUISE KIRBY
LS Section Manager II
Tax Mitigation
(843) 673-4737 (phone)
(843) 673-4728 (fax)

From: Lopez, Christina
Sent: Wednesday, June 25, 2008 9:16 AM
To: Rogers, Savannah L.
Cc: Kirby, Louise L.
Subject: RE: [redacted] Richardson

Louise,

Loss Mit only blocks taxes on short sales. This is not a short sale and it doesn't appear that we placed the disbursement stop. Per SAF1, processor EDC placed the block on there on 5/14/08. It appears her name is Veronica McNeil-Ellis. Can you check with her to determine if the block can be removed?

Thanks

From: Rogers, Savannah L.
Sent: Wednesday, June 25, 2008 8:56 AM
To: Lopez, Christina
Cc: Kirby, Louise L.
Subject: RE: [redacted] Richardson

Chrissy,
This fc sale was rescinded...what should I do to get this moving? Do you know if the fc dept should remove their stops?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Kirby, Louise L.
Sent: Wednesday, June 25, 2008 8:50 AM
To: Rogers, Savannah L.
Subject: RE: [REDACTED] Richardson

Savannah,
Per instructions we have received by Christina Lopez dated 12/3/07, we cannot disburse tax if the man code is "w" with disbursement stop 1.

So with the codes that are on the account now, we are not able to pay any tax payments.

Also there is a foreclosure code 7—conveyed, which also prevents us from paying.

LOUISE KIRBY
LS Section Manager II
Tax Mitigation
(843) 673-4737 (phone)
(843) 673-4728 (fax)

From: Rogers, Savannah L.
Sent: Wednesday, June 25, 2008 8:35 AM
To: Kirby, Louise L.
Subject: FW: [REDACTED] Richardson
Importance: High [REDACTED]

Louise,
Management is requesting we get this Mod out asap. I just want to make sure I asked the right person (Wonza) to help me set up the escrow - property taxes are delinquent. There is a note on the loan from 5/20/08 saying the taxes were not going to be paid because of the mancode. Now that the mancode is W - can this be taken care of? Do you have a timeframe for completion so I can let management know?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Rogers, Savannah L.
Sent: Tuesday, June 24, 2008 9:39 AM
To: Johnson, Wonza L.
Cc: Havwood, Oriska S.; Mathis, Julie A.
Subject: [REDACTED] Richardson
Importance: High [REDACTED]

Hi Wonza,
There were two checks returned 4/21/08 for delinquent property taxes \$8109.81 + \$405.49. This loan went to fc sale

which has been rescinded and we will be modifying this loan. Who can send the task to set up the escrow for these taxes and possibly research if those taxes are still delinquent since the checks came back from Sacramento County?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Rogers, Savannah L.
Sent: Monday, July 07, 2008 3:38:34 PM
To: Thomas, Michelle M.
CC: Thorn, Ann; Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.; Pound, Robert A.
Subject: FW: [REDACTED] Richardson

Attachments: Picture (Metafile)

Michelle,
Please request the disbursement stop be removed so we can get this file out immediately. Ann Thorn is requesting we escalate this issue... in case you are not getting a response.

Please let us know this has been taken care of so Loss Mit can proceed.

Thank you,

Savannah Rogers
Homeownership Preservation
Washington Mutual
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Direct fax 469 549 5978

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From: Thomas, Michelle M.
Sent: Thursday, July 03, 2008 10:51 AM
To: Rogers, Savannah L.
Cc: Thorn, Ann; Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.; Pound, Robert A.
Subject: RE: [REDACTED] Richardson

Savannah

There is now a disbursement stop 1 preventing me from disbursing these taxes. I am attempting to contact the appropriate person to have that stop removed. Also California tax offices are adding redemption amounts to their tax roll. I have to verify with them the new amount to be paid for the month of July after it becomes available.

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net

TheEliteGroup
BE RECOGNIZED

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 10:38 AM
To: Thomas, Michelle M.
Cc: Thorn, Ann; Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.
Subject: FW: [REDACTED] Richardson

REDACTED

Savannah Rogers
Homeownership Preservation
Washington Mutual

JPMC - 002087
CONFIDENTIAL
CSOC.RICH.003576

Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Thorn, Ann
Sent: Thursday, July 03, 2008 10:19 AM
To: Rogers, Savannah L.; Battaglia, Paul J.
Cc: Beal, Pamela S.; Mathis, Julie A.
Subject: RE: [redacted] Richardson

REDACTED

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150*

For Internal Use Only

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 9:50 AM
To: Thorn, Ann
Cc: Beal, Pamela S.; Mathis, Julie A.
Subject: RE: [redacted] Richardson

Yes, you are correct.

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Thorn, Ann
Sent: Thursday, July 03, 2008 9:03 AM
To: Rogers, Savannah L.; Mathis, Julie A.
Cc: Beal, Pamela S.
Subject: RE: [redacted] Richardson
Importance: High

Ok, I need to understand something. We already talked to Richardson and told her the terms of the Modification as I understood. Then we realized taxes/insurance were not paid by Red Rock and now need to pay 2-3 weeks later and get back to her with new figures? Is that the case?

I need to understand this because it is my impression that Richardson thinks she has a new deal.....please clarify.

*****Please note my phone number has changed to 904-462-2150

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150*

For Internal Use Only

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 8:56 AM
To: Thorn, Ann
Cc: Mathis, Julie A.; Beal, Pamela S.; Thomas, Michelle M.
Subject: RE: [] Richardson

Ann.

Once the taxes are disbursed and the escrow is set up I will work up the Modification terms. We will contact the mortgagor to verify the terms and have the documents sent.

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Thorn, Ann
Sent: Thursday, July 03, 2008 8:47 AM
To: Rogers, Savannah L.; Thomas, Michelle M.
Cc: Mathis, Julie A.; Beal, Pamela S.
Subject: RE: [] Richardson

What is going on with the Mod?

*****Please note my phone number has changed to 904-462-2150

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150

For Internal Use Only

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 8:36 AM
To: Thomas, Michelle M.
Cc: Thorn, Ann; Mathis, Julie A.; Beal, Pamela S.
Subject: FW: [] Richardson

Hi Michelle,

Please see below, the foeclosure stop 7 has been removed. Please disburse the tax payment so we can proceed with the Mod.

Thanks

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Thorn, Ann
Sent: Wednesday, July 02, 2008 3:39 PM
To: Mathis, Julie A.; Beal, Pamela S.; Rogers, Savannah L.
Subject: FW: [redacted] Richardson

*****Please note my phone number has changed to 904-462-2150

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150

For Internal Use Only

From: Boulton, Elizabeth A.
Sent: Wednesday, July 02, 2008 3:37 PM
To: Thorn, Ann
Subject: RE: [redacted] Richardson

Done.

Thank you,

Beth

From: Thorn, Ann
Sent: Wednesday, July 02, 2008 1:01 PM
To: Boulton, Elizabeth A.
Subject: FW: [redacted] Richardson
Importance: High

Can you change back to presale stop code

*****Please note my phone number has changed to 904-462-2150

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150

For Internal Use Only

From: Mathis, Julie A.
Sent: Wednesday, July 02, 2008 12:01 PM
To: Thorn, Ann
Cc: Rogers, Savannah L.; Beal, Pamela S.
Subject: FW: [redacted] Richardson
Importance: High

Ann, do you know how we can have the FC stop 7 removed?

From: Rogers, Savannah L.
Sent: Wednesday, July 02, 2008 10:57 AM
To: Mathis, Julie A.
Cc: Beal, Pamela S.
Subject: RE: [redacted] Richardson

I sent an email to Chrissy 6/26/08 but didn't hear anything back. Do you know how/when the fc stop 7 will be removed?

That is preventing us from getting the taxes disbursed and escrow set up.

<< Message: RE: [REDACTED] Richardson >>

Thank you,
Savannah Rogers
Homeownership Preservation
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Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Mathis, Julie A.
Sent: Tuesday, July 01, 2008 9:20 PM
To: Rogers, Savannah L.
Cc: Beal, Pamela S.
Subject: FW: [REDACTED] Richardson

Are we ok with this one?

Thanks!

Julie

From: Thomas, Michelle M.
Sent: Thursday, June 26, 2008 11:03 AM
To: Rogers, Savannah L.; Lopez, Christina; Haywood, Oriska S.; Mathis, Julie A.
Cc: Springs, Sonya E.; Pound, Robert A.
Subject: RE: [REDACTED] Richardson

Please see tax notes on the above reference loan number indicating I will not be able to disburse tax payment until the foreclosure stop 7 has been removed. I will monitor the account for the removal of the foreclosure stop.

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net

<< OLE Object: Picture (Metafile) >>

From: Thomas, Michelle M.
Sent: Thursday, June 26, 2008 9:57 AM
To: Rogers, Savannah L.; Lopez, Christina; Haywood, Oriska S.; 'Jullie.Mathis@wamu.net'
Cc: Springs, Sonya E.; Pound, Robert A.
Subject: RE: [REDACTED] Richardson

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net

<< OLE Object: Picture (Metafile) >>

From: Springs, Sonya E.
Sent: Wednesday, June 25, 2008 2:27 PM
To: Thomas, Michelle M.

Subject: FW:  Richardson

Michelle,

I am copying you on this email so you can respond to the original parties on the email.

Thanks,

Sonya Springs

<< OLE Object: Picture (Metafile) >>

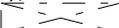
Tax Mitigation Specialist, Senior

Phone (843)673-3706
Fax (843) 673-4728
Mailstop FSC0211

Sonya.Springs@Wamu.net

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Please refer to tax notes dated 06-26-08. I will not be able to disburse tax payment for the delinquent taxes until the foreclosure stop =7 is removed. I will monitor account for the removal of the stop.

From: Pound, Robert A.
Sent: Wednesday, June 25, 2008 2:23 PM
To: Springs, Sonya E.; Morris, Linda
Cc: Kirby, Louise L.
Subject: RE:  Richardson

I have reassigned this to Michelle Thomas. But until the FCL Stop 7 is removed she will not be able to pay taxes.

Robert Pound

From: Springs, Sonya E.
Sent: Wednesday, June 25, 2008 2:08 PM
To: Morris, Linda
Cc: Pound, Robert A.; Kirby, Louise L.
Subject: RE:  Richardson
Importance: High 

Louise,
There is already a NON123 task open and its assigned to Linda Morris.

Linda,
Can you go ahead and research this loan? Then e-mail a response to the all parties the e-mail below.

Thanks,

Sonya Springs

<< OLE Object: Picture (Metafile) >>

Tax Mitigation Specialist, Senior

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From: Kirby, Louise L.
Sent: Wednesday, June 25, 2008 12:02 PM
To: Lopez, Christina; Rogers, Savannah L.
Cc: Springs, Sonya E.
Subject: RE: [REDACTED] Richardson

Sonya,
Please assign this account to someone on the non/esc team to follow up and respond to Savannah and Christina.

Thanks.

LOUISE KIRBY
LS Section Manager II
Tax Mitigation
(843) 673-4737 (phone)
(843) 673-4728 (fax)

From: Lopez, Christina
Sent: Wednesday, June 25, 2008 9:16 AM
To: Rogers, Savannah L.
Cc: Kirby, Louise L.
Subject: RE: [REDACTED] Richardson

Louise,

Loss Mit only blocks taxes on short sales. This is not a short sale and it doesn't appear that we placed the disbursement stop. Per SAF1, processor EDC placed the block on there on 5/14/08. It appears her name is Veronica McNeil-Ellis. Can you check with her to determine if the block can be removed?

Thanks

From: Rogers, Savannah L.
Sent: Wednesday, June 25, 2008 8:56 AM
To: Lopez, Christina
Cc: Kirby, Louise L.
Subject: RE: [REDACTED] Richardson

Chrissy,
This fc sale was rescinded...what should I do to get this moving? Do you know if the fc dept should remove their stops?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Kirby, Louise L.
Sent: Wednesday, June 25, 2008 8:50 AM
To: Rogers, Savannah L.
Subject: RE: [REDACTED] Richardson

Savannah,
Per instructions we have received by Christina Lopez dated 12/3/07, we cannot disburse tax if the man code is "w" with disbursement stop 1.

So with the codes that are on the account now, we are not able to pay any tax payments.

Also there is a foreclosure code 7--conveyed, which also prevents us from paying.

LOUISE KIRBY
LS Section Manager II
Tax Mitigation
(843) 673-4737 (phone)
(843) 673-4728 (fax)

From: Rogers, Savannah L.
Sent: Wednesday, June 25, 2008 8:35 AM
To: Kirby, Louise
Subject: FW: Richardson
Importance: High

Louise,
Management is requesting we get this Mod out asap. I just want to make sure I asked the right person (Wonza) to help me set up the escrow - property taxes are delinquent. There is a note on the loan from 5/20/08 saying the taxes were not going to be paid because of the mancode. Now that the mancode is W - can this be taken care of? Do you have a timeframe for completion so I can let management know?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Rogers, Savannah L.
Sent: Tuesday, June 24, 2008 9:39 AM
To: Johnson, Wonza L.
Cc: Haywood, Oriska S.; Mathis, Julie A.
Subject: Richardson
Importance: High

Hi Wonza,
There were two checks returned 4/21/08 for delinquent property taxes \$8109.81 + \$405.49. This loan went to fc sale which has been rescinded and we will be modifying this loan. Who can send the task to set up the escrow for these taxes and possibly research if those taxes are still delinquent since the checks came back from Sacramento County?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Bartoces, Leah
Sent: Monday, July 07, 2008 2:20:05 PM
To: Battaglia, Paul J.
Subject: FW: [REDACTED] - Richardson, Laura / TC# [REDACTED]

Attachments: Picture (Metafile)

REDACTED

Thanks!

Leah Bartoces
Washington Mutual
1301 2nd Avenue, WMC3501
Seattle, WA 98101

206.500.4262 direct
206.377.2784 fax
leah.bartoces@wamu.net

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From: GM Paralegal Support
Sent: Thursday, July 03, 2008 9:30 AM
To: Bartoces, Leah
Subject: FW: [REDACTED] - Richardson, Laura / TC# [REDACTED]

Hi Leah,

REDACTED

Please advise.

Thank you,
Sophia H Dahbashi
Research Support Analyst I
Legal Department Business Planning and Operations

Washington Mutual
9200 Oakdale St., N110214
Chatsworth, CA 91311

818.775.6867, direct. 818.775.7550 fax.
Farnaz.HossainDahbashi@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: McNeil, Veronica
Sent: Thursday, July 03, 2008 6:44 AM
To: Thomas, Michelle M.; Dahbashi, Sophia
Cc: Pound, Robert A.
Subject: RE: [REDACTED]

Good Morning,

I didn't put the stop there manually therefore I can't remove it. The stop was place once the F/C workstations were updated to reflect a 3rd party sale on this property which at that time was a man code R. It has since rescinded now man code W. so it is no longer in my area. We process payments for this particular man code, but we don't remove stops.

Also if you read the notes on the loan you will see:

06/12/08 18:14:36 JAW FROM MEM1:

PLEASE CONTACT SOPHIA DAHBASHI IN LEGAL @
818-775-6867 PRIORTO PROCESSING ANY ACTION ON
THIS LOAN OR CONTACTING/SPEAKING WITH THE
BORROWER. PHONE # IS FOR INTERNAL USE ONLY
BLIND TRANSFER PLEASE

This might be your first stop. Sorry I couldn't help you with removing the stop.

Hope this was helpful to you.

Sophia,
Can you assit Michelle with her questions?

You all have a safe a wondeful Holiday weekend.....

Ms. Veronica Sowell-McNeil
LS Cashiering Rep II
Cash Operations
Foreclosure-LMIT
Mail Stop JAXB2007

Fax: (904) 886 1646
Direct: 904-462

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From: Thomas, Michelle M.
Sent: Thursday, July 03, 2008 9:24 AM
To: McNeil, Veronica
Cc: Pound, Robert A.
Subject:
Importance: High

Veronica

Is it possible for you to remove the disbursement stop 1 from the above referenced loan number, in order that we may disburse tax payments? If so, please do so as soon as possible.

Thank you in advance.

Michelle M. Thomas

Real Estate Tax Associate Sr.

1-800-353-3860 ext. 4726

email: michelle.m.thomas@wamu.net

TheEliteGroup
BE RECOGNIZED

From: Thomas, Michelle M.
Sent: Thursday, July 03, 2008 10:50:30 AM
To: Rogers, Savannah L.
CC: Thorn, Ann; Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.; Pound, Robert A.
Subject: RE: [REDACTED] Richardson

Savannah

There is now a disbursement stop 1 preventing me from disbursing these taxes. I am attempting to contact the appropriate person to have that stop removed. Also California tax offices are adding redemption amounts to their tax roll. I have to verify with them the new amount to be paid for the month of July after it becomes available.

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 10:38 AM
To: Thomas, Michelle M.
Cc: Thorn, Ann; Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.
Subject: FW: [REDACTED] Richardson

REDACTED

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Thorn, Ann
Sent: Thursday, July 03, 2008 10:19 AM
To: Rogers, Savannah L.; Battaglia, Paul J.
Cc: Beal, Pamela S.; Mathis, Julie A.
Subject: RE: [REDACTED] Richardson

REDACTED

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150*

For Internal Use Only

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 9:50 AM

To: Thorn, Ann
Cc: Beal, Pamela S.; Mathis, Julie A.
Subject: RE: [redacted] Richardson

Yes, you are correct.

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Thorn, Ann
Sent: Thursday, July 03, 2008 9:03 AM
To: Rogers, Savannah L.; Mathis, Julie A.
Cc: Beal, Pamela S.
Subject: RE: [redacted] Richardson
Importance: High

Ok, I need to understand something. We already talked to Richardson and told her the terms of the Modification as I understood. Then we realized taxes/insurance were not paid by Red Rock and now need to pay 2-3 weeks later and get back to her with new figures? Is that the case?

I need to understand this because it is my impression that Richardson thinks she has a new deal.....please clarify.

*****Please note my phone number has changed to 904-462-2150

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150

For Internal Use Only

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 8:56 AM
To: Thorn, Ann
Cc: Mathis, Julie A.; Beal, Pamela S.; Thomas, Michelle M.
Subject: RE: [redacted] Richardson

Ann.

Once the taxes are disbursed and the escrow is set up I will work up the Modification terms. We will contact the mortgagor to verify the terms and have the documents sent.

Thanks,

Savannah Rogers
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Direct fax 469 549 5978

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From: Thorn, Ann
Sent: Thursday, July 03, 2008 8:47 AM
To: Rogers, Savannah L.; Thomas, Michelle M.

Cc: Mathis, Julie A.; Beal, Pamela S.
Subject: RE: [redacted] Richardson

What is going on with the Mod?

*****Please note my phone number has changed to 904-462-2150

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150

For Internal Use Only

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 8:36 AM
To: Thomas, Michelle M.
Cc: Thorn, Ann; Mathis, Julie A.; Beal, Pamela S.
Subject: FW: [redacted] Richardson

Hi Michelle,
Please see below, the foreclosure stop 7 has been removed. Please disburse the tax payment so we can proceed with the Mod.

Thanks

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Thorn, Ann
Sent: Wednesday, July 02, 2008 3:39 PM
To: Mathis, Julie A.; Beal, Pamela S.; Rogers, Savannah L.
Subject: FW: [redacted] Richardson

*****Please note my phone number has changed to 904-462-2150

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150

For Internal Use Only

From: Boulton, Elizabeth A.
Sent: Wednesday, July 02, 2008 3:37 PM
To: Thorn, Ann
Subject: RE: [redacted] Richardson

Done.

Thank you,

Beth

From: Thorn, Ann
Sent: Wednesday, July 02, 2008 1:01 PM
To: Boulton, Elizabeth A.
Subject: FW: [REDACTED] Richardson
Importance: High

Can you change back to presale stop code

*****Please note my phone number has changed to 904-462-2150

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150

For Internal Use Only

From: Mathis, Julie A.
Sent: Wednesday, July 02, 2008 12:01 PM
To: Thorn, Ann
Cc: Rogers, Savannah L.; Beal, Pamela S.
Subject: FW: [REDACTED] Richardson
Importance: High

Ann, do you know how we can have the FC stop 7 removed?

From: Rogers, Savannah L.
Sent: Wednesday, July 02, 2008 10:57 AM
To: Mathis, Julie A.
Cc: Beal, Pamela S.
Subject: RE: [REDACTED] Richardson

I sent an email to Chrissy 6/26/08 but didn't hear anything back. Do you know how/when the fc stop 7 will be removed? That is preventing us from getting the taxes disbursed and escrow set up.

<< Message: RE: [REDACTED] Richardson >>

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From: Mathis, Julie A.
Sent: Tuesday, July 01, 2008 9:20 PM
To: Rogers, Savannah L.
Cc: Beal, Pamela S.
Subject: FW: [REDACTED] Richardson

Are we ok with this one?

Thanks!

Julie

From: Thomas, Michelle M.
Sent: Thursday, June 26, 2008 11:03 AM
To: Rogers, Savannah L.; Lopez, Christina; Haywood, Oriska S.; Mathis, Julie A.
Cc: Springs, Sonya E.; Pound, Robert A.
Subject: RE: [REDACTED] Richardson

Please see tax notes on the above reference loan number indicating I will not be able to disburse tax payment until the foreclosure stop 7 has been removed. I will monitor the account for the removal of the foreclosure stop.

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net

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From: Thomas, Michelle M.
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To: Rogers, Savannah L.; Lopez, Christina; Haywood, Oriska S.; 'Jullie.Mathis@wamu.net'
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Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net

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From: Springs, Sonya E.
Sent: Wednesday, June 25, 2008 2:27 PM
To: Thomas, Michelle M.
Subject: FW: [REDACTED] Richardson

Michelle,

I am copying you on this email so you can respond to the original parties on the email.

Thanks,

Sonya Springs

<< OLE Object: Picture (Metafile) >>

Tax Mitigation Specialist, Senior

Phone (843)673-3706
Fax (843) 673-4728
Mailstop FSC0211

Sonya.Springs@Wamu.net

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Please refer to tax notes dated 06-26-08. I will not be able to disburse tax payment for the delinquent taxes until the foreclosure stop =7 is removed. I will monitor account for the removal of the stop.

From: Pound, Robert A.
Sent: Wednesday, June 25, 2008 2:23 PM

To: Springs, Sonya E.; Morris, Linda
Cc: Kirby, Louise L.
Subject: RE: [REDACTED] Richardson

I have reassigned this to Michelle Thomas. But until the FCL Stop 7 is removed she will not be able to pay taxes.

Robert Pound

From: Springs, Sonya E.
Sent: Wednesday, June 25, 2008 2:08 PM
To: Morris, Linda
Cc: Pound, Robert A.; Kirby, Louise L.
Subject: RE: [REDACTED] Richardson
Importance: High

Louise,
There is already a NON123 task open and its assigned to Linda Morris.

Linda,
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Thanks,

Sonya Springs

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To: Lopez, Christina; Rogers, Savannah L.
Cc: Springs, Sonya E.
Subject: RE: [REDACTED] Richardson

Sonya,
Please assign this account to someone on the non/esc team to follow up and respond to Savannah and Christina.

Thanks.

LOUISE KIRBY
LS Section Manager II
Tax Mitigation
(843) 673-4737 (phone)
(843) 673-4728 (fax)

From: Lopez, Christina
Sent: Wednesday, June 25, 2008 9:16 AM
To: Rogers, Savannah L.
Cc: Kirby, Louise L.
Subject: RE: [REDACTED] Richardson

Louise,

Loss Mit only blocks taxes on short sales. This is not a short sale and it doesn't appear that we placed the disbursement stop. Per SAF1, processor EDC placed the block on there on 5/14/08. It appears her name is Veronica McNeil-Ellis. Can you check with her to determine if the block can be removed?

Thanks

From: Rogers, Savannah L.
Sent: Wednesday, June 25, 2008 8:56 AM
To: Lopez, Christina
Cc: Kirby, Louise L.
Subject: RE: [redacted] Richardson

Chrissy,
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Washington Mutual
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Sent: Wednesday, June 25, 2008 8:50 AM
To: Rogers, Savannah L.
Subject: RE: [redacted] Richardson

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So with the codes that are on the account now, we are not able to pay any tax payments.

Also there is a foreclosure code 7—conveyed, which also prevents us from paying.

LOUISE KIRBY
LS Section Manager II
Tax Mitigation
(843) 673-4737 (phone)
(843) 673-4728 (fax)

From: Rogers, Savannah L.
Sent: Wednesday, June 25, 2008 8:35 AM
To: Kirby, Louise L.
Subject: FW: [redacted] Richardson
Importance: High

Louise,
Management is requesting we get this Mod out asap. I just want to make sure I asked the right person (Wonza) to help me set up the escrow - property taxes are delinquent. There is a note on the loan from 5/20/08 saying the taxes were not going to be paid because of the mancode. Now that the mancode is W - can this be taken care of? Do you have a timeframe for completion so I can let management know?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Rogers, Savannah L.
Sent: Tuesday, June 24, 2008 9:39 AM
To: Johnson, Wonza L.
Cc: Haywood, Oriska S.; Mathis, Julie A.
Subject: Richardson
Importance: High

Hi Wonza,

There were two checks returned 4/21/08 for delinquent property taxes \$8109.81 + \$405.49. This loan went to foreclosure sale which has been rescinded and we will be modifying this loan. Who can send the task to set up the escrow for these taxes and possibly research if those taxes are still delinquent since the checks came back from Sacramento County?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Thorn, Ann
Sent: Thursday, July 03, 2008 10:50:23 AM
To: Battaglia, Paul J.
Subject: RE: [redacted] Richardson

REDACTED

*****Please note my phone number has changed to 904-462-2150

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150*

For Internal Use Only

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 10:38 AM
To: Thomas, Michelle M.
Cc: Thorn, Ann; Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.
Subject: FW: [redacted] Richardson

REDACTED

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Thorn, Ann
Sent: Thursday, July 03, 2008 10:19 AM
To: Rogers, Savannah L.; Battaglia, Paul J.
Cc: Beal, Pamela S.; Mathis, Julie A.
Subject: RE: [redacted] Richardson

REDACTED

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150*

For Internal Use Only

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 9:50 AM
To: Thorn, Ann
Cc: Beal, Pamela S.; Mathis, Julie A.
Subject: RE: [redacted] Richardson

Yes, you are correct.

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Thorn, Ann
Sent: Thursday, July 03, 2008 9:03 AM
To: Rogers, Savannah L.; Mathis, Julie A.
Cc: Beal, Pamela S.
Subject: RE: [redacted] Richardson
Importance: High

Ok, I need to understand something. We already talked to Richardson and told her the terms of the Modification as I understood. Then we realized taxes/insurance were not paid by Red Rock and now need to pay 2-3 weeks later and get back to her with new figures? Is that the case?

I need to understand this because it is my impression that Richardson thinks she has a new deal.....please clarify.

*****Please note my phone number has changed to 904-462-2150

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150

For Internal Use Only

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 8:56 AM
To: Thorn, Ann
Cc: Mathis, Julie A.; Beal, Pamela S.; Thomas, Michelle M.
Subject: RE: [redacted] richardson

Ann.

Once the taxes are disbursed and the escrow is set up I will work up the Modification terms. We will contact the mortgagor to verify the terms and have the documents sent.

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Thorn, Ann
Sent: Thursday, July 03, 2008 8:47 AM
To: Rogers, Savannah L.; Thomas, Michelle M.
Cc: Mathis, Julie A.; Beal, Pamela S.
Subject: RE: [redacted] Richardson

What is going on with the Mod?

*****Please note my phone number has changed to 904-462-2150

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150

For Internal Use Only

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 8:36 AM
To: Thomas, Michelle M.
Cc: Thorn, Ann; Mathis, Julie A.; Beal, Pamela S.
Subject: FW: [redacted] Richardson

Hi Michelle,
Please see below, the foreclosure stop 7 has been removed. Please disburse the tax payment so we can proceed with the Mod.

Thanks

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Thorn, Ann
Sent: Wednesday, July 02, 2008 3:39 PM
To: Mathis, Julie A.; Beal, Pamela S.; Rogers, Savannah L.
Subject: FW: [redacted] Richardson

*****Please note my phone number has changed to 904-462-2150

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150

For Internal Use Only

From: Boulton, Elizabeth A.
Sent: Wednesday, July 02, 2008 3:37 PM
To: Thorn, Ann
Subject: RE: [redacted] Richardson

Done.

Thank you,

Beth

From: Thorn, Ann
Sent: Wednesday, July 02, 2008 1:01 PM
To: Boulton, Elizabeth A.
Subject: FW: [redacted] Richardson
Importance: High

Can you change back to presale stop code

*****Please note my phone number has changed to 904-462-2150

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150

For Internal Use Only

From: Mathis, Julie A.
Sent: Wednesday, July 02, 2008 12:01 PM
To: Thorn, Ann
Cc: Rogers, Savannah L.; Beal, Pamela S.
Subject: FW: [redacted] Richardson
Importance: High

Ann, do you know how we can have the FC stop 7 removed?

From: Rogers, Savannah L.
Sent: Wednesday, July 02, 2008 10:57 AM
To: Mathis, Julie A.
Cc: Beal, Pamela S.
Subject: RE: [redacted] Richardson

I sent an email to Chrissy 6/26/08 but didn't hear anything back. Do you know how/when the fc stop 7 will be removed? That is preventing us from getting the taxes disbursed and escrow set up.

<< Message: RE: [redacted] Richardson >>

Thank you,
Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Mathis, Julie A.
Sent: Tuesday, July 01, 2008 9:20 PM
To: Rogers, Savannah L.
Cc: Beal, Pamela S.
Subject: FW: [redacted] Richardson

Are we ok with this one?

Thanks!

Julie

From: Thomas, Michelle M.
Sent: Thursday, June 26, 2008 11:03 AM
To: Rogers, Savannah L.; Lopez, Christina; Haywood, Oriska S.; Mathis, Julie A.
Cc: Springs, Sonya E.; Pound, Robert A.

Subject:

RE:  Richardson

Please see tax notes on the above reference loan number indicating I will not be able to disburse tax payment until the foreclosure stop 7 has been removed. I will monitor the account for the removal of the foreclosure stop.

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net

<< OLE Object: Picture (Metafile) >>

From: Thomas, Michelle M.
Sent: Thursday, June 26, 2008 9:57 AM
To: Rogers, Savannah L.; Lopez, Christina; Haywood, Oriska S.; 'Jullie.Mathis@wamu.net'
Cc: Springs, Sonya E.; Pound, Robert A.
Subject: RE:  Richardson

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net

<< OLE Object: Picture (Metafile) >>

From: Springs, Sonya E.
Sent: Wednesday, June 25, 2008 2:27 PM
To: Thomas, Michelle M.
Subject: FW:  Richardson

Michelle,

I am copying you on this email so you can respond to the original parties on the email.

Thanks,

Sonya Springs

<< OLE Object: Picture (Metafile) >>

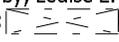
Tax Mitigation Specialist, Senior

Phone (843)673-3706
Fax (843) 673-4728
Mailstop FSC0211

Sonya.Springs@Wamu.net

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Please refer to tax notes dated 06-26-08. I will not be able to disburse tax payment for the delinquent taxes until the foreclosure stop =7 is removed. I will monitor account for the removal of the stop.

From: Pound, Robert A.
Sent: Wednesday, June 25, 2008 2:23 PM
To: Springs, Sonya E.; Morris, Linda
Cc: Kirby, Louise L.
Subject: RE:  Richardson

I have reassigned this to Michelle Thomas. But until the FCL Stop 7 is removed she will not be able to pay taxes.

Robert Pound

From: Springs, Sonya E.
Sent: Wednesday, June 25, 2008 2:08 PM
To: Morris, Linda
Cc: Pound, Robert A.; Kirby, Louise L.
Subject: RE: [REDACTED] Richardson
Importance: High

Louise,
There is already a NON123 task open and its assigned to Linda Morris.

Linda,
Can you go ahead and research this loan? Then e-mail a response to the all parties the e-mail below.

Thanks,

Sonya Springs

<< OLE Object: Picture (Metafile) >>

Tax Mitigation Specialist, Senior

Phone (843)673-3706
Fax (843) 673-4728
Mailstop FSC0211

Sonya.Springs@Wamu.net

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From: Kirby, Louise L.
Sent: Wednesday, June 25, 2008 12:02 PM
To: Lopez, Christina; Rogers, Savannah L.
Cc: Springs, Sonya E.
Subject: RE: [REDACTED] Richardson

Sonya,
Please assign this account to someone on the non/esc team to follow up and respond to Savannah and Christina.

Thanks.

LOUISE KIRBY
LS Section Manager II
Tax Mitigation
(843) 673-4737 (phone)
(843) 673-4728 (fax)

From: Lopez, Christina
Sent: Wednesday, June 25, 2008 9:16 AM
To: Rogers, Savannah L.
Cc: Kirby, Louise L.
Subject: RE: [REDACTED] Richardson

Louise,

Loss Mit only blocks taxes on short sales. This is not a short sale and it doesn't appear that we placed the disbursement stop. Per SAF1, processor EDC placed the block on there on 5/14/08. It

appears her name is Veronica McNeil-Ellis. Can you check with her to determine if the block can be removed?

Thanks

From: Rogers, Savannah L.
Sent: Wednesday, June 25, 2008 8:56 AM
To: Lopez, Christina
Cc: Kirby, Louise L.
Subject: RE: [redacted] Richardson

Chrissy,
This fc sale was rescinded...what should I do to get this moving? Do you know if the fc dept should remove their stops?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Kirby, Louise L.
Sent: Wednesday, June 25, 2008 8:50 AM
To: Rogers, Savannah L.
Subject: RE: [redacted] Richardson

Savannah,
Per instructions we have received by Christina Lopez dated 12/3/07, we cannot disburse tax if the man code is "w" with disbursement stop 1.

So with the codes that are on the account now, we are not able to pay any tax payments.

Also there is a foreclosure code 7--conveyed, which also prevents us from paying.

LOUISE KIRBY
LS Section Manager II
Tax Mitigation
(843) 673-4737 (phone)
(843) 673-4728 (fax)

From: Rogers, Savannah L.
Sent: Wednesday, June 25, 2008 8:35 AM
To: Kirby, Louise L.
Subject: FW: [redacted] Richardson
Importance: High

Louise,
Management is requesting we get this Mod out asap. I just want to make sure I asked the right person (Wonza) to help me set up the escrow - property taxes are delinquent. There is a note on the loan from 5/20/08 saying the taxes were not going to be paid because of the mancode. Now that the mancode is W - can this be taken care of? Do you have a timeframe for completion so I can let management know?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Rogers, Savannah L.
Sent: Tuesday, June 24, 2008 9:39 AM
To: Johnson, Wonza L.
Cc: Haywood, Oriska S.; Mathis, Julie A.
Subject: Richardson
Importance: High

Hi Wonza,

There were two checks returned 4/21/08 for delinquent property taxes \$8109.81 + \$405.49. This loan went to fc sale which has been rescinded and we will be modifying this loan. Who can send the task to set up the escrow for these taxes and possibly research if those taxes are still delinquent since the checks came back from Sacramento County?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 10:37:34 AM
To: Thomas, Michelle M.
CC: Thorn, Ann; Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.
Subject: FW: [REDACTED] Richardson

REDACTED

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Thorn, Ann
Sent: Thursday, July 03, 2008 10:19 AM
To: Rogers, Savannah L.; Battaglia, Paul J.
Cc: Beal, Pamela S.; Mathis, Julie A.
Subject: RE: [REDACTED] Richardson

REDACTED

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150*

For Internal Use Only

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 9:50 AM
To: Thorn, Ann
Cc: Beal, Pamela S.; Mathis, Julie A.
Subject: RE: [REDACTED] Richardson

Yes, you are correct.

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Thorn, Ann
Sent: Thursday, July 03, 2008 9:03 AM
To: Rogers, Savannah L.; Mathis, Julie A.
Cc: Beal, Pamela S.
Subject: RE: [REDACTED] Richardson

Importance: High

Ok, I need to understand something. We already talked to Richardson and told her the terms of the Modification as I understood. Then we realized taxes/insurance were not paid by Red Rock and now need to pay 2-3 weeks later and get back to her with new figures? Is that the case?

I need to understand this because it is my impression that Richardson thinks she has a new deal.....please clarify.

*****Please note my phone number has changed to 904-462-2150

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150

For Internal Use Only

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 8:56 AM
To: Thorn, Ann
Cc: Mathis, Julie A.; Beal, Pamela S.; Thomas, Michelle M.
Subject: RE: [redacted] Richardson

Ann.

Once the taxes are disbursed and the escrow is set up I will work up the Modification terms. We will contact the mortgagor to verify the terms and have the documents sent.

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Thorn, Ann
Sent: Thursday, July 03, 2008 8:47 AM
To: Rogers, Savannah L.; Thomas, Michelle M.
Cc: Mathis, Julie A.; Beal, Pamela S.
Subject: RE: [redacted] Richardson

What is going on with the Mod?

*****Please note my phone number has changed to 904-462-2150

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150

For Internal Use Only

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 8:36 AM
To: Thomas, Michelle M.
Cc: Thorn, Ann; Mathis, Julie A.; Beal, Pamela S.
Subject: FW: [redacted] Richardson

Hi Michelle,
Please see below, the foreclosure stop 7 has been removed. Please disburse the tax payment so we can proceed with the Mod.

Thanks

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Thorn, Ann
Sent: Wednesday, July 02, 2008 3:39 PM
To: Mathis, Julie A.; Beal, Pamela S.; Rogers, Savannah L.
Subject: FW: [redacted] Richardson

*****Please note my phone number has changed to 904-462-2150

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150

For Internal Use Only

From: Boulton, Elizabeth A.
Sent: Wednesday, July 02, 2008 3:37 PM
To: Thorn, Ann
Subject: RE: [redacted] Richardson

Done.

Thank you,

Beth

From: Thorn, Ann
Sent: Wednesday, July 02, 2008 1:01 PM
To: Boulton, Elizabeth A.
Subject: FW: [redacted] Richardson
Importance: High [redacted]

Can you change back to presale stop code

*****Please note my phone number has changed to 904-462-2150

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150

For Internal Use Only

From: Mathis, Julie A.
Sent: Wednesday, July 02, 2008 12:01 PM
To: Thorn, Ann
Cc: Rogers, Savannah L.; Beal, Pamela S.
Subject: FW: [REDACTED] Richardson
Importance: High

Ann, do you know how we can have the FC stop 7 removed?

From: Rogers, Savannah L.
Sent: Wednesday, July 02, 2008 10:57 AM
To: Mathis, Julie A.
Cc: Beal, Pamela S.
Subject: RE: [REDACTED] Richardson

I sent an email to Chrissy 6/26/08 but didn't hear anything back. Do you know how/when the fc stop 7 will be removed? That is preventing us from getting the taxes disbursed and escrow set up.

<< Message: RE: 0729942433 Richardson >>

Thank you,
Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Mathis, Julie A.
Sent: Tuesday, July 01, 2008 9:20 PM
To: Rogers, Savannah L.
Cc: Beal, Pamela S.
Subject: FW: [REDACTED] Richardson

Are we ok with this one?

Thanks!

Julie

From: Thomas, Michelle M.
Sent: Thursday, June 26, 2008 11:03 AM
To: Rogers, Savannah L.; Lopez, Christina; Haywood, Oriska S.; Mathis, Julie A.
Cc: Springs, Sonya E.; Pound, Robert A.
Subject: RE: [REDACTED] Richardson

Please see tax notes on the above reference loan number indicating I will not be able to disburse tax payment until the foreclosure stop 7 has been removed. I will monitor the account for the removal of the foreclosure stop.

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net

<< OLE Object: Picture (Metafile) >>

From: Thomas, Michelle M.
Sent: Thursday, June 26, 2008 9:57 AM
To: Rogers, Savannah L.; Lopez, Christina; Haywood, Oriska S.; 'Jullie.Mathis@wamu.net'
Cc: Springs, Sonya E.; Pound, Robert A.

Subject: RE: [Broken Image] Richardson

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net

<< OLE Object: Picture (Metafile) >>

From: Springs, Sonya E.
Sent: Wednesday, June 25, 2008 2:27 PM
To: Thomas, Michelle M.
Subject: FW: [Broken Image] Richardson

Michelle,

I am copying you on this email so you can respond to the original parties on the email.

Thanks,

Sonya Springs

<< OLE Object: Picture (Metafile) >>

Tax Mitigation Specialist, Senior

Phone (843)673-3706
Fax (843) 673-4728
Mailstop FSC0211

Sonya.Springs@Wamu.net

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Please refer to tax notes dated 06-26-08. I will not be able to disburse tax payment for the delinquent taxes until the foreclosure stop =7 is removed. I will monitor account for the removal of the stop.

From: Pound, Robert A.
Sent: Wednesday, June 25, 2008 2:23 PM
To: Springs, Sonya E.; Morris, Linda
Cc: Kirby, Louise L.
Subject: RE: [Broken Image] Richardson

I have reassigned this to Michelle Thomas. But until the FCL Stop 7 is removed she will not be able to pay taxes.

Robert Pound

From: Springs, Sonya E.
Sent: Wednesday, June 25, 2008 2:08 PM
To: Morris, Linda
Cc: Pound, Robert A.; Kirby, Louise L.
Subject: RE: [Broken Image] richardson
Importance: High [Broken Image]

Louise,
There is already a NON123 task open and its assigned to Linda Morris.

Linda,
Can you go ahead and research this loan? Then e-mail a response to the all parties the e-mail below.

Thanks,

Sonya Springs

<< OLE Object: Picture (Metafile) >>

Tax Mitigation Specialist, Senior

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From: Kirby, Louise L.
Sent: Wednesday, June 25, 2008 12:02 PM
To: Lopez, Christina; Rogers, Savannah L.
Cc: Springs, Sonya E.
Subject: RE: [REDACTED] Richardson

Sonya,
Please assign this account to someone on the non/esc team to follow up and respond to Savannah and Christina.

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LOUISE KIRBY
LS Section Manager II
Tax Mitigation
(843) 673-4737 (phone)
(843) 673-4728 (fax)

From: Lopez, Christina
Sent: Wednesday, June 25, 2008 9:16 AM
To: Rogers, Savannah L.
Cc: Kirby, Louise L.
Subject: RE: [REDACTED] Richardson

Louise,

Loss Mit only blocks taxes on short sales. This is not a short sale and it doesn't appear that we placed the disbursement stop. Per SAF1, processor EDC placed the block on there on 5/14/08. It appears her name is Veronica McNeil-Ellis. Can you check with her to determine if the block can be removed?

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From: Rogers, Savannah L.
Sent: Wednesday, June 25, 2008 8:56 AM
To: Lopez, Christina
Cc: Kirby, Louise L.
Subject: RE: [REDACTED] Richardson

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Savannah Rogers
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From: Kirby, Louise L.
Sent: Wednesday, June 25, 2008 8:50 AM
To: Rogers, Savannah L.
Subject: RE: [redacted] Richardson

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So with the codes that are on the account now, we are not able to pay any tax payments.

Also there is a foreclosure code 7—conveyed, which also prevents us from paying.

LOUISE KIRBY
LS Section Manager II
Tax Mitigation
(843) 673-4737 (phone)
(843) 673-4728 (fax)

From: Rogers, Savannah L.
Sent: Wednesday, June 25, 2008 8:35 AM
To: Kirby, Louise L.
Subject: FW: [redacted] Richardson
Importance: High

Louise,
Management is requesting we get this Mod out asap. I just want to make sure I asked the right person (Wonza) to help me set up the escrow - property taxes are delinquent. There is a note on the loan from 5/20/08 saying the taxes were not going to be paid because of the mancode. Now that the mancode is W - can this be taken care of? Do you have a timeframe for completion so I can let management know?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Rogers, Savannah L.
Sent: Tuesday, June 24, 2008 9:39 AM
To: Johnson, Wonza L.
Cc: Hayward, Oriska S.; Mathis, Julie A.
Subject: [redacted] Richardson
Importance: High

Hi Wonza,
There were two checks returned 4/21/08 for delinquent property taxes \$8109.81 + \$405.49. This loan went to fc sale

which has been rescinded and we will be modifying this loan. Who can send the task to set up the escrow for these taxes and possibly research if those taxes are still delinquent since the checks came back from Sacramento County?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Thorn, Ann
Sent: Thursday, July 03, 2008 10:19:03 AM
To: Rogers, Savannah L.
CC: Beal, Pamela S.; Mathis, Julie A.; Battaglia, Paul J.
Subject: RE: [redacted] Richardson

REDACTED

*****Please note my phone number has changed to 904-462-2150

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150

For Internal Use Only

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 9:50 AM
To: Thorn, Ann
Cc: Beal, Pamela S.; Mathis, Julie A.
Subject: RE: [redacted] Richardson

Yes, you are correct.

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Thorn, Ann
Sent: Thursday, July 03, 2008 9:03 AM
To: Rogers, Savannah L.; Mathis, Julie A.
Cc: Beal, Pamela S.
Subject: RE: [redacted] Richardson
Importance: High

Ok, I need to understand something. We already talked to Richardson and told her the terms of the Modification as I understood. Then we realized taxes/insurance were not paid by Red Rock and now need to pay 2-3 weeks later and get back to her with new figures? Is that the case?

I need to understand this because it is my impression that Richardson thinks she has a new deal.....please clarify.

*****Please note my phone number has changed to 904-462-2150

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150

For Internal Use Only

From: Rogers, Savannah L.

Sent: Thursday, July 03, 2008 8:56 AM
To: Thorn, Ann
Cc: Mathis, Julie A.; Beal, Pamela S.; Thomas, Michelle M.
Subject: RE: [redacted] Richardson

Ann.

Once the taxes are disbursed and the escrow is set up I will work up the Modification terms. We will contact the mortgagor to verify the terms and have the documents sent.

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Thorn, Ann
Sent: Thursday, July 03, 2008 8:47 AM
To: Rogers, Savannah L.; Thomas, Michelle M.
Cc: Mathis, Julie A.; Beal, Pamela S.
Subject: RE: [redacted] Richardson

What is going on with the Mod?

*****Please note my phone number has changed to 904-462-2150

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150

For Internal Use Only

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 8:36 AM
To: Thomas, Michelle M.
Cc: Thorn, Ann; Mathis, Julie A.; Beal, Pamela S.
Subject: FW: [redacted] Richardson

Hi Michelle,

Please see below, the foeclosure stop 7 has been removed. Please disburse the tax payment so we can proceed with the Mod.

Thanks

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Thorn, Ann
Sent: Wednesday, July 02, 2008 3:39 PM
To: Mathis, Julie A.; Beal, Pamela S.; Rogers, Savannah L.
Subject: FW: [redacted] Richardson

*****Please note my phone number has changed to 904-462-2150

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150

For Internal Use Only

From: Boulton, Elizabeth A.
Sent: Wednesday, July 02, 2008 3:37 PM
To: Thorn, Ann
Subject: RE: [redacted] Richardson

Done.

Thank you,

Beth

From: Thorn, Ann
Sent: Wednesday, July 02, 2008 1:01 PM
To: Boulton, Elizabeth A.
Subject: FW: [redacted] Richardson
Importance: High

Can you change back to presale stop code

*****Please note my phone number has changed to 904-462-2150

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150

For Internal Use Only

From: Mathis, Julie A.
Sent: Wednesday, July 02, 2008 12:01 PM
To: Thorn, Ann
Cc: Rogers, Savannah L.; Beal, Pamela S.
Subject: FW: [redacted] Richardson
Importance: High

Ann, do you know how we can have the FC stop 7 removed?

From: Rogers, Savannah L.
Sent: Wednesday, July 02, 2008 10:57 AM
To: Mathis, Julie A.
Cc: Beal, Pamela S.
Subject: RE: [redacted] Richardson

I sent an email to Chrissy 6/26/08 but didn't hear anything back. Do you know how/when the fc stop 7 will be removed? That is preventing us from getting the taxes disbursed and escrow set up.

<< Message: RE: [redacted] Richardson >>
Thank you,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Mathis, Julie A.
Sent: Tuesday, July 01, 2008 9:20 PM
To: Rogers, Savannah L.
Cc: Beal, Pamela S.
Subject: FW: [REDACTED] Richardson

Are we ok with this one?

Thanks!

Julie

From: Thomas, Michelle M.
Sent: Thursday, June 26, 2008 11:03 AM
To: Rogers, Savannah L.; Lopez, Christina; Haywood, Oriska S.; Mathis, Julie A.
Cc: Springs, Sonya E.; Pound, Robert A.
Subject: RE: [REDACTED] Richardson

Please see tax notes on the above reference loan number indicating I will not be able to disburse tax payment until the foreclosure stop 7 has been removed. I will monitor the account for the removal of the foreclosure stop.

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net

<< OLE Object: Picture (Metafile) >>

From: Thomas, Michelle M.
Sent: Thursday, June 26, 2008 9:57 AM
To: Rogers, Savannah L.; Lopez, Christina; Haywood, Oriska S.; 'Jullie.Mathis@wamu.net'
Cc: Springs, Sonya E.; Pound, Robert A.
Subject: RE: [REDACTED] Richardson

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net

<< OLE Object: Picture (Metafile) >>

From: Springs, Sonya E.
Sent: Wednesday, June 25, 2008 2:27 PM
To: Thomas, Michelle M.
Subject: FW: [REDACTED] Richardson

Michelle,

I am copying you on this email so you can respond to the original parties on the email.

Thanks,

Sonya Springs

<< OLE Object: Picture (Metafile) >>

Tax Mitigation Specialist, Senior

Phone (843)673-3706
Fax (843) 673-4728
Mailstop FSC0211

Sonya.Springs@Wamu.net

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Please refer to tax notes dated 06-26-08. I will not be able to disburse tax payment for the delinquent taxes until the foreclosure stop =7 is removed. I will monitor account for the removal of the stop.

From: Pound, Robert A.
Sent: Wednesday, June 25, 2008 2:23 PM
To: Springs, Sonya E.; Morris, Linda
Cc: Kirby, Louise L.
Subject: RE: [REDACTED] Richardson

I have reassigned this to Michelle Thomas. But until the FCL Stop 7 is removed she will not be able to pay taxes.

Robert Pound

From: Springs, Sonya E.
Sent: Wednesday, June 25, 2008 2:08 PM
To: Morris, Linda
Cc: Pound, Robert A.; Kirby, Louise L.
Subject: RE: [REDACTED] Richardson
Importance: High

Louise,
There is already a NON123 task open and its assigned to Linda Morris.

Linda,
Can you go ahead and research this loan? Then e-mail a response to the all parties the e-mail below.

Thanks,

Sonya Springs

<< OLE Object: Picture (Metafile) >>

Tax Mitigation Specialist, Senior

Phone (843)673-3706
Fax (843) 673-4728
Mailstop FSC0211

Sonya.Springs@Wamu.net

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From: Kirby, Louise L.
Sent: Wednesday, June 25, 2008 12:02 PM

To: Lopez, Christina; Rogers, Savannah L.
Cc: Springs, Sonya E.
Subject: RE: [redacted] Richardson

Sonya,
Please assign this account to someone on the non/esc team to follow up and respond to Savannah and Christina.

Thanks.

LOUISE KIRBY
LS Section Manager II
Tax Mitigation
(843) 673-4737 (phone)
(843) 673-4728 (fax)

From: Lopez, Christina
Sent: Wednesday, June 25, 2008 9:16 AM
To: Rogers, Savannah L.
Cc: Kirby, Louise L.
Subject: RE: [redacted] Richardson

Louise,

Loss Mit only blocks taxes on short sales. This is not a short sale and it doesn't appear that we placed the disbursement stop. Per SAF1, processor EDC placed the block on there on 5/14/08. It appears her name is Veronica McNeil-Ellis. Can you check with her to determine if the block can be removed?

Thanks

From: Rogers, Savannah L.
Sent: Wednesday, June 25, 2008 8:56 AM
To: Lopez, Christina
Cc: Kirby, Louise L.
Subject: RE: [redacted] Richardson

Chrissy,
This fc sale was rescinded...what should I do to get this moving? Do you know if the fc dept should remove their stops?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Kirby, Louise L.
Sent: Wednesday, June 25, 2008 8:50 AM
To: Rogers, Savannah L.
Subject: RE: [redacted] Richardson

Savannah,
Per instructions we have received by Christina Lopez dated 12/3/07, we cannot disburse tax if the man code is "w" with disbursement stop 1.

So with the codes that are on the account now, we are not able to pay any tax payments.

Also there is a foreclosure code 7--conveyed, which also prevents us from paying.

LOUISE KIRBY
LS Section Manager II
Tax Mitigation
(843) 673-4737 (phone)
(843) 673-4728 (fax)

From: Rogers, Savannah L.
Sent: Wednesday, June 25, 2008 8:35 AM
To: Kirby, Louise L.
Subject: FW: [Richardson]
Importance: High

Louise,
Management is requesting we get this Mod out asap. I just want to make sure I asked the right person (Wonza) to help me set up the escrow - property taxes are delinquent. There is a note on the loan from 5/20/08 saying the taxes were not going to be paid because of the mancode. Now that the mancode is W - can this be taken care of? Do you have a timeframe for completion so I can let management know?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Rogers, Savannah L.
Sent: Tuesday, June 24, 2008 9:39 AM
To: Johnson, Wonza L.
Cc: Haywood, Oriska S.; Mathis, Julie A.
Subject: [Richardson]
Importance: High

Hi Wonza,
There were two checks returned 4/21/08 for delinquent property taxes \$8109.81 + \$405.49. This loan went to fc sale which has been rescinded and we will be modifying this loan. Who can send the task to set up the escrow for these taxes and possibly research if those taxes are still delinquent since the checks came back from Sacramento County?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Thorn, Ann
Sent: Thursday, July 03, 2008 10:18:40 AM
To: Rogers, Savannah L.; Battaglia, Paul J.
CC: Beal, Pamela S.; Mathis, Julie A.
Subject: RE: [redacted] Richardson

REDACTED

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150*

For Internal Use Only

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 9:50 AM
To: Thorn, Ann
Cc: Beal, Pamela S.; Mathis, Julie A.
Subject: RE: [redacted] Richardson

Yes, you are correct.

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Thorn, Ann
Sent: Thursday, July 03, 2008 9:03 AM
To: Rogers, Savannah L.; Mathis, Julie A.
Cc: Beal, Pamela S.
Subject: RE: [redacted] Richardson
Importance: High [redacted]

Ok, I need to understand something. We already talked to Richardson and told her the terms of the Modification as I understood. Then we realized taxes/insurance were not paid by Red Rock and now need to pay 2-3 weeks later and get back to her with new figures? Is that the case?

I need to understand this because it is my impression that Richardson thinks she has a new deal.....please clarify.

*****Please note my phone number has changed to 904-462-2150

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150*

For Internal Use Only

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 8:56 AM
To: Thorn, Ann

Cc: Mathis, Julie A.; Beal, Pamela S.; Thomas, Michelle M.
Subject: RE: [redacted] Richardson

Ann.
Once the taxes are disbursed and the escrow is set up I will work up the Modification terms. We will contact the mortgagor to verify the terms and have the documents sent.

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Thorn, Ann
Sent: Thursday, July 03, 2008 8:47 AM
To: Rogers, Savannah L.; Thomas, Michelle M.
Cc: Mathis, Julie A.; Beal, Pamela S.
Subject: RE: [redacted] Richardson

What is going on with the Mod?

*****Please note my phone number has changed to 904-462-2150

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150

For Internal Use Only

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 8:36 AM
To: Thomas, Michelle M.
Cc: Thorn, Ann; Mathis, Julie A.; Beal, Pamela S.
Subject: FW: [redacted] Richardson

Hi Michelle,
Please see below, the foeclosure stop 7 has been removed. Please disburse the tax payment so we can proceed with the Mod.

Thanks

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Thorn, Ann
Sent: Wednesday, July 02, 2008 3:39 PM
To: Mathis, Julie A.; Beal, Pamela S.; Rogers, Savannah L.
Subject: FW: [redacted] Richardson

*****Please note my phone number has changed to 904-462-2150

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150

For Internal Use Only

From: Boulton, Elizabeth A.
Sent: Wednesday, July 02, 2008 3:37 PM
To: Thorn, Ann
Subject: RE: [] Richardson

Done.

Thank you,

Beth

From: Thorn, Ann
Sent: Wednesday, July 02, 2008 1:01 PM
To: Boulton, Elizabeth A.
Subject: FW: [] Richardson
Importance: High

Can you change back to presale stop code

*****Please note my phone number has changed to 904-462-2150

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150

For Internal Use Only

From: Mathis, Julie A.
Sent: Wednesday, July 02, 2008 12:01 PM
To: Thorn, Ann
Cc: Rogers, Savannah L.; Beal, Pamela S.
Subject: FW: [] Richardson
Importance: High

Ann, do you know how we can have the FC stop 7 removed?

From: Rogers, Savannah L.
Sent: Wednesday, July 02, 2008 10:57 AM
To: Mathis, Julie A.
Cc: Beal, Pamela S.
Subject: RE: [] Richardson

I sent an email to Chrissy 6/26/08 but didn't hear anything back. Do you know how/when the fc stop 7 will be removed? That is preventing us from getting the taxes disbursed and escrow set up.

<< Message: RE: [] Richardson >>
Thank you,
Savannah Rogers
Homeownership Preservation

Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

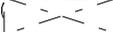
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From: Mathis, Julie A.
Sent: Tuesday, July 01, 2008 9:20 PM
To: Rogers, Savannah L.
Cc: Beal, Pamela S.
Subject: FW:  Richardson

Are we ok with this one?

Thanks!

Julie

From: Thomas, Michelle M.
Sent: Thursday, June 26, 2008 11:03 AM
To: Rogers, Savannah L.; Lopez, Christina; Haywood, Oriska S.; Mathis, Julie A.
Cc: Springs, Sonya E.; Pound, Robert A.
Subject: RE:  Richardson

Please see tax notes on the above reference loan number indicating I will not be able to disburse tax payment until the foreclosure stop 7 has been removed. I will monitor the account for the removal of the foreclosure stop.

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net

<< OLE Object: Picture (Metafile) >>

From: Thomas, Michelle M.
Sent: Thursday, June 26, 2008 9:57 AM
To: Rogers, Savannah L.; Lopez, Christina; Haywood, Oriska S.; 'Jullie.Mathis@wamu.net'
Cc: Springs, Sonya E.; Pound, Robert A.
Subject: RE:  Richardson

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net

<< OLE Object: Picture (Metafile) >>

From: Springs, Sonya E.
Sent: Wednesday, June 25, 2008 2:27 PM
To: Thomas, Michelle M.
Subject: FW:  Richardson

Michelle,

I am copying you on this email so you can respond to the original parties on the email.

Thanks,

Sonya Springs

<< OLE Object: Picture (Metafile) >>

Tax Mitigation Specialist, Senior

Phone (843)673-3706

Fax (843) 673-4728

Mailstop FSC0211

Sonya.Springs@Wamu.net

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Please refer to tax notes dated 06-26-08. I will not be able to disburse tax payment for the delinquent taxes until the foreclosure stop =7 is removed. I will monitor account for the removal of the stop.

From: Pound, Robert A.
Sent: Wednesday, June 25, 2008 2:23 PM
To: Springs, Sonya E.; Morris, Linda
Cc: Kirby, Louise L.
Subject: RE: [redacted] Richardson

I have reassigned this to Michelle Thomas. But until the FCL Stop 7 is removed she will not be able to pay taxes.

Robert Pound

From: Springs, Sonya E.
Sent: Wednesday, June 25, 2008 2:08 PM
To: Morris, Linda
Cc: Pound, Robert A.; Kirby, Louise L.
Subject: RE: [redacted] Richardson
Importance: High

Louise,
There is already a NON123 task open and its assigned to Linda Morris.

Linda,
Can you go ahead and research this loan? Then e-mail a response to the all parties the e-mail below.

Thanks,

Sonya Springs

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Tax Mitigation Specialist, Senior

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From: Kirby, Louise L.
Sent: Wednesday, June 25, 2008 12:02 PM
To: Lopez, Christina; Rogers, Savannah L.
Cc: Springs, Sonya E.

Subject: RE: [redacted] Richardson

Sonya,
Please assign this account to someone on the non/esc team to follow up and respond to Savannah and Christina.

Thanks.

LOUISE KIRBY
LS Section Manager II
Tax Mitigation
(843) 673-4737 (phone)
(843) 673-4728 (fax)

From: Lopez, Christina
Sent: Wednesday, June 25, 2008 9:16 AM
To: Rogers, Savannah L.
Cc: Kirby, Louise L.
Subject: RE: [redacted] Richardson

Louise,

Loss Mit only blocks taxes on short sales. This is not a short sale and it doesn't appear that we placed the disbursement stop. Per SAF1, processor EDC placed the block on there on 5/14/08. It appears her name is Veronica McNeil-Ellis. Can you check with her to determine if the block can be removed?

Thanks

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Sent: Wednesday, June 25, 2008 8:56 AM
To: Lopez, Christina
Cc: Kirby, Louise L.
Subject: RE: [redacted] Richardson

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Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
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Sent: Wednesday, June 25, 2008 8:50 AM
To: Rogers, Savannah L.
Subject: RE: [redacted] Richardson

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So with the codes that are on the account now, we are not able to pay any tax payments.

Also there is a foreclosure code 7--conveyed, which also prevents us from paying.

LOUISE KIRBY
LS Section Manager II
Tax Mitigation
(843) 673-4737 (phone)
(843) 673-4728 (fax)

From: Rogers, Savannah L.
Sent: Wednesday, June 25, 2008 8:35 AM
To: Kirby, Louise L.
Subject: FW: Richardson
Importance: High

Louise,
Management is requesting we get this Mod out asap. I just want to make sure I asked the right person (Wonza) to help me set up the escrow - property taxes are delinquent. There is a note on the loan from 5/20/08 saying the taxes were not going to be paid because of the mancode. Now that the mancode is W - can this be taken care of? Do you have a timeframe for completion so I can let management know?

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Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Rogers, Savannah L.
Sent: Tuesday, June 24, 2008 9:39 AM
To: Johnson, Wonza L.
Cc: Haywood, Oriska S.; Mathis, Julie A.
Subject: Richardson
Importance: High

Hi Wonza,
There were two checks returned 4/21/08 for delinquent property taxes \$8109.81 + \$405.49. This loan went to fc sale which has been rescinded and we will be modifying this loan. Who can send the task to set up the escrow for these taxes and possibly research if those taxes are still delinquent since the checks came back from Sacramento County?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Battaglia, Paul J. <paul.battaglia@wamu.net>
Sent: Wednesday, July 2, 2008 10:01 PM
To: Thorn, Ann <ann.thorn@wamu.net>
Subject: FW: Richardson foreclosure -- Red Rock settlement
Attach: DOCSSEA\[-\-\-\-\-\] Modifications suggested by Sheridan.doc

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Battaglia, Paul J.
Sent: Wednesday, July 02, 2008 7:00 PM
To: Chiu, Huey-Jen
Cc: Thorn, Ann; 'Martin T. McGuinn'
Subject: FW: Richardson foreclosure -- Red Rock settlement

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Battaglia, Paul J.
Sent: Wednesday, July 02, 2008 6:58 PM
To: Thorn, Ann; Brignac, Deborah P.
Cc: 'Martin T. McGuinn'
Subject: Richardson foreclosure -- Red Rock settlement

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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From: Martin T. McGuinn [mailto:mcguinnm@jpmc.com]
Sent: Wednesday, July 02, 2008 6:21 PM
To: Battaglia, Paul J.
Cc: Stevens, Lawrence W.
Subject: DOCSSEA [mailto:stevenslw@jpmc.com] Modifications suggested by Sheridan

REDACTED

REDACTED

Martin T. McGuinn
Kirby & McGuinn, A P.C.
600 B Street, Ste. 1950
San Diego, CA 92101

mmcguinn [redacted]
Direct Dial: (619) 525-[redacted]
Direct Fax: (619) 525-[redacted]

In Compliance with the Fair Debt Collection Practices Act, 15 U.S.C. § 1692e(11):
THIS MESSAGE IS FROM A DEBT COLLECTOR.
ANY INFORMATION OBTAINED MAY BE USED FOR THAT PURPOSE.

This electronic message contains privileged or confidential information which is solely intended for the use of the addressee(s) listed as recipient(s). If you are not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any disclosure, dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this transmission in error, please immediately notify us by telephone at (619) 525-1659 or (619) 685-4000, and return the original message to Kirby & McGuinn, A P.C., 600 B Street, Ste. 1950, San Diego, CA 92101.

SETTLEMENT AND RELEASE AGREEMENT

This Settlement and Release Agreement ("Agreement") is entered into as of June 18, 2008, by and between Washington Mutual Bank, , a federally chartered savings association ("WaMu"), California Reconveyance Company ("CRC"), James York ("York") and Red Rock Mortgage Inc. ("Red Rock"). York and Red Rock shall hereafter be collectively referred to as Red Rock. For purposes of this Agreement, the term "WaMu" shall also refer to all predecessors, successors, assigns and investors of WaMu, including, without limitation, any person or entity taking assignment of the Note and Deed of Trust originated by WaMu as described below, except as specifically identified herein. WaMu, CRC, York and Red Rock are at times referred to in this Agreement individually as a "Party" and, collectively, as the "Parties."

RECITALS

A. On or about January 4, 2007, WaMu made a loan to Laura Richardson, ("Richardson") evidenced by a promissory note in the sum of \$535,001.00 (the "Note").

B. On or about January 4, 2007,, Richardson executed and delivered to WaMu a Deed of Trust (the "WaMu Deed of Trust") securing the real property located at 3622 West Curtis Drive, Sacramento, California 95818 ("the Property"). On or about January 10, 2007, the WaMu Deed of Trust was recorded in the County Recorder's Office for Sacramento County, California at Book 20070110, Page 1818.

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Deleted: Trust Deed

C. Richardson became delinquent on the Note and on December 14, 2007, WaMu caused CRC to record a Notice of Default against the Property at Book 20071214, Page 358. Thereafter, CRC recorded a Notice of Sale on March 19, 2008 setting the original sale date for the Property on April 7, 2008 at Book 2008-0319, Page 352. CRC conducted a foreclosure sale on May 7, 2008, and Red Rock was the highest bidder at the sale. On or about May 19, 2008, Red Rock recorded a Trustees Deed Upon Sale, which was recorded, at Book 20080519, Page 0487 in the Official Records of the Sacramento County Recorder.

D. Prior to the foreclosure sale through which Red Rock claims title to the Property, WaMu claims it had agreed in writing to provide Richardson with a postponement of the foreclosure sale to June 4, 2008. Red Rock acknowledges that it received a copy of said letter after the foreclosure sale. WaMu and CRC contend that as a result of their purported agreement to postpone the foreclosure sale to June 4, 2008, CRC did not have the requisite legal authority to proceed with the foreclosure sale on May 7, 2008, and that the sale to Red Rock was invalid and could be rescinded. On June 2, 2008, CRC recorded a Notice of Rescission of Trustee's Deed Upon Sale at Book 20080602, Page 0885 in the Official Records of the Sacramento County Recorder.

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E. Red Rock disagrees that CRC had the right to rescind the foreclosure sale conducted on May 7, 2008. Red Rock claims the foreclosure sale was final and that it was a bona fide purchaser for value and that it was not aware of the postponement issue

until after May 7, 2008. On June 12, 2008, Red Rock filed a lawsuit in Sacramento County Superior Court under cause number 34-2008.00013081-CU-OR-GDS (the "Action") seeking, among other things, to quiet title to the Property in Red Rock's name.

F. The parties wish to resolve their differences and avoid further litigation over the nature and extent of WaMu's and CRC's rights to rescind the foreclosure sale conducted on May 7, 2008, to confirm title to the Property in favor of Richardson subject to the lien of WaMu, and to reimburse Red Rock for its out of pocket expenses related to the Property and incurred in the Action and any related claims for loss arising over the quieting of title to the Property and any claims Red Rock may have against WaMu, CRC, or their agents or employees related to the rescission of the Trustee's Deed Upon Sale to Red Rock, and any dispute over title to the Property prior, during and after the foreclosure sale conducted on May 7, 2008.

G. The Parties desire to rescind the effect of the foreclosure sale through this Agreement whereby WaMu will pay a settlement to Red Rock and Red Rock will execute and deliver to WaMu a quitclaim deed from Red Rock to Richardson. Red Rock further agrees that by executing this Agreement, it is disclaiming any interest in the Property.

H. The Parties desire to clarify and confirm how the title to the Property will be held, resolve their differences, and confirm their understanding of how the foreclosure sale will be rescinded. The parties are entering into this Agreement in order to avoid the costs and uncertainty of litigation and settle all alleged claims Red Rock has against WaMu or CRC, known and unknown arising from the May 7, 2008 foreclosure sale and the rescission of the foreclosure sale and restoration of the viability of the Note and WaMu's Deed of Trust against the Property.

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AGREEMENT

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The Parties, on behalf of themselves and on behalf of their respective principals, officers, directors, investors, parents, affiliates, employees, trustees, attorneys, agents, predecessors and successors, and on behalf of all other nonparties, in consideration of the promises set forth below, agree as follows:

1. OBLIGATIONS OF WaMu AND CRC.

1.1. WaMu agrees to pay the sum of \$100,000.00 in certified funds to Red Rock upon the execution of the Agreement by all Parties. The sum of \$100,000.00 includes sums to reimburse Red Rock for any out of pocket expenses it has incurred related to the Property, any interest on the funds paid by Red Rock at the foreclosure sale on May 7, 2008, Red Rock's anticipated profits on the resale of the Property and any legal fees incurred by Red Rock prior to and after the Action was filed.

Deleted: upon

1.2. WaMu, contemporaneously with the payment of the sum of \$100,000.00, shall also return the sum of \$388,000.01 paid by Red Rock at the foreclosure sale conducted on May 7, 2008.

1.3. WaMu and CRC agree to execute this Agreement and be bound by the terms of the Agreement.

2. Obligations of Red Rock and York under this Agreement.

2.1. Red Rock agrees to be bound by the terms of this Agreement and execute the Agreement.

2.2. Red Rock agrees to accept the sum of \$100,000.00, plus the return of the \$388,000.01 paid at the foreclosure sale on May 7, 2008.

2.3. Upon execution of the Agreement Red Rock also agrees to contemporaneously execute a quitclaim deed in recordable form for the Property to Richardson in the form attached hereto and incorporated herein by reference as Exhibit A.

2.4. Red Rock warrants and represents that it has not encumbered or transferred the Property to any third party after May 7, 2008 to, and including, the date of the execution of this Agreement.

2.5. Red Rock shall immediately file a dismissal of the Action with prejudice.

2.6. Red Rocks will deliver with its signatures to this Agreement all sets of the keys to the Property in its possession or control.

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3. Release of All Claims.

3.1. Upon execution of this Agreement by the Parties, and performance of all acts required to be done by each of them under this Agreement, the Parties release, each other, and all who acted in concert or participation with them, their officers, directors, employees, agents, attorneys, investors, predecessors, successors, assigns, parents, affiliates, and all others (the "Related Parties") from and against all claims, causes of action, liabilities, demands, obligations, damages, costs, expenses, and attorneys' fees, of whatever kind or nature, whether known or unknown, whether accrued or not yet accrued, based on, arising out of, or relating to the foreclosure sale of May 7, 2008, the delivery of the Trustee's Deed from CRC to the Red Rock on or about May 19, 2008, all claims alleged in the Action, and any claims of loss or reimbursement of expenses or legal fees, including interest on said sums, arising out of or relating to the foreclosure sale of May 7, 2008, and the rescission of the Trustees Deed Upon Sale by CRC.

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Deleted: WaMu, CRC

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3.2. In consideration of this Agreement, the Parties further waive, and will not assert against the Related Parties, any claim, counterclaim, defense, offset, action, or cause of action under common law or any federal or state statute, rule, or regulation, that Red Rock may have prior to the date of this Agreement, based on, arising out of, or relating to the foreclosure sale of May 7, 2008, and the delivery of the Trustee's Deed from CRC to Red Rock on or about May 19, 2008, including, but not limited to, all claims alleged in the Action and any claims of loss or reimbursement of expenses or legal fees, including

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interest on said sums, arising out of or relating to the purchase of the Property by Red Rock at the May 7, 2008 foreclosure sale and the rescission of the Trustees Deed Upon Sale by CRC.

4. Waiver of California Civil Code Section 1542.

4.1. It is the intention of the Parties to this Agreement that this Agreement shall be effective as a full and complete release of each and every claim that the Parties may have against each other and the Released Parties based on, arising out of, or relating to the foreclosure sale of May 7, 2008, the delivery of the Deed from CRC to the Red Rock on or about May 19, 2008, including, but not limited to, all claims alleged in the Action and any claims of loss or reimbursement of expenses or legal fees, including interest on said sums, arising out of or relating to the purchase of the Property by Red Rock and the rescission of the Trustees Deed Upon Sale by CRC, with the exception of obligations created under this Agreement.

Deleted: Red Rock

Deleted: WaMu, CRC

4.2. The Parties acknowledge, each of them have been advised, and is familiar with, Section 1542 of the California Civil Code, which provides as follows:

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A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

York Red Rock WMB CRC

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Deleted: Parties' Initials)¶

4.3. The Parties waive, and release, any right, claim, or benefit which each of them now has or may have under Civil Code Section 1542 to the full extent that each of them may lawfully waive all such rights and benefits in connection with the claims released in the Agreement.

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5. Time of the Essence. The Parties agree time is of the essence in the Agreement.

6. Assumption of Risk. Each Party expressly elects to assume all risks arising prior to this Agreement based on, arising out of, or relating to the foreclosure sale of May 7, 2008 and the delivery of the Deed from CRC to the Red Rock on or about May 19, 2008, including, but not limited to, all claims alleged in the Action and any claims of loss or reimbursement of expenses or legal fees, including interest on said sums, arising out of or relating to the purchase of the Property by Red Rock at the foreclosure sale of May 7, 2008 and the rescission of the Trustees Deed Upon Sale by CRC.

6.1. Each Party fully understands that the facts upon which this Agreement is executed may be found hereafter to be other than or different from the facts now

believed by them and their attorneys (if any) to be true, and expressly accept to assume the risks of such possible differences and facts and agree that the Agreement shall remain effective notwithstanding any such difference in facts.

7. Governing Law. This Agreement is made and entered into in the State of California and shall be enforced and governed by the laws of the State of California.

8. No Admission of Liability. This Agreement is entered into solely as a settlement and compromise of disputed claims; this Agreement shall not be deemed to constitute an admission of guilt or liability by any Party.

9. Drafting Ambiguities. The terms of this Agreement are contractual in nature and are not merely recitals. This Agreement shall not be construed in favor of or against any Party to this Agreement, but shall be construed as if all Parties prepared the Agreement. If any term, provision, covenant, or condition to this Agreement is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired, or invalidated, unless such invalid, void or unenforceable provision is determined to be material to this Agreement.

10. Entire Agreement. This Agreement, and all prior or contemporaneous agreements, understandings, representations and statements, whether oral or written, and whether by a Party or a Party's legal counsel, are merged herein. No modification, waiver, amendment, discharge, or change of this Agreement shall be valid unless the same is in writing and signed by all Parties hereto. This Agreement constitutes the entire Agreement between the Parties as to the subject matter contained in this Agreement.

11. Warranty of No Sale or Assignment. All Parties to this Agreement represent, agree, and warrant to each other that each has not sold, assigned, or otherwise transferred in any manner to any person or entity, any rights, duties, obligations, claims, causes of action or other interests which are the subject matter of this Agreement, either in whole or in part, and each agrees to indemnify and hold harmless each other from and against all claims of every nature whatsoever which are based on or arise out of or in any way relate to any such sale, assignment, or transfer.

12. Execution of Other Documents. The Parties agree to execute and deliver any and all further documents and shall do all acts which may be necessary and appropriate to fully implement the provisions of this Agreement within the time required by this Agreement.

13. Enforcement of the Agreement. In the event that any Party brings any action or proceeding against the other for the recovery of any sum due pursuant to this Agreement, or due to any provision of this Agreement, or for any other relief, declaratory or otherwise, including appeal, the prevailing Party in each such action or proceeding shall recover its reasonable attorneys' fees and all costs from other Party to the action or proceeding, and that the right to reasonable attorneys' fees and costs shall be enforceable whether or not the actual proceeding is prosecuted to final judgment.

14. Authority to Execute Agreement. Each individual signing this Agreement warrants and represents that the individual has full authority to execute the Agreement on behalf of the Party on whose behalf the individual signs.

15. Counterparts. This Agreement may be executed in counterparts, and the counterparts shall constitute one and the same document.

16. Costs and Attorneys' Fees. The Parties agree that they shall be responsible for their own respective costs and attorneys' fees in connection with the drafting and negotiation of this Agreement, except as the parties may otherwise agree in a separate writing.

17. Venue. Should any dispute arise between the Parties as to the meaning and interpretation of this Agreement or should any of the parties be required to take legal action to enforce the terms of this Agreement, venue for any dispute shall be in Sacramento County, California.

18. Attorney Review. The Parties hereby represent and warrant and in executing this Agreement, that they have relied upon legal advice from an attorney of their choice; that the terms of this Agreement have been read and its consequences have been completely explained to them by that attorney; and that they fully understand the terms of this Agreement. The Parties further represent and warrant that in executing this Agreement, they have not relied on any inducements, promises or representations made by the other party or any person serving another party.

19. Survivability of Agreement. Any and all executory provisions under the Agreement and the documents referred to herein shall survive consummation of the Agreement and shall continue in full force and effect until fully performed and satisfied.

20. Notices. All notices under the Agreement shall be in writing and shall be deemed effective on the date of delivery (if delivered personally and a receipt obtained therefore), or on the third calendar day after mailing if mailed by first-class mail, registered or certified, postage prepaid, and shall be addressed as follows or as may be amended by written communication pursuant to this paragraph:

Washington Mutual Bank
California Reconveyance Company
c/o Martin McGuinn
Kirby & McGuinn A P.C.
600 B Street, Suite 1950
San Diego, CA 92101
Telephone: (619) 525-1659
Facsimile: (619) 525-1669

Washington Mutual Bank
California Reconveyance Company
Attn.: Paul Battaglia
1301 Second Avenue, WaMuT 3501
Seattle, WA 98101
Telephone: (206) 500-4261
Facsimile: (206) 377-2784

Red Rock Mortgage Inc.

James York
c/o Thomas B. Sheridan,
Wagner Kirkman Blaine
Klomprens & Youmans LLC
10640 Mather Blvd., Suite 200I
Mather, CA 956554
Telephone: (916) 920-5286
Facsimile: (916) 920-8608

Deleted: Esq.

21. Other Agreements with WaMu or CRC. Nothing contained herein shall effect, amend or modify any provision of any checking account, savings account, loan agreement, deed of trust, mortgage or any other contract or agreement between Red Rock or York and WaMu or CRC except as expressly set forth herein.

22. Taxes. WaMu makes no representation or warranty as to effect of this Agreement upon Red Rock's liabilities pursuant to federal, state or local tax laws, including, but not limited to, real property taxes or regulations. Red Rock acknowledges that any and all tax consequences of this Agreement are their sole responsibility.

23. Confidentiality. This Agreement and its terms as recited herein are and shall be treated as strictly confidential so that no Party, nor his, her, or its counsel may disclose the fact or the terms of, or the negotiation or circumstances surrounding the negotiation of, this Agreement to anyone, except with respect to any disclosure necessary to record any document with the Sacramento County Recorder; to an insurer for purposes of obtaining insurance; or to a tax preparer/accountant for tax or financial reporting purposes (however, upon disclosure for such tax or financial reporting purposes, the person making the disclosure shall advise the person to whom disclosure is made of this confidentiality provision). A Party may disclose the fact and terms of this Agreement in order to satisfy disclosure or reporting requirements imposed by law or to enforce the terms of this Agreement. In response to any inquiry by a non-party to this Agreement concerning the Agreement, the terms of this Agreement, the negotiation or circumstances surrounding the negotiation of this Agreement, whether such inquiry is formal, at a deposition, in any proceeding, or otherwise, a Party or counsel may respond only that the Action was resolved to the satisfaction of all Parties. Furthermore, the Parties and their respective counsel agree that they will not discuss with or disclose to any non-party to this Agreement the facts, circumstances and documents relating, giving rise to or alleged in the Action, except as may be required to be provided in connection with testimony under oath by judicial process, or as required by law. Breach or the threatened breach of this confidentiality clause shall entitle the non-breaching party to seek any remedy available under the law, including injunctive relief and/or damages. Any other provision of this paragraph notwithstanding, Red Rock is authorized to: (i) file a dismissal with prejudice in the Sacramento Superior Court, such as it is a part of the record in the Action and available for public inspection; and (ii) disclose the amounts received and all other terms of this settlement in connection with reporting and accounting requirements under the Internal Revenue Code.

I CERTIFY THAT I HAVE READ AND FULLY UNDERSTAND THE ENTIRE AGREEMENT

WASHINGTON MUTUAL BANK

By: _____
Its: _____

CALIFORNIA RECONVEYANCE COMPANY

By: _____
Deborah Brignac
Its: _____ Vice President

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Deleted: Manager: ¶

RED ROCK MORTGAGE INC.

By: _____
James York, President

James York

From: Battaglia, Paul J. <paul.battaglia@wamu.net>
Sent: Wednesday, July 2, 2008 9:58 PM
To: Thorn, Ann <ann.thorn@wamu.net>; Brignac, Deborah P. <deborah.brignac@wamu.net>
Cc: Martin T. McGuinn <[REDACTED]>
Subject: Richardson foreclosure -- Red Rock settlement
Attach: DOCSSEA[REDACTED]-Modifications suggested by Sheridan.doc

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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From: Martin T. McGuinn <[REDACTED]>
Sent: Wednesday, July 02, 2008 6:21 PM
To: Battaglia, Paul J.
Cc: Stevens, Lawrence W. <[REDACTED]>
Subject: DOCSSEA[REDACTED]-Modifications suggested by Sheridan

REDACTED

REDACTED

Martin T. McGuinn
Kirby & McGuinn, A P.C.
600 B Street, Ste. 1950
San Diego, CA 92101

mmcguinn
Direct Dial: (619) 525-
Direct Fax: (619) 525-

In Compliance with the Fair Debt Collection Practices Act, 15 U.S.C. § 1692e(11):

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From: Brignac, Deborah P.
Sent: Wednesday, July 02, 2008 9:58:24 PM
To: Battaglia, Paul J.
Subject: Out of Office AutoReply: Richardson foreclosure – Red Rock settlement

I will be out of the office Friday, 7/3. If you require immediate assistance please contact Huey-Jen Chiu at (818) 775- or huey-jen.chiu@wamu.net. Thank you.

NOTE: Please direct all DIL, Senior Lien Monitoring and TDUS inquiries to crcreferrals@wamu.net. Thank you.

From: Martin T. McGuinn [mailto:m.mcguinn@kirbyandmcguinn.com]
Sent: Wednesday, July 2, 2008 9:21 PM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>
Cc: Stevens, Lawrence W. <lawrence.stevens@wamu.net>
Subject: DOCSSEA v2-Modifications suggested by Sheridan
Attach: DOCSSEA v2-Modifications suggested by Sheridan.doc

REDACTED

Martin T. McGuinn
Kirby & McGuinn, A P.C.
600 B Street, Ste. 1950
San Diego, CA 92101
mmcguinn [mailto:m.mcguinn@kirbyandmcguinn.com]
Direct Dial: (619) 525-1659 [tel:(619)525-1659]
Direct Fax: (619) 525-4000 [tel:(619)525-4000]

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From: Martin T. McGuinn <[redacted]>
Sent: Thursday, June 26, 2008 5:37 PM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>
Cc: Cook, Don <donald.cook@wamu.net>
Subject: FW: Scanned Documents
Attach: SCAN_20080624_22305220.pdf

Paul:

REDACTED

Martin T. McGuinn
Kirby & McGuinn, A P.C.
600 B Street, Ste. 1950
San Diego, CA 92101
mmcguinn <[redacted]>
Direct Dial: (619) 525-[redacted]
Direct Fax: (619) 525-[redacted]

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-----Original Message-----
From: Tom Sheridan <[redacted]>
Sent: Thursday, June 26, 2008 2:31 PM
To: Martin T. McGuinn
Subject: FW: Scanned Documents

-----Original Message-----
From: Tom Sheridan
Sent: Tuesday, June 24, 2008 2:55 PM
To: 'Martin T. McGuinn'
Cc: Robin Klomparens
Subject: FW: Scanned Documents

Marty,

Here is the itemized cost breakdown detailing my client's costs in relation to the Curtis Drive property. Please let me know when you expect to deliver a draft of the Settlement Agreement. Thanks.

Tom Sheridan

JPMC - 002167
CONFIDENTIAL
CSOC.RICH.003656

Attorney at Law 10640 Mather Blvd.
Suite 200
Mather, CA 95655 Tel: (916) 920-5286
Fax: (916) 920-8608
Email: tsheridan@sheridanlaw.com

IF THE ABOVE RELATES TO A TAX MATTER THEN, PURSUANT TO IRS RULES, WE MUST ADVISE YOU OF THE FOLLOWING: THE ADVICE CONTAINED IN THIS COMMUNICATION WAS NOT INTENDED OR WRITTEN TO BE USED AND CANNOT BE USED FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED BY THE INTERNAL REVENUE SERVICE. Under IRS Rules, a taxpayer may rely on our advice to avoid penalties only if the advice is reflected in a more formal tax opinion that conforms to new IRS standards. Please contact us if you would like to discuss the preparation of a legal opinion that conforms to these rules.

=====

CONFIDENTIALITY NOTICE: This communication and any accompanying document(s) are confidential and privileged. They are intended for the sole use of the addressee. If you receive this transmission in error, you are advised that any disclosure, copying, distribution, or the taking of any action in reliance upon the communication is strictly prohibited. Moreover, any such inadvertent disclosure shall not compromise or waive the attorney-client privilege as to this communication or otherwise. If you have received this communication in error, please contact our office at (916) 920-5286. 06070603:20

CURTIS DRIVE COST BREAKDOWN

DATE	PAYER	AMOUNT
13-May	Newberry Lock	100.00
14-May	Scott--Labor	200.00
16-May	Home Depot	170.25
16-May	Juan Martinez--Labor	280.00
17-May	Ramero - Labor	100.00
19-May	Artistic Tile	2,000.00
15-May	Matt Wotten - Labor	1,083.33
15-May	Daniel Claybornie -Labor	1,750.00
22-May	Scott plumbing	475.00
23-May	Mario Landscape	250.00
23-May	Robert Pittman Cabinets	1,725.00
23-May	Artistic Tile	2,745.00
23-May	Advance Disposal	500.00
a/p	Bebermeyer Asset Mgmt, Inc.	3,500.00
a/p	Smud - Estimated	100.00
TOTAL:		14,978.58

From: Mathis, Julie A.
Sent: Tuesday, June 24, 2008 4:58:56 PM
To: Battaglia, Paul J.
Subject: Out of Office AutoReply:  Richardson

I will be out of the office Wednesday, June 25th. I will return on Monday, July 7th. If you need immediate attention, please contact Nicol Peters for short sale matters and Pam Beal on modification matters.

Thank you,

Julie Mathis

From: Thorn, Ann
Sent: Tuesday, June 24, 2008 4:58:54 PM
To: Battaglia, Paul J.
Subject: Out of Office AutoReply:  Richardson

I will be out of the office Wednesday, June 25th with limited access to email. If you need immediate assistant, please contact Sue Oakley at susan.oakley@wamu.net

Thank you
Ann

From: Thorn, Ann <ann.thorn@wamu.net>
Sent: Tuesday, June 24, 2008 11:45 AM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>
Subject: Fw: [REDACTED] Richardson

Sent from my BlackBerry Wireless Handheld

----- Original Message -----

From: Mathis, Julie A.
To: Thorn, Ann
Sent: Tue Jun 24 06:53:52 2008
Subject: FW: [REDACTED] Richardson

FYI

From: Rogers, Savannah L.
Sent: Tuesday, June 24, 2008 9:39 AM
To: Johnson, Wonza L.
Cc: Haywood, Oriska S.; Mathis, Julie A.
Subject: [REDACTED] Richardson
Importance: High

Hi Wonza,
There were two checks returned 4/21/08 for delinquent property taxes \$8109.81 + \$405.49. This loan went to fc sale which has been rescinded and we will be modifying this loan. Who can send the task to set up the escrow for these taxes and possibly research if those taxes are still delinquent since the checks came back from Sacramento County?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Stevens, Lawrence W.
Sent: Monday, June 23, 2008 1:53:34 PM
To: Battaglia, Paul J.
Subject: RE: Richardson

No, we haven't opened a file on it. I will send it up.

Lawrence W. Stevens
First Vice President and Senior Counsel
Washington Mutual Bank Legal Department
201 Mission Street, 12th Floor
Mail Stop CSSF112
San Francisco, CA 94105
415-278-4585 (Phone)
415-278-6012 (Fax)
lawrence.stevens@wamu.net

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From: Battaglia, Paul J.
Sent: Monday, June 23, 2008 10:52 AM
To: Stevens, Lawrence W.
Subject: RE: Richardson

Go ahead and forward it to me. Do you have a file open on this? Curious why the bill went to you.

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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From: Stevens, Lawrence W.
Sent: Monday, June 23, 2008 10:50 AM
To: Battaglia, Paul J.
Subject: Richardson

Paul— I received Marty McGuinn's bill on this matter. Do you want me to sign off on it, or forward to you? Thanks.

Lawrence W. Stevens
First Vice President and Senior Counsel
Washington Mutual Bank Legal Department
201 Mission Street, 12th Floor
Mail Stop CSSF112
San Francisco, CA 94105
415-278-4585 (Phone)
415-278-6012 (Fax)
lawrence.stevens@wamu.net

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From: Battaglia, Paul J.
Sent: Monday, June 23, 2008 1:51:34 PM
To: Stevens, Lawrence W.
Subject: RE: Richardson

Go ahead and forward it to me. Do you have a file open on this? Curious why the bill went to you.

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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From: Stevens, Lawrence W.
Sent: Monday, June 23, 2008 10:50 AM
To: Battaglia, Paul J.
Subject: Richardson

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From: Stevens, Lawrence W.
Sent: Monday, June 23, 2008 1:49:56 PM
To: Battaglia, Paul J.
Subject: Richardson

Paul-- I received Marty McGuinn's bill on this matter. Do you want me to sign off on it, or forward to you? Thanks.

Lawrence W. Stevens
First Vice President and Senior Counsel
Washington Mutual Bank Legal Department
201 Mission Street, 12th Floor
Mail Stop CSSF112
San Francisco, CA 94105
415-278-4585 (Phone)
415-278-6012 (Fax)
lawrence.stevens@wamu.net

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From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Friday, June 20, 2008 6:35 PM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>
Subject: RE: Follow-up on Loss Mit

REDACTED

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228- cell
sara.gaugl@wamu.net

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From: Battaglia, Paul J.
Sent: Friday, June 20, 2008 3:13 PM
To: Gaugl, Sara C.
Subject: RE: Follow-up on Loss Mit

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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From: Gaugl, Sara C.
Sent: Friday, June 20, 2008 2:16 PM
To: Battaglia, Paul J.
Subject: RE: Follow-up on Loss Mit

REDACTED

Sara Gaugl
Home Loans Public Relations

WaMu

1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228[redacted] cell
sara.gaugl@wamu.net

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From: Thorn, Ann
Sent: Friday, June 20, 2008 11:58 AM
To: Mathis, Julie A.; Battaglia, Paul J.; Gaugl, Sara C.; Owen, Jan L.
Subject: RE: Follow-up on Loss Mit

REDACTED

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644*

For Internal Use Only

From: Thorn, Ann
Sent: Thursday, June 19, 2008 8:41 PM
To: Mathis, Julie A.; Battaglia, Paul J.; Gaugl, Sara C.; Owen, Jan L.
Subject: RE: Follow-up on Loss Mit

REDACTED

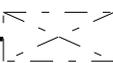
From: Laura Richardson [redacted]
Sent: Thu 06/19/2008 06:38 PM
To: Mathis, Julie A.
Cc: Thorn, Ann
Subject: Fw: Follow-up on Loss Mit

FYI... I am faxing you the document as well with pending clarifying questions and hope to hear from someone tomorrow.
Again, I can be reached at 202-225-7924 or cell 562-706[redacted].
Thanks, Laura

----- Forwarded Message -----
From: Laura Richardson [redacted]
To: "Thorn, Ann" <ann.thorn@wamu.net>

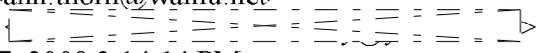
Sent: Thursday, June 19, 2008 7:36:01 PM
Subject: Re: Follow-up on Loss Mit

Ann,

I just sent the WaMu borrower assistance form via fax to 904-886-. I sent three emails to you yesterday and none of them were replied to. Please contact me at your earliest convenience to discuss a few open items. Further, I have a couple questions regarding the assistance form but I wanted to complete it as best as I could today to meet your requested deadline just advised of yesterday for Friday. I look forward to your call tomorrow at either 202-225-7924 or 562-706-

Thanks,
Laura

----- Original Message -----

From: "Thorn, Ann" <ann.thorn@wamu.net>
To: Laura Richardson 
Sent: Tuesday, June 17, 2008 3:14:14 PM
Subject: Follow-up on Loss Mit

Congresswoman,

Please see attached.

Thank you,

Ann Thorn

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Battaglia, Paul J. <paul.battaglia@wamu.net>
Sent: Friday, June 20, 2008 6:13 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: RE: Follow-up on Loss Mit

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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From: Gaugl, Sara C.
Sent: Friday, June 20, 2008 2:16 PM
To: Battaglia, Paul J.
Subject: RE: Follow-up on Loss Mit

REDACTED

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228 | cell
sara.gaugl@wamu.net

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Sent: Friday, June 20, 2008 11:58 AM
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Subject: RE: Follow-up on Loss Mit

REDACTED

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Washington Mutual
National Asset Recovery Manager*

For Internal Use Only

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To: Mathis, Julie A.; Battaglia, Paul J.; Gaugl, Sara C.; Owen, Jan L.
Subject: RE: Follow-up on Loss Mit

REDACTED

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Sent: Thu 06/19/2008 06:38 PM
To: Mathis, Julie A.
Cc: Thorn, Ann
Subject: Fw: Follow-up on Loss Mit

FYI... I am faxing you the document as well with pending clarifying questions and hope to hear from someone tomorrow.

Again, I can be reached at 202-225-7924 or cell 562-706 [redacted]

Thanks, Laura

----- Forwarded Message -----

From: Laura Richardson [mailto:lrichard@wamu.net]
To: "Thorn, Ann" <ann.thorn@wamu.net>
Sent: Thursday, June 19, 2008 7:36:01 PM
Subject: Re: Follow-up on Loss Mit

Ann,

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Thanks,
Laura

----- Original Message -----

From: "Thorn, Ann" <ann.thorn@wamu.net>

To: Laura Richardson <[redacted]@n>

Sent: Tuesday, June 17, 2008 3:14:14 PM

Subject: Follow-up on Loss Mit

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Thank you,

Ann Thorn

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Friday, June 20, 2008 5:16 PM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>
Subject: RE: Follow-up on Loss Mit

REDACTED

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
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Washington Mutual
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For Internal Use Only

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----- Original Message -----

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To: Laura Richardson

Sent: Tuesday, June 17, 2008 3:14:14 PM

Subject: Follow-up on Loss Mit

Congresswoman,

Please see attached.

Thank you,

Ann Thorn

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Warner, Anita M. <anita.warner@wamu.net>
Sent: Thursday, June 19, 2008 2:43 PM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>
Subject: Congresswoman Richardson
Attach: e6fa7ddcbf5a7370e362e3ef86732307.htm

<<...>>

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TRADING CENTER

Group seeks ethics probe of Calif. congresswoman

Watchdog group seeks ethics probe of Calif. congresswoman who defaulted on home loans
June 19, 2008: 01:08 PM EST

NEW YORK (Associated Press) - A watchdog group asked the House Ethics Committee to investigate U.S. Rep. Laura Richardson over her history of defaulting on home loans and other issues.

Citizens for Responsibility and Ethics in Washington wants the committee to determine whether the Long Beach Democrat received what amounted to an improper gift when Washington Mutual Inc. rescinded the foreclosure sale of one of her homes last month.

Richardson's spokesman dismissed the group's complaint, which was made Wednesday, as "mean-spirited" and said the congresswoman already had initiated a meeting with a committee attorney.

The real estate investor who bought the Sacramento house at auction has sued Richardson and the savings and loan alleging the sale was proper. The sale is officially recorded in Sacramento County.

The buyer, James York, said Richardson received special treatment from Washington Mutual because she's a congresswoman. Richardson has denied that, saying the 1,600-square-foot home she bought for \$535,500 in January 2007 was sold into foreclosure without her knowledge and contrary to an agreement with Washington Mutual.

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She had not paid the mortgage or property taxes on the house when it was sold in May.

Richardson also had two other homes in her Southern California district that have fallen into default six times.

The Long Beach Press-Telegram has reported that Richardson also has left car repair bills unpaid and failed to disclose certain financial details _ including a loan from a strip club owner _ when she served on the Long Beach City Council.

Moreover, even while falling behind in home payments last year, Richardson was lending herself \$77,500 to finance her campaign in the contested special election congressional primary that she won in June 2007.

She then won the 37th Congressional District seat outright last August and is running unopposed for re-election in November.

"By failing to pay her debts, filing incorrect financial disclosure forms and funneling money that should have gone to pay her mortgage and property taxes to her congressional campaign, Rep. Richardson has signaled that legal and financial obligations can be ignored in the pursuit of political power," said Melanie Sloan, executive director of the ethics watchdog group.

Richardson has defended herself by saying her personal finances became a mess as she was jumping from one elective office to the next.

"The congresswoman has been very open and forthcoming about her personal financial challenges. Like many Americans facing difficulties during this economic downturn, she's confident that she will meet all of her financial obligations," Richardson spokesman William Marshall said in a statement Wednesday evening.

"This complaint is mean-spirited. It rehashes old news and doesn't serve any purpose other than kicking a person while they're down. The fact is that Congresswoman Richardson just last week met with a House Ethics counsel and was advised that her congressional financial disclosure statement is in full accordance with what is required."

Richardson went from Long Beach City Council to the state Assembly in 2006 and a year later won the Los Angeles-area congressional seat formerly held by the late Juanita Millender-McDonald.

Richardson bought the 3-bedroom, 1 1/2-bath Sacramento home in January 2007 as she was entering the state Legislature, four months before Millender-McDonald died of cancer.

A Washington Mutual spokeswoman did not immediately return a message. The company has declined to comment on the matter, saying Richardson had not granted permission for the company to discuss her case.

Under its own rules, the House Ethics Committee can initiate investigations on its own, when a member of Congress files a complaint or when a member of Congress certifies a complaint submitted by an outside group.

The complaint by Citizens for Responsibility and Ethics in Washington is not backed by a member of Congress, so the committee has no obligation to open an investigation. A spokesman for the House Ethics Committee declined comment.

Under House rules, loans are not considered gifts if they are received by lawmakers "on terms generally available to the public." The citizens group says that if Washington Mutual gave Richardson favorable treatment, it would violate that rule.

The House ethics manual begins by stating that a lawmaker "shall conduct himself at all times in a manner which shall reflect creditably on the House of Representatives." The citizens group says Richardson did not live up to that standard. □

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Subject: Accepted; Updated; Richardson Update

Location: 888-595-

Start: 6/19/2008 1:00 PM

End: 6/19/2008 1:30 PM

Show Time As: Busy

Recurrence: (none)

Required Attendees: Baptista, Geri Ann S.

Resources: 888-595-

Subject: Updated: Richardson Update

Location: 888-595-1111

Start: 6/19/2008 1:00 PM

End: 6/19/2008 1:30 PM

Show Time As: Tentative

Recurrence: (none)

Meeting Status: Not yet responded

Required Attendees: Baptista, Geri Ann S.; Gaugl, Sara C.; Elias, Alan; Cook, Don; Potashnick, Barbara A.; Battaglia, Paul J.; Thorn, Ann; Owen, Jan L.

Resources: 888-595-1111

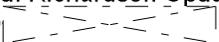
When: Thursday, June 19, 2008 10:00 AM-10:30 AM (GMT-08:00) Pacific Time (US & Canada); Tijuana.

Where: 888-595-1111

~~*~*~*~*~*~*~*~*

changing time to accommodate schedules

Subject: Accepted: Richardson Update

Location: 888-595-

Start: 6/19/2008 12:00 PM

End: 6/19/2008 12:30 PM

Show Time As: Busy

Recurrence: (none)

Required Attendees: Baptista, Geri Ann S.

Resources: 888-595-

Subject: Updated: Richardson Update
Location: 888-595-

Start: 6/19/2008 1:00 PM
End: 6/19/2008 1:30 PM
Show Time As: Busy

Recurrence: (none)

Meeting Status: Accepted

Required Attendees: Baptista, Geri Ann S.; Gaugl, Sara C.; Elias, Alan; Cook, Don; Potashnick, Barbara A.; Battaglia, Paul J.; Thorn, Ann; Owen, Jan L.

Resources: 888-595-

changing time to accommodate schedules

Subject: Richardson Update
Location: 888-595[] [] [] [] [] [] [] [] [] []

Start: 6/19/2008 12:00 PM
End: 6/19/2008 12:30 PM
Show Time As: Tentative

Recurrence: (none)

Meeting Status: Not yet responded

Required Attendees: Baptista, Geri Ann S.; Gaugl, Sara C.; Elias, Alan; Cook, Don; Potashnick, Barbara A.; Battaglia, Paul J.; Thorn, Ann; Owen, Jan L.

Resources: 888-595[] [] [] [] [] [] [] [] [] []

When: Thursday, June 19, 2008 9:00 AM-9:30 AM (GMT-08:00) Pacific Time (US & Canada); Tijuana.
Where: 888-595[] [] [] [] [] [] [] [] [] []

~~*~*~*~*~*~*~*~*

From: Martin T. McGuinn [redacted]
Sent: Wednesday, June 18, 2008 7:49 PM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>
Subject: REDACTED
Attach: ~in9154.pdf

REDACTED

Martin T. McGuinn
Kirby & McGuinn, A P.C.
600 B Street, Ste. 1950
San Diego, CA 92101
mmcguinn [redacted]
Direct Dial: (619) 525- [redacted]
Direct Fax: (619) 525- [redacted]

In Compliance with the Fair Debt Collection Practices Act, 15 U.S.C. § 1692e(11):
THIS MESSAGE IS FROM A DEBT COLLECTOR.
ANY INFORMATION OBTAINED MAY BE USED FOR THAT PURPOSE.

This electronic message contains privileged or confidential information which is solely intended for the use of the addressee(s) listed as recipient(s). If you are not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any disclosure, dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this transmission in error, please immediately notify us by telephone at (619) 525-1659 or (619) 685-4000, and return the original message to Kirby & McGuinn, A P.C., 600 B Street, Ste. 1950, San Diego, CA 92101.

From: Tom Sheridan [redacted]
Sent: Wednesday, June 18, 2008 4:32 PM
To: Martin T. McGuinn
Subject: FW: New fax received from , 2 page(s).

Marty,

Here is the letter I received from Laura Richardson's counsel. I am planning on informing her that the case has been amicably resolved and that her client will be dismissed without prejudice upon the execution of a formal settlement agreement. If your client would rather you speak to her, or speak with her directly that is fine too. Let me know. Thanks.

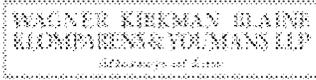
From: Reception Desk [redacted] **On Behalf Of** Network Fax
Sent: Wednesday, June 18, 2008 2:47 PM
To: Tom Sheridan; Cheryl Ewing; Darlene Tatlow
Subject: FW: New fax received from , 2 page(s).

Fax re: Laura Richardson et al adv Red Rock Mortgage

From: INCOMING (FACSys Connector) [mailto:NetworkFAX]
Sent: Wednesday, June 18, 2008 2:41 PM
To: Network Fax
Subject: New fax received from , 2 page(s).

You have received a new fax from

The image contains 2 page(s).



Network Fax

Tel:

Fax:

Email: netfax@wkblaw.com

IF THE ABOVE RELATES TO A TAX MATTER THEN, PURSUANT TO IRS RULES, WE MUST ADVISE YOU OF THE FOLLOWING: THE ADVICE CONTAINED IN THIS COMMUNICATION WAS NOT INTENDED OR WRITTEN TO BE USED AND CANNOT BE USED FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED BY THE INTERNAL REVENUE SERVICE. Under IRS Rules, a taxpayer may rely on our advice to avoid penalties only if the advice is reflected in a more formal tax opinion that conforms to new IRS standards. Please contact us if you would like to discuss the preparation of a legal opinion that conforms to these rules.

=====

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Meredith L. Caliman, Esq.

3858 Carson Street, Suite 120
Torrance, California 90503
(310) 540-5701
Fax (310) 540-5702

TELECOPY

PLEASE DELIVER AS SOON AS POSSIBLE

DATE: June 18, 2008

TO: Carl P. Blaine, Esq. Tel: (916) 920- Thomas B. Sheridan, Esq. Fax: (916) 920-

FROM: MEREDITH L. CALIMAN, ESQ.

CLIENT/MATTER: *Laura Richardson et al adv Red Rock Mortgage, Inc.*

NO. OF PAGES: 2

OPERATOR:

IF NOT RECEIVED PROPERLY, PLEASE NOTIFY US IMMEDIATELY AT (310) 540-5701

MEREDITH L. CALIMAN

ATTORNEY AT LAW

3858 CARSON STREET, SUITE 120 • TORRANCE, CALIFORNIA 90503

(310) 540-5701 • FAX (310) 540-5702

meredith@calimanlaw.com

June 18, 2008

VIA FAX (916) 920-

Carl P. Blaine, Esq.
Thomas B. Sheridan, Esq.
Wagner Kirkman Blaine Klomparens & Youmans LLP
10640 Mather Blvd., Suite 200
Mather, CA 95655

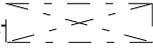
Re: ***Laura Richardson et al adv Red Rock Mortgage, Inc.***
Sacramento Superior Court Case No. Unknown

Dear Sirs:

This office will be assisting Laura Richardson with respect to the above lawsuit. You should serve this office with any papers related to the lawsuit that are directed towards Ms. Richardson, including the summons and complaint.

Very truly yours,


MEREDITH L. CALIMAN

MLC:wp.laurarichardson-

From: Berens, John <john.berens@wamu.net>
Sent: Tuesday, June 17, 2008 10:00 PM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>; Klein, Jason C. <jason.klein@wamu.net>
Cc: Cook, Don <don.cook@wamu.net>
Subject: Re: Laura Richardson - Red Rock Counteroffer

REDACTED

----- Original Message -----

From: Battaglia, Paul J.
To: Berens, John; Klein, Jason C.
Cc: Cook, Don
Sent: Tue Jun 17 17:13:29 2008
Subject: Laura Richardson - Red Rock Counteroffer

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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From: Martin T. McGuinn           

JPMC - 002198
CONFIDENTIAL
CSOC.RICH.003687

Sent: Tuesday, June 17, 2008 4:42 PM
To: Battaglia, Paul J.
Cc: Cook, Don
Subject: FW: 3622 Curtis Street Sacramento

REDACTED

Martin T. McGuinn

Kirby & McGuinn, A P.C.

600 B Street, Ste. 1950

San Diego, CA 92101

mmcguinn [redacted]

Direct Dial: (619) 525- [redacted]

Direct Fax: (619) 525- [redacted]

In Compliance with the Fair Debt Collection Practices Act, 15 U.S.C. § 1692e(11):
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From: Tom Sheridan [redacted]
Sent: Tuesday, June 17, 2008 4:13 PM
To: Martin T. McGuinn
Cc: Robin Klomparens
Subject: Re: 3622 Curtis Street Sacramento

Martin,

I spoke to my client. His offer is 75,000 plus 15,000 in costs, subject to an itemized statement, and 10,000 in attorneys' fees for a total of 100,000. I think this is the end of the road for him, so I hope we can make this work. Please let me know as soon as possible, I am under a lot of pressure to get this complaint served if we are not going to settle. Thanks.

----- Original Message -----

From: Martin T. McGuinn <[REDACTED]>
To: Tom Sheridan
Sent: Tue Jun 17 15:18:55 2008
Subject: RE: 3622 Curtis Street Sacramento

Yes, our counter is \$65,000 plus \$15,000 for expenses subject to verification and a cap of \$10,000 for attorneys fees for a total of \$90,000.00.

Martin T. McGuinn

Kirby & McGuinn, A P.C.

600 B Street, Ste. 1950

San Diego, CA 92101

mmcguinn@[REDACTED]

Direct Dial: (619) 525-[REDACTED]

Direct Fax: (619) 525-[REDACTED]

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From: Tom Sheridan <[REDACTED]>
Sent: Tuesday, June 17, 2008 3:16 PM
To: Martin T. McGuinn
Subject: Re: 3622 Curtis Street Sacramento

I don't think he will want to take the time to do a breakdown until we have a tentative agreement on a number. Can you get me a number subject to a cost breakdown?

----- Original Message -----

From: Martin T. McGuinn <MMcguinn@kirbymac.com>
To: Tom Sheridan

Sent: Tue Jun 17 15:07:24 2008
Subject: 3622 Curtis Street Sacramento

Tom:

Can you get a break down of the \$15,000 in expenses. You indicated yesterday Mr. York would be providing a list of the expenses but I have not received it yet. My client is asking me for this information. Thanks.

Martin T. McGuinn

Kirby & McGuinn, A P.C.

600 B Street, Ste. 1950

San Diego, CA 92101

mmcguinn@kirbyandmcguinn.com

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Tom Sheridan
Attorney at Law

10640 Mather Blvd. Suite 200
Mather, CA 95655

Tel: (916) 920-1659

Fax: (916) 920-5286
Email: tsheridan@jpmc.com

IF THE ABOVE RELATES TO A TAX MATTER THEN, PURSUANT TO IRS RULES, WE MUST ADVISE YOU OF THE FOLLOWING: THE ADVICE CONTAINED IN THIS COMMUNICATION WAS NOT INTENDED OR WRITTEN TO BE USED AND CANNOT BE USED FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED BY THE INTERNAL REVENUE SERVICE. Under IRS Rules, a taxpayer may rely on our advice to avoid penalties only if the advice is reflected in a more formal tax opinion that conforms to new IRS standards. Please contact us if you would like to discuss the preparation of a legal opinion that conforms to these rules.

=====

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From: Battaglia, Paul J. <paul.battaglia@wamu.net>
Sent: Tuesday, June 17, 2008 8:13 PM
To: Berens, John <john.berens@wamu.net>; Klein, Jason C. <jason.klein@wamu.net>
Cc: Cook, Don <don.cook@wamu.net>
Subject: Laura Richardson - Red Rock Counteroffer

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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From: Martin T. McGuinn [REDACTED]
Sent: Tuesday, June 17, 2008 4:42 PM
To: Battaglia, Paul J.
Cc: Cook, Don
Subject: FW: 3622 Curtis Street Sacramento

REDACTED

Martin T. McGuinn
Kirby & McGuinn, A P.C.
600 B Street, Ste. 1950
San Diego, CA 92101
mmcguinn [REDACTED]
Direct Dial: (619) 525- [REDACTED]
Direct Fax: (619) 525- [REDACTED]

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Cc: Robin Klomprens
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----- Original Message -----
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To: Tom Sheridan
Sent: Tue Jun 17 15:18:55 2008
Subject: RE: 3622 Curtis Street Sacramento

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Martin T. McGuinn
Kirby & McGuinn, A P.C.
600 B Street, Ste. 1950
San Diego, CA 92101

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From: Tom Sheridan [mailto:tom.sheridan@kirbyandmcguinn.com]
Sent: Tuesday, June 17, 2008 3:16 PM
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Subject: Re: 3622 Curtis Street Sacramento

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----- Original Message -----
From: Martin T. McGuinn [mailto:mmcguinn@kirbyandmcguinn.com]
To: Tom Sheridan
Sent: Tue Jun 17 15:07:24 2008
Subject: 3622 Curtis Street Sacramento

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Can you get a break down of the \$15,000 in expenses. You indicated yesterday Mr. York would be providing a list of the expenses but I have not received it yet. My client is asking me for this information. Thanks.

Martin T. McGuinn
Kirby & McGuinn, A P.C.
600 B Street, Ste. 1950
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Tom Sheridan
Attorney at Law

10640 Mather Blvd. Suite 200
Mather, CA 95655

Tel: (916) 920-5286
Fax: (916) 920-5286
Email: tsheridan@jpmc.com

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=====

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From: Battaglia, Paul J. <paul.battaglia@wamu.net>
Sent: Tuesday, June 17, 2008 3:21 PM
To: Cook, Don <don.cook@wamu.net>
Subject: FW: Follow-up on Loss Mit
Attach: Scan001.PDF

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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-----Original Message-----

From: Thorn, Ann
Sent: Tuesday, June 17, 2008 12:15 PM
To: Battaglia, Paul J.; Gaugl, Sara C.; Owen, Jan L.
Subject: FW: Follow-up on Loss Mit

REDACTED

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

-----Original Message-----

From: Thorn, Ann
Sent: Tuesday, June 17, 2008 3:14 PM
To: 'Laura Richardson'
Subject: Follow-up on Loss Mit

Congresswoman,

Please see attached.

Thank you,

Ann Thorn

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only



Washington Mutual

HOME LOANS

7255 Baymeadows Way
Jacksonville, FL 32256
Phone 1-904-886-5644
Fax (904) 886-1627

June 17, 2008

Re: Washington Mutual Loan Number: [redacted]
Property Address: 3622 West Curtis Drive, Sacramento, CA 95818

Dear Ms. Richardson:

Your e-mail to Julie Mathis dated June 12, 2008 was forwarded to me. You indicated in your e-mail that you would be working on your Homeownership Preservation package over the June 14-15 weekend. I therefore expected to receive your updated financial information sometime on Monday. It is now Tuesday, and I still have not received anything from you, nor have you called to explain your delay.

As you know, in April, 2008, you contacted WaMu asking for the amount necessary to reinstate your loan. We sent you the reinstatement figures on April 17, 2008, along with a cover letter stating that we would postpone the foreclosure proceedings to June 4, 2008. Your property then went to foreclosure sale on May 7, 2008, where it was sold to the high bidder Red Rock Mortgage, Inc. At the time of the foreclosure sale, you were in default on your loan and there was not any loan workout or modification agreement in place between you and WaMu, as your prior request for a loan modification was denied.

Due in part to your comments to me that you fully intended to pay your obligation to WaMu, we honored our commitment to postpone the foreclosure sale by instructing the foreclosure trustee to record a Notice of Rescission of the foreclosure sale, thereby restoring legal title to the Property in your name.

Following the Notice of Rescission, we've had several telephone conversations where you reiterated your desire to fulfill your loan obligation. On May 28, 2008, Wendy Woodcock and I had a telephone conversation with you where we told you that you would have to send in updated financial information for review. We sent you the required forms on June 6, 2008, but they have not yet been completed and returned for our review.

Based on your most recent assurance that you would be working on providing the financial information over the June 14-15 weekend, we expect to have all of the information that we've requested by the end of the day on Friday, June 20, 2008. If we do not have all of the information requested, we will reschedule the foreclosure sale of your property.

Sincerely,

Ann Thorn

Subject: Accepted: Laura Richardson - Counteroffer from foreclosure purchaser

Location: Dial in at 1-866-736[] Participant passcode is []

Start: 6/16/2008 3:30 PM

End: 6/16/2008 4:00 PM

Show Time As: Busy

Recurrence: (none)

Required Attendees: Battaglia, Paul J. []

Resources: Dial in at 1-866-736[] Participant passcode is []

Subject: Accepted: FW: Laura Richardson - Counteroffer from foreclosure purchaser

Location: Dial in at 1-866-736 Participant passcode is

Start: 6/16/2008 3:30 PM

End: 6/16/2008 4:00 PM

Show Time As: Busy

Recurrence: (none)

Required Attendees: Battaglia, Paul J.

Resources: Dial in at 1-866-736 Participant passcode is

From: Battaglia, Paul J.
Sent: Monday, June 16, 2008 3:03:08 PM
To: Oakley, Susan B.
Subject: RE: Laura Richardson - Counteroffer from foreclosure purchaser

We need to do this at 3:30 your time. My view of calendars showed this to be the time most invitees were available, and we need to have this call today. John Berens has accepted, so the business side should be covered with his participation.

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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From: Oakley, Susan B.
Sent: Monday, June 16, 2008 12:00 PM
To: Battaglia, Paul J.
Subject: RE: Laura Richardson - Counteroffer from foreclosure purchaser

Any chance of changing the time to 4:00? She has a Well's meeting at 3:30 that has already been rescheduled a couple times to accommodate so she could be there.

Sue Robert
Executive Assistant to Ann Thorn
Washington Mutual
7255 Baymeadows Way JAXA2035
Jacksonville, FL 32256
(904) 886-5694

Please note - Effective June 23, 2008 New Number will be (904) 462



-----Original Appointment-----

From: Samuel, Susan L. **On Behalf Of** Battaglia, Paul J.
Sent: Monday, June 16, 2008 2:54 PM
To: Oakley, Susan B.
Subject: FW: Laura Richardson - Counteroffer from foreclosure purchaser
When: Monday, June 16, 2008 3:30 PM-4:00 PM (GMT-05:00) Eastern Time (US & Canada).
Where: Dial in at 1-866-736 Participant passcode is

Ann, would you please attend on behalf of Steve Champney?

Thank you,
Susan Samuel
Assistant to Steven Champney
904-886

From: Battaglia, Paul J.
Sent: Monday, June 16, 2008 2:44 PM
To: Battaglia, Paul J.

Subject: Laura Richardson - Counteroffer from foreclosure purchaser
When: Monday, June 16, 2008 3:30 PM-4:00 PM (GMT-05:00) Eastern Time (US & Canada).
Where: Dial in at 1-866-736-. Participant passcode is 

REDACTED

Seattle Participants meet in small conference room on 34.

Subject: Laura Richardson - Counteroffer from foreclosure purchaser
Location: Dial in at 1-866-736-7367 Participant passcode is 12345678

Start: 6/16/2008 3:30 PM
End: 6/16/2008 4:00 PM
Show Time As: Tentative

Recurrence: (none)

Meeting Status: Not yet responded

Required Attendees: Battaglia, Paul J.; Berens, John; Champney, Steven D.; Cook, Don; Stevens, Lawrence W.;
Klein, Jason C.; Parker, Gary L.

Resources: Dial in at 1-866-736-7367 Participant passcode is 12345678

REDACTED

Seattle Participants meet in small conference room on 34.

From: Oakley, Susan B.
Sent: Monday, June 16, 2008 2:59:42 PM
To: Battaglia, Paul J.
Subject: RE: Laura Richardson - Counteroffer from foreclosure purchaser

Any chance of changing the time to 4:00? She has a Well's meeting at 3:30 that has already been rescheduled a couple times to accommodate so she could be there.

Sue Robert
Executive Assistant to Ann Thorn
Washington Mutual
7255 Baymeadows Way JAXA2035
Jacksonville, FL 32256
(904) 886-

Please note - Effective June 23, 2008 New Number will be (904) 462-

-----Original Appointment-----

From: Samuel, Susan L. **On Behalf Of** Battaglia, Paul J.
Sent: Monday, June 16, 2008 2:54 PM
To: Oakley, Susan B.
Subject: FW: Laura Richardson - Counteroffer from foreclosure purchaser
When: Monday, June 16, 2008 3:30 PM-4:00 PM (GMT-05:00) Eastern Time (US & Canada).
Where: Dial in at 1-866-736- Participant passcode is 

Ann, would you please attend on behalf of Steve Champney?

Thank you,
Susan Samuel
Assistant to Steven Champney
904-886-

From: Battaglia, Paul J.
Sent: Monday, June 16, 2008 2:44 PM
To: Battaglia, Paul J.
Subject: Laura Richardson - Counteroffer from foreclosure purchaser
When: Monday, June 16, 2008 3:30 PM-4:00 PM (GMT-05:00) Eastern Time (US & Canada).
Where: Dial in at 1-866-736- Participant passcode is 

REDACTED

Seattle Participants meet in small conference room on 34.

Subject: Declined: Laura Richardson - Counteroffer from foreclosure purchaser

Location: Dial in at 1-866-736- Participant passcode is

Start: 6/16/2008 3:30 PM

End: 6/16/2008 4:00 PM

Show Time As: Busy

Recurrence: (none)

Required Attendees: Battaglia, Paul J.

Resources: Dial in at 1-866-736- Participant passcode is

Paul, Steve Champney will not be able to attend this afternoon.

Subject: Accepted: Laura Richardson - Counteroffer from foreclosure purchaser

Location: Dial in at 1-866-736- Participant passcode is

Start: 6/16/2008 3:30 PM

End: 6/16/2008 4:00 PM

Show Time As: Busy

Recurrence: (none)

Required Attendees: Battaglia, Paul J.

Resources: Dial in at 1-866-736- Participant passcode is

Subject: Accepted: Laura Richardson - Counteroffer from foreclosure purchaser

Location: Dial in at 1-866-736- Participant passcode is

Start: 6/16/2008 3:30 PM

End: 6/16/2008 4:00 PM

Show Time As: Busy

Recurrence: (none)

Required Attendees: Battaglia, Paul J.

Resources: Dial in at 1-866-736- Participant passcode is

Subject: Accepted: Laura Richardson - Counteroffer from foreclosure purchaser
Location: Dial in at 1-866-736- Participant passcode is

Start: 6/16/2008 3:30 PM
End: 6/16/2008 4:00 PM
Show Time As: Busy

Recurrence: (none)

Required Attendees: Battaglia, Paul J.

Resources: Dial in at 1-866-736- Participant passcode is

Subject: Laura Richardson - Counteroffer from foreclosure purchaser
Location: Dial in at 1-866-736- Participant passcode is

Start: 6/16/2008 3:30 PM
End: 6/16/2008 4:00 PM
Show Time As: Tentative

Recurrence: (none)

Meeting Status: Not yet responded

Required Attendees: Battaglia, Paul J.; Berens, John; Champney, Steven D.; Cook, Don; Stevens, Lawrence W.; Klein, Jason C.; Parker, Gary L.

Resources: Dial in at 1-866-736- Participant passcode is

When: Monday, June 16, 2008 12:30 PM-1:00 PM (GMT-08:00) Pacific Time (US & Canada); Tijuana.
Where: Dial in at 1-866-736- Participant passcode is

~~*~*~*~*~*~*~*~*



REDACTED

Seattle Participants meet in small conference room on 34.

From: Martin T. McGuinn <[REDACTED]>
Sent: Friday, June 13, 2008 8:42 PM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>
Cc: Cook, Don <donald.cook@wamu.net>
Subject: 001 Complaint Filed 6-12-08.pdf - Adobe Acrobat Professional
Attach: 001 Complaint Filed 6-12-08.pdf

Gentlemen:

[REDACTED]

Marty

Martin T. McGuinn
Kirby & McGuinn, A P.C.
600 B Street, Ste. 1950
San Diego, CA 92101
mmcguinn [REDACTED]
Direct Dial: (619) 525- [REDACTED]
Direct Fax: (619) 525- [REDACTED]

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1 CARL P. BLAINE (State Bar # 65229)
Email: cblaine
2 THOMAS B. SHERIDAN (State Bar #249306)
Email: tsheridan
3 **WAGNER KIRKMAN BLAINE**
KLOMPARENS & YOUMANS LLP
4 10640 Mather Blvd., Suite 200
Mather, California 95655
5 Telephone: (916) 920-5286
Facsimile: (916) 920-8608
6

7 Attorneys for Plaintiff
RED ROCK MORTGAGE, INC.

8
9 SUPERIOR COURT OF CALIFORNIA
10 COUNTY OF SACRAMENTO

Department
Assignments
Case Management 43
Law and Motion 54
Minors Compromise 25

11 RED ROCK MORTGAGE, INC.,

Case No.

12 Plaintiff,

COMPLAINT FOR:

13 v.

1. SLANDER OF TITLE
2. CANCELLATION
3. QUIET TITLE
4. UNJUST ENRICHMENT

14 WASHINGTON MUTUAL BANK,
CALIFORNIA RECONVEYANCE COMPANY,
LAURA RICHARDSON, and all persons
15 unknown, claiming any legal or equitable right,
title, estate, lien, or interest in the property
16 described in the complaint adverse to Plaintiff's
title, or any cloud on Plaintiff's title, and DOES 1
17 through 20, inclusive,

18 Defendants.

19
20 Plaintiff, RED ROCK MORTGAGE, INC. alleges as follows:

- 21 1. Plaintiff RED ROCK MORTGAGE, INC. ("Plaintiff") is, and at all times herein
22 mentioned was, a corporation organized and existing under the laws of the State of California
- 23 2. Plaintiff is informed and believes and thereon alleges that Defendant
24 WASHINGTON MUTUAL BANK ("WAMU") is, and at all times herein mentioned was, a
25 federal association organized and existing under the laws of the United States and doing
26 business in the state of California.
- 27 3. Plaintiff is informed and believes and thereon alleges that Defendant
28

FILED
Superior Court Of California,
Sacramento
Dennis Jones, Executive
Officer
06/12/2008
avlaisavich
By _____, Deputy
Case Number:
34-2008-00013081-CU-OR-GDS

WAGNER KIRKMAN BLAINE
KLOMPARENS & YOUMANS LLP
Attorneys at Law

10640 Mather Blvd., Suite 200, Mather, CA 95655
Phone (916) 920-5286 Fax (916) 920-8608

WAGNER KIRKMAN BLAINE
KLOMPARENS & YOUNG LLP
Attorneys at Law

10640 Maiber Blvd., Suite 200, Maiber, CA 95615
Phone (916) 920-5286 Fax (916) 920-8600

1 CALIFORNIA RECONVEYANCE COMPANY ("CRC") is, and at all times herein
2 mentioned was, a corporation organized and existing under the laws of the State of California.

3 4 The real property that is the subject of this action, 3622 West Curtis Drive,
4 Sacramento, California, Assessor's Parcel No. 013-0363-001-0000 ("Subject Property") is
5 located in Sacramento County, California.

6 5. The Defendants named herein as "all persons unknown, claiming any legal or
7 equitable right, title, estate, lien, or interest in the property described in the Complaint adverse
8 to plaintiff's title, or any cloud on plaintiff's title thereto" ("Unknown Defendants") are
9 unknown to Plaintiff. These Unknown Defendants, and each of them, claim some right, title,
10 estate, lien, or interest adverse to Plaintiff's interest in title to the Subject Property; and their
11 claims, and each of them, constitute a cloud on Plaintiff's title to the Subject Property.

12 6. Defendants DOES 1 through 20, inclusive, are sued herein under fictitious
13 names. Their true names and capacities are unknown to Plaintiff. When their true names and
14 capacities are ascertained, Plaintiff will amend this complaint by inserting their true names and
15 capacities herein. Plaintiff is informed and believes and thereon alleges that Does 1-10,
16 inclusive, are responsible in some manner for the occurrences herein alleged, and that
17 Plaintiff's damages as herein alleged were proximately caused by such Defendants. Plaintiff is
18 further informed and believes and thereon alleges that Does 11-20, inclusive, claim some right,
19 title, estate, lien, or interest adverse to Plaintiff's interest in title to the Subject Property; and
20 their claims, and each of them, constitute a cloud on Plaintiff's title to the Subject Property.

21 **COMMON ALLEGATIONS**

22 7. Plaintiff realleges and incorporates by reference each and every allegation set
23 forth in paragraphs 1 through 6 above.

24 8. Plaintiff is informed and believes and thereon alleges that on or about
25 January 10, 2007, a Deed of Trust ("Deed of Trust") was recorded against the Subject Property
26 to secure a loan in the amount \$535,001.00 made by WAMU to LAURA RICHARDSON.
27 CRC is the trustee under the Deed of Trust. (Attached hereto as Exhibit A, incorporated herein
28 by reference, is a true and correct copy of the Deed of Trust.)

1
2 9. Plaintiff is informed and believes and thereon alleges that, at some point prior to
3 December 17, 2007, Defendant RICHARDSON defaulted on the payments due on the loan
4 secured by the Deed of Trust.

5 10. On December 17, 2007, CRC recorded a Notice of Default on the Subject
6 Property. (Attached hereto as Exhibit B, and incorporated herein by this reference, is a true and
7 correct copy of the Notice of Default.) The Notice of Default provides that, as of December
8 13, 2007, the amount of the default was \$18,356.40.

9 11. On March 19, 2008, CRC recorded a Notice of Trustee's sale on the Subject
10 Property, advertising the Trustee's Sale of the Subject Property to the general public.
11 (Attached hereto as Exhibit C, and incorporated herein by this reference, is a true and correct
12 copy of the Notice of Trustee's Sale.) Pursuant to the Notice of Trustee's Sale, the unpaid
13 balance and other charges was approximately \$578,384.52.

14 12. The Notice of Trustee's Sale provides that the sale was to occur on April 7,
15 2008, at 1:30 p.m., at the main entrance to the Sacramento County Courthouse, 720 9th Street,
16 Sacramento, California.

17 13. Plaintiff is informed and believes and thereon alleges that the sale was
18 postponed to May 7, 2008, at 1:30 p.m., to be held at the same location.

19 14. In accordance with the Notice of Trustee's Sale and the duly noticed
20 postponement thereof, on May 7, 2008, Plaintiff appeared at the trustee's sale to bid on the
21 Subject Property. Plaintiff secured a cashier's check in order to qualify to bid at the sale.

22 15. At the noticed time and place, CRC conducted the trustee's sale of the Subject
23 Property. Plaintiff is informed and believes thereon alleges that Defendants complied with all
24 statutory requirements in conducting the trustee's sale of the Subject Property.

25 16. Plaintiff bid at the trustee's sale. Plaintiff is informed and believes and thereon
26 alleges that Plaintiff was the high bidder at the trustee's sale with a bid of \$388,000.01.

27 17. Plaintiff timely delivered a cashier's check in the amount of \$388,000.01 to
28 CRC. CRC accepted the cashier's check from Plaintiff. (Attached hereto as Exhibit D & E,

1 respectively, and incorporated herein by reference, are true and correct copies of the receipt of
2 funds issued to Plaintiff and Plaintiff's cashier's check stub.)

3 18. Plaintiff is informed and believes and thereon alleges that the sale of the Subject
4 Property was final and no further acts were required to consummate the sale.

5 19. Plaintiff is informed and believes and thereon alleges that, on or about May 9,
6 2008, Defendants issued a Trustee's Deed Upon Sale, to be recorded in Sacramento County
7 granting and conveying title and interest in the Subject Property to the Plaintiff. The Trustee's
8 Deed Upon Sale was recorded on May 19, 2008. (Attached hereto as Exhibit F, and
9 incorporated herein by reference, is a true and correct copy of the Trustee's Deed upon sale.)

10 20. Immediately after Plaintiff purchased the Subject Property, Plaintiff
11 immediately began improving the property and preparing to sell it, as Plaintiff is in the
12 business of buying and selling real estate. Among other things, Plaintiff painted select
13 portions of the residence, refurbished the flooring inside the residence, and performed general
14 clean-up and landscaping in and around the Subject Property at its expense. Plaintiff is
15 informed and believes and thereon alleges that the improvements made by Plaintiff enhanced
16 the value of the Subject Property.

17 21. On or about May 28, 2008, WAMU contacted Plaintiff and informed Plaintiff
18 that it wished to rescind the sale. Plaintiff informed WAMU that Plaintiff was the highest
19 bidder at the Trustee's Sale and that it had paid the full consideration in the manner specified
20 by the Notice of Trustee's Sale. Plaintiff also informed WAMU that Plaintiff had been issued
21 the Trustee's Deed, and recorded it, and had no intention of rescinding.

22 22. On or about June 2, 2008, Defendants recorded a Notice of Rescission at the
23 Sacramento County Recorder's Office. (Attached hereto as Exhibit G, and incorporated herein
24 by this reference, is a true and correct copy of the recorded Notice of Rescission.)

25 **FIRST CAUSE OF ACTION**

26 **[Slander of Title]**

27 (Against Defendants WAMU, CRC and Does 1-10, inclusive)

28 23. Plaintiff realleges and incorporates by reference each and every allegation set

1 forth in paragraphs 1 through 22 above.

2 24. On our about May 7, 2008, Plaintiff became the fee owner of the Subject
3 Property based upon its purchase of the Subject Property at the Trustee's Sale.

4 25. Plaintiff is informed and believes and thereon alleges that, on or about June 2,
5 2008, Defendants willfully, wrongfully, without justification, and without privilege caused to
6 be recorded a Notice of Rescission.

7 26. The Notice of Rescission was false and continues to cause doubt to be cast on
8 Plaintiff's title to the Subject Property.

9 27. The recording of the Notice of Rescission directly impairs the vendibility of the
10 property on the open market. Accordingly, Plaintiff has been damaged by Defendants
11 recording of the Notice of Rescission.

12 28. Plaintiff is informed and believes and thereon alleges that, in doing the things
13 herein alleged, WAMU and CRC acted with malice, oppression, and/or fraud as defined under
14 Civ. Code § 3294(c), in conscious disregard of Plaintiff's rights, thereby warranting an
15 assessment of punitive damages in an amount appropriate to punish Defendants and deter
16 others from engaging in similar misconduct.

17 29. The recording of the Notice of Rescission made it necessary for Plaintiff to
18 retain attorneys and to bring this action. Therefore, Plaintiff is entitled to recover attorney's
19 fees and costs incurred. The exact amount of such damages is not known to Plaintiff at this
20 time, and Plaintiff will move to amend this complaint to state such amount when the same
21 becomes known, or on proof thereof.

22 **SECOND CAUSE OF ACTION**

23 **[Cancellation of Cloud on Title]**

24 (Against Defendants WAMU, CRC and Does 1-10, inclusive)

25 30. Plaintiff realleges and incorporates by reference each and every allegation set
26 forth in paragraphs 1 through 29 above.

27 31. Defendants claim an interest in the Subject Property which is adverse to the
28 Plaintiff. Defendants' interest in the Subject Property is purportedly based on the Notice of

1 Rescission, recorded on June 2, 2008, which states that the sale is rescinded.

2 32. The Notice of Rescission is invalid and void because the Defendant has no
3 further rights to the Subject Property after the Trustee Sale was completed and the Trustee's
4 Deed Upon Sale was issued and recorded.

5 33. Defendants' claim to the Subject Property clouds the Plaintiff's title, depreciates
6 the property's market value, and prevents Plaintiff from enjoying the use of the Subject
7 Property.

8 **THIRD CAUSE OF ACTION**

9 **[Quiet Title]**

10 (Against Defendants WAMU, LAURA RICHARDSON, UNKNOWN DEFENDANTS,
11 and DOES 11-20, inclusive)

12 34. Plaintiff realleges and incorporates by reference each and every allegation set
13 forth in paragraphs 1 through 33 above.

14 35. Plaintiff is the sole owner of the fee simple title to the Subject Property.

15 36. The basis of Plaintiff's title is that Plaintiff was the high bidder at the Trustee's
16 Sale of the Subject Property; Plaintiff tendered the full amount of its bid to the trustee; the
17 trustee accepted Plaintiff's tender; and, the trustee issued a Trustee's Deed Upon Sale to
18 Plaintiff, which was subsequently recorded, granting Plaintiff fee simple title to the Subject
19 Property.

20 37. Plaintiff is seeking to quiet title against the claims of WAMU, LAURA
21 RICHARDSON, UNKNOWN DEFENDANTS, and DOES 11-20, inclusive, as follows: a
22 Notice of Rescission was recorded in Sacramento County California, Book 20080602, Page
23 0885, by CRC and WAMU purportedly rescinding the Trustee's Deed Upon Sale issued to
24 Plaintiff which would have the affect of restoring the state of title to the Subject Property to
25 the status quo prior to the recordation of the Trustee's Deed Upon Sale; the claims of all the
26 Unknown Defendants and Does 11-20, inclusive, whether or not the claim or cloud is known
27 to Plaintiff. The claims of Defendants are without any right whatsoever and such Defendants
28 have no right, title, estate, lien, or interest whatever in the Subject Property or any part thereof.

1 38. Plaintiff seeks to quiet title to the Subject Property as of May 7, 2008, which is
2 the date Plaintiff purchased the Subject Property at the Trustee's Sale.

3 **FOURTH CAUSE OF ACTION**

4 **[Unjust Enrichment]**

5 (Against Defendants WAMU, LAURA RICHARDSON, and DOES 1-10, inclusive)

6 39. Plaintiff realleges and incorporates by reference each and every allegation set
7 forth in paragraphs 1 through 38 above.

8 40. Plaintiff has completed numerous improvements to the Subject Property, which
9 have significantly increased its value. If Defendants are permitted to rescind the Trustee's
10 Deed Upon Sale, Defendants will be unjustly enriched by their retention of the increased value
11 of the Subject Property.

12 **PRAYER**

13 Wherefore, Plaintiff prays judgment against Defendants as follow:

- 14 1. For general damages, in an amount to be proven at trial;
- 15 2. For punitive and exemplary damages in an amount to be proven at trial;
- 16 3. For the Notice of Rescission to be delivered to the clerk for the court for
17 cancellation and that it be declared void;
- 18 4. For a judgment that Plaintiff is the owner in fee simple of the Subject Property
19 and that Defendants have no interest in the Subject Property adverse to
20 Plaintiffs;
- 21 5. For restitution;
- 22 6. For attorneys' fees and costs incurred herein; and
- 23 7. For such other and further relief as the court may deem proper.

24 DATED: 6/11/2008

25 WAGNER KIRKMAN BLAINE
KLOMPARENS & YOUMANS LLP

26 By: 
27

28 THOMAS B. SHERIDAN
Attorneys for RED ROCK MORTGAGE,
INC.

EXHIBIT A

Recording Requested By:
Washington Mutual Bank



Return To:
2210 Enterprise Drive
Doc Ops - MS SC00140
Florence, SC 29501

Sacramento County Recording
Craig A Kramer, Clerk/Recorder
BOOK **20070110** PAGE **1818**

Check Number 4286
Wednesday, JAN 10, 2007 2:59:33 PM
Ttl Pd \$53.00 Nbr-0004694371

REB/51/1-19

Prepared By:

[Space Above This Line For Recording Data]

DEED OF TRUST

DEFINITIONS

Words used in multiple sections of this document are defined below and other words are defined in Sections 3, 11, 13, 18, 20 and 21. Certain rules regarding the usage of words used in this document are also provided in Section 16.

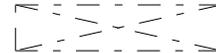
- (A) "Security Instrument" means this document, which is dated January 4, 2007 together with all Riders to this document.
- (B) "Borrower" is Laura Richardson, An Unmarried Woman

Borrower's address is 717 E Vernon St, Long Beach, CA 90806

. Borrower is the trustor under this Security Instrument.

(C) "Lender" is Washington Mutual Bank

Lender is a federal association
organized and existing under the laws of the United States



CALIFORNIA-Single Family-Fannie Mae/Freddie Mac UNIFORM INSTRUMENT

Form 3005 1/01

VMP-6(CA) (0207) 01

Page 1 of 15

Initials

VMP Mortgage Solutions, Inc



A

Lender's address is 1400 South Douglass Road, Suite 100, Anaheim, CA 92806

Lender is the beneficiary under this Security Instrument.

(D) "Trustee" is California Reconveyance Company, a California corporation

(E) "Note" means the promissory note signed by Borrower and dated January 4, 2007

The Note states that Borrower owes Lender Five Hundred Thirty Five Thousand One and No/100 Dollars

(U.S. \$535,001.00) plus interest. Borrower has promised to pay this debt in regular Periodic Payments and to pay the debt in full not later than February 1, 2037

(F) "Property" means the property that is described below under the heading "Transfer of Rights in the Property."

(G) "Loan" means the debt evidenced by the Note, plus interest, any prepayment charges and late charges due under the Note, and all sums due under this Security Instrument, plus interest.

(H) "Riders" means all Riders to this Security Instrument that are executed by Borrower. The following Riders are to be executed by Borrower [check box as applicable]:

- | | | |
|---|---|---|
| <input checked="" type="checkbox"/> Adjustable Rate Rider | <input type="checkbox"/> Condominium Rider | <input type="checkbox"/> Second Home Rider |
| <input type="checkbox"/> Balloon Rider | <input type="checkbox"/> Planned Unit Development Rider | <input type="checkbox"/> 1-4 Family Rider |
| <input type="checkbox"/> VA Rider | <input type="checkbox"/> Biweekly Payment Rider | <input type="checkbox"/> Other(s) [specify] |

(I) "Applicable Law" means all controlling applicable federal, state and local statutes, regulations, ordinances and administrative rules and orders (that have the effect of law) as well as all applicable final, non-appealable judicial opinions

(J) "Community Association Dues, Fees, and Assessments" means all dues, fees, assessments and other charges that are imposed on Borrower or the Property by a condominium association, homeowners association or similar organization.

(K) "Electronic Funds Transfer" means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument, computer, or magnetic tape so as to order, instruct, or authorize a financial institution to debit or credit an account. Such term includes, but is not limited to, point-of-sale transfers, automated teller machine transactions, transfers initiated by telephone, wire transfers, and automated clearinghouse transfers.

(L) "Escrow Items" means those items that are described in Section 3.

(M) "Miscellaneous Proceeds" means any compensation, settlement, award of damages, or proceeds paid by any third party (other than insurance proceeds paid under the coverages described in Section 5) for: (i) damage to, or destruction of, the Property; (ii) condemnation or other taking of all or any part of the Property; (iii) conveyance in lieu of condemnation; or (iv) misrepresentations of, or omissions as to, the value and/or condition of the Property.

(N) "Mortgage Insurance" means insurance protecting Lender against the nonpayment of, or default on, the Loan.

(O) "Periodic Payment" means the regularly scheduled amount due for (i) principal and interest under the Note, plus (ii) any amounts under Section 3 of this Security Instrument.

(P) "RESPA" means the Real Estate Settlement Procedures Act (12 U.S.C. Section 2601 et seq) and its implementing regulation, Regulation X (24 C.F.R. Part 3500), as they might be amended from time to time, or any additional or successor legislation or regulation that governs the same subject matter. As used in this Security Instrument, "RESPA" refers to all requirements and restrictions that are imposed in regard

to a "federally related mortgage loan" even if the Loan does not qualify as a "federally related mortgage loan" under RESPA.

(Q) "Successor in Interest of Borrower" means any party that has taken title to the Property, whether or not that party has assumed Borrower's obligations under the Note and/or this Security Instrument.

TRANSFER OF RIGHTS IN THE PROPERTY

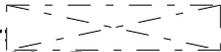
This Security Instrument secures to Lender: (i) the repayment of the Loan, and all renewals, extensions and modifications of the Note; and (ii) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described property located in the County of SACRAMENTO :

[Type of Recording Jurisdiction]

[Name of Recording Jurisdiction]

Legal Description Attached Hereto And Made A Part Hereof

Exhibit A

Parcel ID Number: 
3622 West Curtis Drive
Sacramento
("Property Address").

which currently has the address of
[Street]
[City], California 95818 [Zip Code]

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows.

1. Payment of Principal, Interest, Escrow Items, Prepayment Charges, and Late Charges. Borrower shall pay when due the principal of, and interest on, the debt evidenced by the Note and any prepayment charges and late charges due under the Note. Borrower shall also pay funds for Escrow Items pursuant to Section 3. Payments due under the Note and this Security Instrument shall be made in U.S.

Initials: 

currency. However, if any check or other instrument received by Lender as payment under the Note or this Security Instrument is returned to Lender unpaid, Lender may require that any or all subsequent payments due under the Note and this Security Instrument be made in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality, or entity; or (d) Electronic Funds Transfer

Payments are deemed received by Lender when received at the location designated in the Note or at such other location as may be designated by Lender in accordance with the notice provisions in Section 15. Lender may return any payment or partial payment if the payment or partial payments are insufficient to bring the Loan current. Lender may accept any payment or partial payment insufficient to bring the Loan current, without waiver of any rights hereunder or prejudice to its rights to refuse such payment or partial payments in the future, but Lender is not obligated to apply such payments at the time such payments are accepted. If each Periodic Payment is applied as of its scheduled due date, then Lender need not pay interest on unapplied funds. Lender may hold such unapplied funds until Borrower makes payment to bring the Loan current. If Borrower does not do so within a reasonable period of time, Lender shall either apply such funds or return them to Borrower. If not applied earlier, such funds will be applied to the outstanding principal balance under the Note immediately prior to foreclosure. No offset or claim which Borrower might have now or in the future against Lender shall relieve Borrower from making payments due under the Note and this Security Instrument or performing the covenants and agreements secured by this Security Instrument.

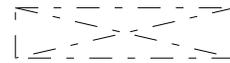
2. Application of Payments or Proceeds. Except as otherwise described in this Section 2, all payments accepted and applied by Lender shall be applied in the following order of priority: (a) interest due under the Note, (b) principal due under the Note; (c) amounts due under Section 3. Such payments shall be applied to each Periodic Payment in the order in which it became due. Any remaining amounts shall be applied first to late charges, second to any other amounts due under this Security Instrument, and then to reduce the principal balance of the Note.

If Lender receives a payment from Borrower for a delinquent Periodic Payment which includes a sufficient amount to pay any late charge due, the payment may be applied to the delinquent payment and the late charge. If more than one Periodic Payment is outstanding, Lender may apply any payment received from Borrower to the repayment of the Periodic Payments if, and to the extent that, each payment can be paid in full. To the extent that any excess exists after the payment is applied to the full payment of one or more Periodic Payments, such excess may be applied to any late charges due. Voluntary prepayments shall be applied first to any prepayment charges and then as described in the Note

Any application of payments, insurance proceeds, or Miscellaneous Proceeds to principal due under the Note shall not extend or postpone the due date, or change the amount, of the Periodic Payments.

3. Funds for Escrow Items. Borrower shall pay to Lender on the day Periodic Payments are due under the Note, until the Note is paid in full, a sum (the "Funds") to provide for payment of amounts due for: (a) taxes and assessments and other items which can attain priority over this Security Instrument as a lien or encumbrance on the Property; (b) leasehold payments or ground rents on the Property, if any; (c) premiums for any and all insurance required by Lender under Section 5, and (d) Mortgage Insurance premiums, if any, or any sums payable by Borrower to Lender in lieu of the payment of Mortgage Insurance premiums in accordance with the provisions of Section 10. These items are called "Escrow Items." At origination or at any time during the term of the Loan, Lender may require that Community Association Dues, Fees, and Assessments, if any, be escrowed by Borrower, and such dues, fees and assessments shall be an Escrow Item. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this Section. Borrower shall pay Lender the Funds for Escrow Items unless Lender waives Borrower's obligation to pay the Funds for any or all Escrow Items. Lender may waive Borrower's obligation to pay to Lender Funds for any or all Escrow Items at any time. Any such waiver may only be

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in writing. In the event of such waiver, Borrower shall pay directly, when and where payable, the amounts due for any Escrow Items for which payment of Funds has been waived by Lender and, if Lender requires, shall furnish to Lender receipts evidencing such payment within such time period as Lender may require. Borrower's obligation to make such payments and to provide receipts shall for all purposes be deemed to be a covenant and agreement contained in this Security Instrument, as the phrase "covenant and agreement" is used in Section 9. If Borrower is obligated to pay Escrow Items directly, pursuant to a waiver, and Borrower fails to pay the amount due for an Escrow Item, Lender may exercise its rights under Section 9 and pay such amount and Borrower shall then be obligated under Section 9 to repay to Lender any such amount. Lender may revoke the waiver as to any or all Escrow Items at any time by a notice given in accordance with Section 15 and, upon such revocation, Borrower shall pay to Lender all Funds, and in such amounts, that are then required under this Section 3.

Lender may, at any time, collect and hold Funds in an amount (a) sufficient to permit Lender to apply the Funds at the time specified under RESPA, and (b) not to exceed the maximum amount a lender can require under RESPA. Lender shall estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with Applicable Law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is an institution whose deposits are so insured) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items no later than the time specified under RESPA. Lender shall not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and Applicable Law permits Lender to make such a charge. Unless an agreement is made in writing or Applicable Law requires interest to be paid on the Funds, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender can agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds as required by RESPA.

If there is a surplus of Funds held in escrow, as defined under RESPA, Lender shall account to Borrower for the excess funds in accordance with RESPA. If there is a shortage of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the shortage in accordance with RESPA, but in no more than 12 monthly payments. If there is a deficiency of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the deficiency in accordance with RESPA, but in no more than 12 monthly payments.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender

4. Charges; Liens. Borrower shall pay all taxes, assessments, charges, fines, and impositions attributable to the Property which can attain priority over this Security Instrument, leasehold payments or ground rents on the Property, if any, and Community Association Dues, Fees, and Assessments, if any. To the extent that these items are Escrow Items, Borrower shall pay them in the manner provided in Section 3.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender, but only so long as Borrower is performing such agreement; (b) contests the lien in good faith by, or defends against enforcement of the lien in, legal proceedings which in Lender's opinion operate to prevent the enforcement of the lien while those proceedings are pending, but only until such proceedings are concluded, or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which can attain priority over this Security Instrument, Lender may give Borrower a notice identifying the

Initials 



lien. Within 10 days of the date on which that notice is given, Borrower shall satisfy the lien or take one or more of the actions set forth above in this Section 4.

Lender may require Borrower to pay a one-time charge for a real estate tax verification and/or reporting service used by Lender in connection with this Loan.

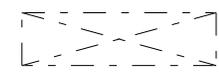
5. Property Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage," and any other hazards including, but not limited to, earthquakes and floods, for which Lender requires insurance. This insurance shall be maintained in the amounts (including deductible levels) and for the periods that Lender requires. What Lender requires pursuant to the preceding sentences can change during the term of the Loan. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's right to disapprove Borrower's choice, which right shall not be exercised unreasonably. Lender may require Borrower to pay, in connection with this Loan, either: (a) a one-time charge for flood zone determination, certification and tracking services; or (b) a one-time charge for flood zone determination and certification services and subsequent charges each time remappings or similar changes occur which reasonably might affect such determination or certification. Borrower shall also be responsible for the payment of any fees imposed by the Federal Emergency Management Agency in connection with the review of any flood zone determination resulting from an objection by Borrower.

If Borrower fails to maintain any of the coverages described above, Lender may obtain insurance coverage, at Lender's option and Borrower's expense. Lender is under no obligation to purchase any particular type or amount of coverage. Therefore, such coverage shall cover Lender, but might or might not protect Borrower, Borrower's equity in the Property, or the contents of the Property, against any risk, hazard or liability and might provide greater or lesser coverage than was previously in effect. Borrower acknowledges that the cost of the insurance coverage so obtained might significantly exceed the cost of insurance that Borrower could have obtained. Any amounts disbursed by Lender under this Section 5 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

All insurance policies required by Lender and renewals of such policies shall be subject to Lender's right to disapprove such policies, shall include a standard mortgage clause, and shall name Lender as mortgagee and/or as an additional loss payee and Borrower further agrees to generally assign rights to insurance proceeds to the holder of the Note up to the amount of the outstanding loan balance. Lender shall have the right to hold the policies and renewal certificates. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. If Borrower obtains any form of insurance coverage, not otherwise required by Lender, for damage to, or destruction of, the Property, such policy shall include a standard mortgage clause and shall name Lender as mortgagee and/or as an additional loss payee and Borrower further agrees to generally assign rights to insurance proceeds to the holder of the Note up to the amount of the outstanding loan balance.

In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower. Unless Lender and Borrower otherwise agree in writing, any insurance proceeds, whether or not the underlying insurance was required by Lender, shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such insurance proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such insurance proceeds, Lender shall not be required to pay Borrower any interest or earnings on such proceeds. Fees for public adjusters, or other third parties, retained by Borrower shall not be paid out of the insurance proceeds and shall be the sole obligation of Borrower. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with

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the excess, if any, paid to Borrower. Such insurance proceeds shall be applied in the order provided for in Section 2

If Borrower abandons the Property, Lender may file, negotiate and settle any available insurance claim and related matters. If Borrower does not respond within 30 days to a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may negotiate and settle the claim. The 30-day period will begin when the notice is given. In either event, or if Lender acquires the Property under Section 22 or otherwise, Borrower hereby assigns to Lender (a) Borrower's rights to any insurance proceeds in an amount not to exceed the amounts unpaid under the Note or this Security Instrument, and (b) any other of Borrower's rights (other than the right to any refund of unearned premiums paid by Borrower) under all insurance policies covering the Property, insofar as such rights are applicable to the coverage of the Property. Lender may use the insurance proceeds either to repair or restore the Property or to pay amounts unpaid under the Note or this Security Instrument, whether or not then due

6. Occupancy. Borrower shall occupy, establish, and use the Property as Borrower's principal residence within 60 days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control.

7. Preservation, Maintenance and Protection of the Property; Inspections. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate or commit waste on the Property. Whether or not Borrower is residing in the Property, Borrower shall maintain the Property in order to prevent the Property from deteriorating or decreasing in value due to its condition. Unless it is determined pursuant to Section 5 that repair or restoration is not economically feasible, Borrower shall promptly repair the Property if damaged to avoid further deterioration or damage. If insurance or condemnation proceeds are paid in connection with damage to, or the taking of, the Property, Borrower shall be responsible for repairing or restoring the Property only if Lender has released proceeds for such purposes. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. If the insurance or condemnation proceeds are not sufficient to repair or restore the Property, Borrower is not relieved of Borrower's obligation for the completion of such repair or restoration.

Lender or its agent may make reasonable entries upon and inspections of the Property. If it has reasonable cause, Lender may inspect the interior of the improvements on the Property. Lender shall give Borrower notice at the time of or prior to such an interior inspection specifying such reasonable cause.

8. Borrower's Loan Application. Borrower shall be in default if, during the Loan application process, Borrower or any persons or entities acting at the direction of Borrower or with Borrower's knowledge or consent gave materially false, misleading, or inaccurate information or statements to Lender (or failed to provide Lender with material information) in connection with the Loan. Material representations include, but are not limited to, representations concerning Borrower's occupancy of the Property as Borrower's principal residence.

9. Protection of Lender's Interest in the Property and Rights Under this Security Instrument. If (a) Borrower fails to perform the covenants and agreements contained in this Security Instrument, (b) there is a legal proceeding that might significantly affect Lender's interest in the Property and/or rights under this Security Instrument (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture, for enforcement of a lien which may attain priority over this Security Instrument or to enforce laws or regulations), or (c) Borrower has abandoned the Property, then Lender may do and pay for whatever is reasonable or appropriate to protect Lender's interest in the Property and rights under this Security Instrument, including protecting and/or assessing the value of the Property, and securing and/or repairing the Property. Lender's actions can include, but are not limited to: (a) paying any sums secured by a lien which has priority over this Security Instrument; (b) appearing in court; and (c) paying reasonable

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attorneys' fees to protect its interest in the Property and/or rights under this Security Instrument, including its secured position in a bankruptcy proceeding. Securing the Property includes, but is not limited to, entering the Property to make repairs, change locks, replace or board up doors and windows, drain water from pipes, eliminate building or other code violations or dangerous conditions, and have utilities turned on or off. Although Lender may take action under this Section 9, Lender does not have to do so and is not under any duty or obligation to do so. It is agreed that Lender incurs no liability for not taking any or all actions authorized under this Section 9.

Any amounts disbursed by Lender under this Section 9 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

10. Mortgage Insurance. If Lender required Mortgage Insurance as a condition of making the Loan, Borrower shall pay the premiums required to maintain the Mortgage Insurance in effect. If, for any reason, the Mortgage Insurance coverage required by Lender ceases to be available from the mortgage insurer that previously provided such insurance and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the Mortgage Insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the Mortgage Insurance previously in effect, from an alternate mortgage insurer selected by Lender. If substantially equivalent Mortgage Insurance coverage is not available, Borrower shall continue to pay to Lender the amount of the separately designated payments that were due when the insurance coverage ceased to be in effect. Lender will accept, use and retain these payments as a non-refundable loss reserve in lieu of Mortgage Insurance. Such loss reserve shall be non-refundable, notwithstanding the fact that the Loan is ultimately paid in full, and Lender shall not be required to pay Borrower any interest or earnings on such loss reserve. Lender can no longer require loss reserve payments if Mortgage Insurance coverage (in the amount and for the period that Lender requires) provided by an insurer selected by Lender again becomes available, is obtained, and Lender requires separately designated payments toward the premiums for Mortgage Insurance. If Lender required Mortgage Insurance as a condition of making the Loan and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to maintain Mortgage Insurance in effect, or to provide a non-refundable loss reserve, until Lender's requirement for Mortgage Insurance ends in accordance with any written agreement between Borrower and Lender providing for such termination or until termination is required by Applicable Law. Nothing in this Section 10 affects Borrower's obligation to pay interest at the rate provided in the Note.

Mortgage Insurance reimburses Lender (or any entity that purchases the Note) for certain losses it may incur if Borrower does not repay the Loan as agreed. Borrower is not a party to the Mortgage Insurance.

Mortgage insurers evaluate their total risk on all such insurance in force from time to time, and may enter into agreements with other parties that share or modify their risk, or reduce losses. These agreements are on terms and conditions that are satisfactory to the mortgage insurer and the other party (or parties) to these agreements. These agreements may require the mortgage insurer to make payments using any source of funds that the mortgage insurer may have available (which may include funds obtained from Mortgage Insurance premiums).

As a result of these agreements, Lender, any purchaser of the Note, another insurer, any reinsurer, any other entity, or any affiliate of any of the foregoing, may receive (directly or indirectly) amounts that derive from (or might be characterized as) a portion of Borrower's payments for Mortgage Insurance, in exchange for sharing or modifying the mortgage insurer's risk, or reducing losses. If such agreement provides that an affiliate of Lender takes a share of the insurer's risk in exchange for a share of the premiums paid to the insurer, the arrangement is often termed "captive reinsurance." Further:

(a) Any such agreements will not affect the amounts that Borrower has agreed to pay for Mortgage Insurance, or any other terms of the Loan. Such agreements will not increase the amount Borrower will owe for Mortgage Insurance, and they will not entitle Borrower to any refund.

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(b) Any such agreements will not affect the rights Borrower has - if any - with respect to the Mortgage Insurance under the Homeowners Protection Act of 1998 or any other law. These rights may include the right to receive certain disclosures, to request and obtain cancellation of the Mortgage Insurance, to have the Mortgage Insurance terminated automatically, and/or to receive a refund of any Mortgage Insurance premiums that were unearned at the time of such cancellation or termination.

11. Assignment of Miscellaneous Proceeds; Forfeiture. All Miscellaneous Proceeds are hereby assigned to and shall be paid to Lender.

If the Property is damaged, such Miscellaneous Proceeds shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such Miscellaneous Proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may pay for the repairs and restoration in a single disbursement or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such Miscellaneous Proceeds, Lender shall not be required to pay Borrower any interest or earnings on such Miscellaneous Proceeds. If the restoration or repair is not economically feasible or Lender's security would be lessened, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such Miscellaneous Proceeds shall be applied in the order provided for in Section 2.

In the event of a total taking, destruction, or loss in value of the Property, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the Miscellaneous Proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the partial taking, destruction, or loss in value divided by (b) the fair market value of the Property immediately before the partial taking, destruction, or loss in value. Any balance shall be paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is less than the amount of the sums secured immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the Opposing Party (as defined in the next sentence) offers to make an award to settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the Miscellaneous Proceeds either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due. "Opposing Party" means the third party that owes Borrower Miscellaneous Proceeds or the party against whom Borrower has a right of action in regard to Miscellaneous Proceeds.

Borrower shall be in default if any action or proceeding, whether civil or criminal, is begun that, in Lender's judgment, could result in forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. Borrower can cure such a default and, if acceleration has occurred, reinstate as provided in Section 19, by causing the action or proceeding to be dismissed with a ruling that, in Lender's judgment, precludes forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. The proceeds of any award or claim for damages that are attributable to the impairment of Lender's interest in the Property are hereby assigned and shall be paid to Lender.

All Miscellaneous Proceeds that are not applied to restoration or repair of the Property shall be applied in the order provided for in Section 2.

12. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender

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to Borrower or any Successor in Interest of Borrower shall not operate to release the liability of Borrower or any Successors in Interest of Borrower. Lender shall not be required to commence proceedings against any Successor in Interest of Borrower or to refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or any Successors in Interest of Borrower. Any forbearance by Lender in exercising any right or remedy including, without limitation, Lender's acceptance of payments from third persons, entities or Successors in Interest of Borrower or in amounts less than the amount then due, shall not be a waiver of or preclude the exercise of any right or remedy

13. Joint and Several Liability; Co-signers; Successors and Assigns Bound. Borrower covenants and agrees that Borrower's obligations and liability shall be joint and several. However, any Borrower who co-signs this Security Instrument but does not execute the Note (a "co-signer"): (a) is co-signing this Security Instrument only to mortgage, grant and convey the co-signer's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower can agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without the co-signer's consent.

Subject to the provisions of Section 18, any Successor in Interest of Borrower who assumes Borrower's obligations under this Security Instrument in writing, and is approved by Lender, shall obtain all of Borrower's rights and benefits under this Security Instrument. Borrower shall not be released from Borrower's obligations and liability under this Security Instrument unless Lender agrees to such release in writing. The covenants and agreements of this Security Instrument shall bind (except as provided in Section 20) and benefit the successors and assigns of Lender.

14. Loan Charges. Lender may charge Borrower fees for services performed in connection with Borrower's default, for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument, including, but not limited to, attorneys' fees, property inspection and valuation fees. In regard to any other fees, the absence of express authority in this Security Instrument to charge a specific fee to Borrower shall not be construed as a prohibition on the charging of such fee. Lender may not charge fees that are expressly prohibited by this Security Instrument or by Applicable Law.

If the Loan is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the Loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge (whether or not a prepayment charge is provided for under the Note). Borrower's acceptance of any such refund made by direct payment to Borrower will constitute a waiver of any right of action Borrower might have arising out of such overcharge.

15. Notices. All notices given by Borrower or Lender in connection with this Security Instrument must be in writing. Any notice to Borrower in connection with this Security Instrument shall be deemed to have been given to Borrower when mailed by first class mail or when actually delivered to Borrower's notice address if sent by other means. Notice to any one Borrower shall constitute notice to all Borrowers unless Applicable Law expressly requires otherwise. The notice address shall be the Property Address unless Borrower has designated a substitute notice address by notice to Lender. Borrower shall promptly notify Lender of Borrower's change of address. If Lender specifies a procedure for reporting Borrower's change of address, then Borrower shall only report a change of address through that specified procedure. There may be only one designated notice address under this Security Instrument at any one time. Any notice to Lender shall be given by delivering it or by mailing it by first class mail to Lender's address stated herein unless Lender has designated another address by notice to Borrower. Any notice in connection with this Security Instrument shall not be deemed to have been given to Lender until actually received by Lender. If any notice required by this Security Instrument is also required under Applicable Law, the Applicable Law requirement will satisfy the corresponding requirement under this Security Instrument.



16. Governing Law; Severability; Rules of Construction. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. All rights and obligations contained in this Security Instrument are subject to any requirements and limitations of Applicable Law. Applicable Law might explicitly or implicitly allow the parties to agree by contract or it might be silent, but such silence shall not be construed as a prohibition against agreement by contract. In the event that any provision or clause of this Security Instrument or the Note conflicts with Applicable Law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision.

As used in this Security Instrument: (a) words of the masculine gender shall mean and include corresponding neuter words or words of the feminine gender; (b) words in the singular shall mean and include the plural and vice versa; and (c) the word "may" gives sole discretion without any obligation to take any action.

17. Borrower's Copy. Borrower shall be given one copy of the Note and of this Security Instrument.

18. Transfer of the Property or a Beneficial Interest in Borrower. As used in this Section 18, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

19. Borrower's Right to Reinstate After Acceleration. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earliest of: (a) five days before sale of the Property pursuant to any power of sale contained in this Security Instrument; (b) such other period as Applicable Law might specify for the termination of Borrower's right to reinstate; or (c) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements, (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees, property inspection and valuation fees, and other fees incurred for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument; and (d) takes such action as Lender may reasonably require to assure that Lender's interest in the Property and rights under this Security Instrument, and Borrower's obligation to pay the sums secured by this Security Instrument, shall continue unchanged. Lender may require that Borrower pay such reinstatement sums and expenses in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality or entity; or (d) Electronic Funds Transfer. Upon reinstatement by Borrower, this Security Instrument and obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under Section 18.

20. Sale of Note; Change of Loan Servicer; Notice of Grievance. The Note or a partial interest in the Note (together with this Security Instrument) can be sold one or more times without prior notice to Borrower. A sale might result in a change in the entity (known as the "Loan Servicer") that collects Periodic Payments due under the Note and this Security Instrument and performs other mortgage loan servicing obligations under the Note, this Security Instrument, and Applicable Law. There also might be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change which will state the name and address of the new Loan Servicer, the address to which payments should be made and any other information RESPA

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requires in connection with a notice of transfer of servicing. If the Note is sold and thereafter the Loan is serviced by a Loan Servicer other than the purchaser of the Note, the mortgage loan servicing obligations to Borrower will remain with the Loan Servicer or be transferred to a successor Loan Servicer and are not assumed by the Note purchaser unless otherwise provided by the Note purchaser.

Neither Borrower nor Lender may commence, join, or be joined to any judicial action (as either an individual litigant or the member of a class) that arises from the other party's actions pursuant to this Security Instrument or that alleges that the other party has breached any provision of, or any duty owed by reason of, this Security Instrument, until such Borrower or Lender has notified the other party (with such notice given in compliance with the requirements of Section 15) of such alleged breach and afforded the other party hereto a reasonable period after the giving of such notice to take corrective action. If Applicable Law provides a time period which must elapse before certain action can be taken, that time period will be deemed to be reasonable for purposes of this paragraph. The notice of acceleration and opportunity to cure given to Borrower pursuant to Section 22 and the notice of acceleration given to Borrower pursuant to Section 18 shall be deemed to satisfy the notice and opportunity to take corrective action provisions of this Section 20.

21. Hazardous Substances. As used in this Section 21: (a) "Hazardous Substances" are those substances defined as toxic or hazardous substances, pollutants, or wastes by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials; (b) "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection; (c) "Environmental Cleanup" includes any response action, remedial action, or removal action, as defined in Environmental Law; and (d) an "Environmental Condition" means a condition that can cause, contribute to, or otherwise trigger an Environmental Cleanup.

Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances, or threaten to release any Hazardous Substances, on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property (a) that is in violation of any Environmental Law, (b) which creates an Environmental Condition, or (c) which, due to the presence, use, or release of a Hazardous Substance, creates a condition that adversely affects the value of the Property. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property (including, but not limited to, hazardous substances in consumer products).

Borrower shall promptly give Lender written notice of (a) any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge, (b) any Environmental Condition, including but not limited to, any spilling, leaking, discharge, release or threat of release of any Hazardous Substance, and (c) any condition caused by the presence, use or release of a Hazardous Substance which adversely affects the value of the Property. If Borrower learns, or is notified by any governmental or regulatory authority, or any private party, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law. Nothing herein shall create any obligation on Lender for an Environmental Cleanup.

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NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

22. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under Section 18 unless Applicable Law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Borrower to acceleration and sale. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may invoke the power of sale and any other remedies permitted by Applicable Law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this Section 22, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

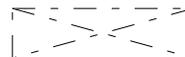
If Lender invokes the power of sale, Lender shall execute or cause Trustee to execute a written notice of the occurrence of an event of default and of Lender's election to cause the Property to be sold. Trustee shall cause this notice to be recorded in each county in which any part of the Property is located. Lender or Trustee shall mail copies of the notice as prescribed by Applicable Law to Borrower and to the other persons prescribed by Applicable Law. Trustee shall give public notice of sale to the persons and in the manner prescribed by Applicable Law. After the time required by Applicable Law, Trustee, without demand on Borrower, shall sell the Property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in any order Trustee determines. Trustee may postpone sale of all or any parcel of the Property by public announcement at the time and place of any previously scheduled sale. Lender or its designee may purchase the Property at any sale.

Trustee shall deliver to the purchaser Trustee's deed conveying the Property without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable Trustee's and attorneys' fees; (b) to all sums secured by this Security Instrument; and (c) any excess to the person or persons legally entitled to it.

23. Reconveyance. Upon payment of all sums secured by this Security Instrument, Lender shall request Trustee to reconvey the Property and shall surrender this Security Instrument and all notes evidencing debt secured by this Security Instrument to Trustee. Trustee shall reconvey the Property without warranty to the person or persons legally entitled to it. Lender may charge such person or persons a reasonable fee for reconveying the Property, but only if the fee is paid to a third party (such as the Trustee) for services rendered and the charging of the fee is permitted under Applicable Law. If the fee charged does not exceed the fee set by Applicable Law, the fee is conclusively presumed to be reasonable.

24. Substitute Trustee. Lender, at its option, may from time to time appoint a successor trustee to any Trustee appointed hereunder by an instrument executed and acknowledged by Lender and recorded in the office of the Recorder of the county in which the Property is located. The instrument shall contain the name of the original Lender, Trustee and Borrower, the book and page where this Security Instrument is recorded and the name and address of the successor trustee. Without conveyance of the Property, the successor trustee shall succeed to all the title, powers and duties conferred upon the Trustee herein and by Applicable Law. This procedure for substitution of trustee shall govern to the exclusion of all other provisions for substitution.

25. Statement of Obligation Fee. Lender may collect a fee not to exceed the maximum amount permitted by Applicable Law for furnishing the statement of obligation as provided by Section 2943 of the Civil Code of California.



BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any Rider executed by Borrower and recorded with it.

Witnesses:

_____ (Seal)
-Borrower

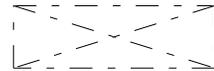

Laura Richardson (Seal)
-Borrower

_____ (Seal)
-Borrower

_____ (Seal)
-Borrower

_____ (Seal)
-Borrower

_____ (Seal)
-Borrower



State of California
County of Sacramento

} ss.

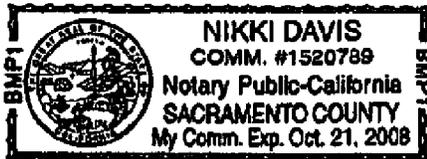
On January 4, 2007

before me, Nikki Davis a notary public
personally appeared

Saura Richardson

, personally known to me
(or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed
to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their
authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity
upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.



[Signature] (Seal)

[Signature]

Exhibit "A"
Legal Description

Lot 259 as shown on the official "Plat of South Curtis Oaks Subdivision No. 6", filed in the office of the County Recorder of Sacramento County, February 10, 1927 in Book 19 of Maps, Map No. 18

Apn: 

FIXED/ADJUSTABLE RATE RIDER

THIS FIXED/ADJUSTABLE RATE RIDER is made on this 4th day of January, 2007, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed (the "Security Instrument") of the same date given by the undersigned ("Borrower") to secure Borrower's Fixed/Adjustable Rate Note (the "Note") to Washington Mutual Bank ("Lender") of the same date and covering the property described in the Security Instrument and located at: 3622 West Curtis Drive, Sacramento, CA 95818

[Property Address]

THE NOTE CONTAINS PROVISIONS ALLOWING FOR A CHANGE FROM THE INITIAL FIXED INTEREST RATE TO AN ADJUSTABLE INTEREST RATE AND FOR CHANGES IN THE MONTHLY PAYMENT. THE NOTE LIMITS THE AMOUNT BORROWER'S INTEREST RATE CAN CHANGE AT ANY ONE TIME AND THE MAXIMUM RATE BORROWER MUST PAY.

ADDITIONAL COVENANTS. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

A. INTEREST RATE AND MONTHLY PAYMENT CHANGES

The Note provides for an initial fixed interest rate of 8.800%. The Note provides for a change in the initial fixed interest rate to an adjustable interest rate and for changes in the monthly payments, as follows:

4. INTEREST RATE AND MONTHLY PAYMENT CHANGES

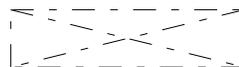
(A) Change Dates

The initial fixed interest rate Borrower will pay will change to an adjustable interest rate on the first day of February, 2009, and the interest rate Borrower will pay may change on that day every 6th month thereafter. Each date on which Borrower's interest rate could change is called a "Change Date."

(B) The Index

Beginning with the first Change Date, Borrower's interest rate will be based on an Index. The "Index" is the average of interbank offered rates for six month U.S. dollar-denominated deposits in the London market ("LIBOR"), as published in *The Wall Street Journal*. The most recent Index figure available as of the date 45 days before the Change Date is called the "Current Index."

Fixed/Adjustable Rate Rider - Libor



4140623 (0509)

Page 1 of 3

If the Index is no longer available, the Note Holder will choose a new index that is based upon comparable information. The Note Holder will give Borrower notice of this choice.

(C) Calculation of Changes

Before each Change Date, the Note Holder will calculate Borrower's new interest rate by adding Four and 99/100 percentage points (4.990 %) to the Current Index. The Note Holder will then round the result of this addition to the nearest one-eighth of one percentage point (0.125%). Subject to the limits stated in Section 4(D) below, this rounded amount will be Borrower's new interest rate until the next Change Date.

The Note Holder will then determine the amount of the monthly payment that would be sufficient to repay the unpaid principal that Borrower is expected to owe at the Change Date in full on the Maturity Date at Borrower's new interest rate in substantially equal payments. The result of this calculation will be the new amount of Borrower's monthly payment.

(D) Limits on Interest Rate Changes

The interest rate Borrower is required to pay at the first Change Date will not be greater than 10.800 % or less than 8.800%. Thereafter, Borrower's interest rate will never be increased or decreased on any single Change Date by more than One percentage point(s) (1.000%) from the rate of interest Borrower has been paying for the preceding months. Borrower's interest rate will never be greater than 14.800 % or less than 8.800 %.

(E) Effective Date of Changes

Borrower's new interest rate will become effective on each Change Date. Borrower will pay the amount of Borrower's new monthly payment beginning on the first monthly payment date after the Change Date until the amount of Borrower's monthly payment changes again.

(F) Notice of Changes

The Note Holder will deliver or mail to Borrower a notice of any changes in Borrower's interest rate and the amount of Borrower's monthly payment before the effective date of any change. The notice will include information required by law to be given to the Borrower and also the title and telephone number of a person who will answer any question Borrower may have regarding the notice.

B. TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN BORROWER

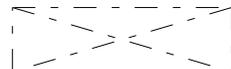
Covenant 18 of the Security Instrument is amended to read as follows:

(A) Until Borrower's initial fixed interest rate changes to an adjustable interest rate under the terms stated in Section A above, Covenant 18 of the Security Instrument provides as follows:

Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property or any interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited Applicable Law.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

Fixed/Adjustable Rate Rider - Libor



(B) When Borrower's initial fixed interest rate changes to an adjustable interest rate under the terms stated in Section A above, Covenant 18 of the Security Instrument shall then instead provide as follows:

Transfer of the Property or a Beneficial Interest in Borrower. As used in this Section 18, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser. If all or any part of the Property or any interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law. Lender also shall not exercise this option if: (a) Borrower causes to be submitted to Lender information required by Lender to evaluate the intended transferee as if a new loan were being made to the transferee; and (b) Lender reasonably determines that Lender's security will not be unpaired by the loan assumption and that the risk of a breach of any covenant or agreement in this Security Instrument is acceptable to Lender.

To the extent permitted by Applicable Law, Lender may charge a reasonable fee as a condition to Lender's consent to the loan assumption. Lender also may require the transferee to sign an assumption agreement that is acceptable to Lender and that obligates the transferee to keep all the promises and agreements made in the Note and in this Security Instrument. Borrower will continue to be obligated under the Note and this Security Instrument unless Lender releases Borrower in writing.

If Lender exercises the option to require immediate payment in full, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Fixed/Adjustable Rate Rider.



Laura Richardson (Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

[Sign Original Only]

Fixed/Adjustable Rate Rider - Libor

4140623 (0509)

Page 3 of 3

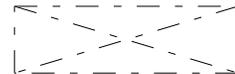


EXHIBIT B

RECORDING REQUESTED BY
 CALIFORNIA RECONVEYANCE COMPANY
 AND WHEN RECORDED MAIL TO
 CALIFORNIA RECONVEYANCE COMPANY
 9200 Oakdale Avenue
 Mail Stop: N 11 06 12
 Chatsworth, CA 91311
 800 892-6902
 (818)775-2258 (Fax)

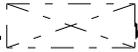


Sacramento County Recording
 Craig A Kramer, Clerk/Recorder
 BOOK 20071214 PAGE 0358

Check Number 9109
 Friday, DEC 14, 2007 8:41:18 AM
 Trl Pd \$12 00 Nbr-0005192112

TMH/74/1-2

Space above this line for recorder's use only

Trustee Sale No. 723397CA Loan No.  Title Order No. M721884

**IMPORTANT NOTICE
 NOTICE OF DEFAULT AND ELECTION TO SELL UNDER DEED OF TRUST**

IF YOUR PROPERTY IS IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR PAYMENTS, IT MAY BE SOLD WITHOUT ANY COURT ACTION, and you may have the legal right to bring your account in good standing by paying all of your past due payments plus permitted costs and expenses within the time permitted by law for reinstatement of your account, which is normally five business days prior to the date set for the sale of your property. No sale date may be set until three months from the date this notice of default may be recorded (which date of recordation appears on this notice).

This amount is \$18,356.40 as of December 13, 2007 and will increase until your account becomes current.

While your property is in foreclosure, you still must pay other obligations (such as insurance and taxes) required by your note and deed of trust or mortgage. If you fail to make future payments on the loan, pay taxes on the property, provide insurance on the property, or pay other obligations as required in the note and deed of trust or mortgage, the beneficiary or mortgagee may insist that you do so in order to reinstate your account in good standing. In addition, the beneficiary or mortgagee may require as a condition to reinstatement that you provide reliable written evidence that you paid all senior liens, property taxes, and hazard insurance premiums.

Upon your written request, the beneficiary or mortgagee will give you a written itemization of the entire amount you must pay. You may not have to pay the entire unpaid portion of your account, even though full payment was demanded, but you must pay all amounts in default at the time payment is made. However, you and your beneficiary or mortgagee may mutually agree in writing prior to the time the notice of sale is posted (which may not be earlier than the end of the three-month period stated above) to, among other things, (1) provide additional time in which to cure the default by transfer of the property or otherwise; or (2) establish a schedule of payments in order to cure your default; or both (1) and (2).

Following the expiration of the time period referred to in the first paragraph of this notice, unless the obligation being foreclosed upon or a separate written agreement between you and your creditor permits a longer period, you have only the legal right to stop the sale of property by paying the entire amount demanded by your creditor.

Trustee Sale No. **723397CA** Loan No.  Title Order No. **M721884**

To find out the amount you must pay, or to arrange for payment to stop the foreclosure, or if your property is in foreclosure for any other reason, contact: **WASHINGTON MUTUAL BANK, FA at 7301 BAYMEADOWS WAY , JACKSONVILLE, FL 32256, (877) 926-8937.**

If you have any questions, you should contact a lawyer or the governmental agency which may have insured your loan. Notwithstanding the fact that your property is in foreclosure, you may offer your property for sale, provided the sale is concluded prior to the conclusion of the foreclosure.

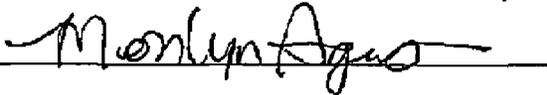
REMEMBER, YOU MAY LOSE LEGAL RIGHTS IF YOU DO NOT TAKE PROMPT ACTION. NOTICE IS HEREBY GIVEN THAT: CALIFORNIA RECONVEYANCE COMPANY is the duly appointed Trustee under a Deed of Trust dated 01/04/2007, executed by **LAURA RICHARDSON, AN UNMARRIED WOMAN**, as trustor, to secure obligations in favor of **WASHINGTON MUTUAL BANK**, as Beneficiary Recorded 01/10/2007, Book 20070110, Page 1818, Instrument of official records in the Office of the Recorder of **SACRAMENTO County, California**, as more fully described on said Deed of Trust. APN: 013-0363-001 Situs: 3622 WEST CURTIS DRIVE, , SACRAMENTO, CA 95818 Including the note(s) for the sum of \$535,001.00 that the beneficial interest under said Deed of Trust and the obligations secured thereby are presently held by the beneficiary; that a breach of, and default in, the obligations for which said Deed of Trust is security has occurred in that the payment has not been made of: **THE 08/01/2007 INSTALLMENT OF PRINCIPAL AND INTEREST AND ALL SUBSEQUENT MONTHLY INSTALLMENTS OF PRINCIPAL AND INTEREST; PLUS ANY ADDITIONAL ACCRUED AND UNPAID AMOUNTS INCLUDING, BUT NOT LIMITED TO, LATE CHARGES, ADVANCES, IMPOUNDS, TAXES, HAZARD INSURANCE, ADMINISTRATIVE FEES, INSUFFICIENT AND PARTIAL RETURN CHECK FEES, STATEMENT FEES, AND OBLIGATIONS SECURED BY PRIOR ENCUMBRANCES.**

That by reason thereof, the present beneficiary under such Deed of Trust, has executed and delivered to said Trustee, a written Declaration and Demand for Sale, and has deposited with said duly appointed Trustee, such Deed of Trust and all documents evidencing the obligations secured thereby, and has declared and does hereby declare all sums secured thereby immediately due and payable and has elected and does hereby elect to cause the trust property to be sold to satisfy the obligations secured thereby.

DATE: December 13, 2007

CALIFORNIA RECONVEYANCE COMPANY, as authorized agent for Washington Mutual Bank, Beneficiary,

By: **FIDELITY NATIONAL TITLE COMPANY**, authorized agent of CRC



CALIFORNIA RECONVEYANCE COMPANY IS A
DEBT COLLECTOR ATTEMPTING TO COLLECT A
DEBT. ANY INFORMATION OBTAINED WILL BE
USED FOR THAT PURPOSE.

Merrilyn L. Aguas

EXHIBIT C

RECORDING REQUESTED BY
 CALIFORNIA RECONVEYANCE COMPANY
 AND WHEN RECORDED MAIL TO
 CALIFORNIA RECONVEYANCE COMPANY
 9200 Oakdale Avenue
 Mail Stop: N 11 06 12
 Chatsworth, CA 91311

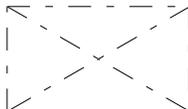


Sacramento County Recording
 Craig A Kramer, Clerk/Recorder
 BOOK 20080319 PAGE 0358

Check Number 2572
 Wednesday, MAR 19, 2008 9:07:55 AM
 T&I Pd \$11.00 Nbr-000531112

JLW/14/1-1

Trustee Sale No.
 Loan No.
 Title Order No.



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NOTICE OF TRUSTEE'S SALE

YOU ARE IN DEFAULT UNDER A DEED OF TRUST DATED 01/04/2007. UNLESS YOU TAKE ACTION TO PROTECT YOUR PROPERTY, IT MAY BE SOLD AT A PUBLIC SALE. IF YOU NEED AN EXPLANATION OF THE NATURE OF THE PROCEEDINGS AGAINST YOU, YOU SHOULD CONTACT A LAWYER.

On 04/07/2008 at 01:30 PM, CALIFORNIA RECONVEYANCE COMPANY as the duly appointed Trustee under and pursuant to Deed of Trust Recorded 01/10/2007, Book 20070110, Page 1818, Instrument , of official records in the Office of the Recorder of SACRAMENTO County, California, executed by: LAURA RICHARDSON, AN UNMARRIED WOMAN, as Trustor, WASHINGTON MUTUAL BANK, as Beneficiary, will sell at public auction sale to the highest bidder for cash, cashier's check drawn by a state or national bank, a cashier's check drawn by a state or federal credit union, or a cashier's check drawn by a state or federal savings and loan association, savings association, or savings bank specified in section 5102 of the Financial Code and authorized to do business in this state Sale will be held by the duly appointed trustee as shown below, of all right, title, and interest conveyed to and now held by the trustee in the hereinafter described property under and pursuant to the Deed of Trust. The sale will be made, but without covenant or warranty, expressed or implied, regarding title, possession, or encumbrances, to pay the remaining principal sum of the note(s) secured by the Deed of Trust, interest thereon, estimated fees, charges and expenses of the Trustee for the total amount (at the time of the initial publication of the Notice of Sale) reasonably estimated to be set forth below. The amount may be greater on the day of sale

Place of Sale. AT THE MAIN ENTRANCE TO THE COUNTY COURTHOUSE, 720 9TH STREET, SACRAMENTO, CA
 Legal Description LOT 259 AS SHOWN ON THE OFFICIAL "PLAT OF SOUTH CURTIS OAKS SUBDIVISION NOV. 6", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY, FEBRUARY 10, 1927 IN BOOK 19 OF MAPS, MAP NO. 18

Amount of unpaid balance and other charges: \$578,384.52 (estimated)

Street address and other common designation of the real property 3622 WEST CURTIS DRIVE
 SACRAMENTO, CA 95818
 APN Number: 013-0363-001-0000

The undersigned Trustee disclaims any liability for any incorrectness of the street address and other common designation, if any, shown herein. The property heretofore described is being sold "as is"

DATE: 03-17-2008

CALIFORNIA RECONVEYANCE COMPANY, as Trustee
 (714) 259-7850 or www.fidelityasap.com
 (714) 573-1965 or www.priorityposting.com

DEBORAH BRIGNAC, VICE PRESIDENT
 9200 OAKDALE AVE
 MAILSTOP N110612
 CHATSWORTH, CA 91311

CALIFORNIA RECONVEYANCE COMPANY IS A DEBT COLLECTOR ATTEMPTING TO COLLECT A DEBT. ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.

EXHIBIT D



PRIORITY
POSTING AND PUBLISHING

TRUSTEE SALE

TRUSTOR PAYMENT

RECEIPT OF FUNDS AND INSTRUCTIONS

T.S. NO. 723397 CA PRIORITY NO. 377335 DATE 5-7-08

TRUSTEE California Reconveyance Co.

ADDRESS 9200 Oakdale Ave, #110612

CITY Chatsworth STATE CA ZIP 91311

PHONE NO. [REDACTED] CONTACT Deborah Brignal

CHECK NO.	NAME OF BANK	AMOUNT
<u>101233906975</u>	<u>Wells Fargo BK</u>	<u>\$ 388,000.⁰¹</u>
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____

TOTAL OF ANY CASH RECEIVED \$ 0

SUCCESSFUL BID \$ 388,000.⁰¹ TOTAL RECEIVED \$ 388,000.⁰¹

TRANSFER TAX \$ 0 AMOUNT REQUIRED \$ 388,000.⁰¹

RECORDING FEES \$ 0 REFUND AMOUNT \$ 0

REFUND PAYABLE TO N/A

RECEIVED BY [Signature] BUYERS SIGNATURE [Signature]

BUYERS NAME Jim Youk DRIVERS LICENSE NO. [REDACTED]

TITLE TO PROPERTY TO BE VESTED AS FOLLOWS Red Rock Mortgage, Inc.

ADDRESS 3600 American River Dr, # 135

CITY Sacramento STATE CA ZIP 958

PHONE NO. [REDACTED] 0

EXHIBIT E

00339 11-24
Office AU # 1210(8)

CASHIER'S CHECK

SERIAL # []
ACCOUNT# []

Purchaser:
Purchaser Account
Operator I.D. JAMES P. YORK

cv002254

May 07, 2008

PAY TO THE ORDER OF ***CALIFORNIA RECONVEYANCE COMPANY***

Three hundred eighty-eight thousand dollars and 01 cent

***\$388,000.01**

WELLS FARGO BANK, N.A.
400 CAPITOL MALL
SACRAMENTO, CA 95814
FOR INQUIRIES CALL (480) 394-3122

NOTICE TO PURCHASER - IF THIS INSTRUMENT IS LOST,
STOLEN OR DESTROYED, YOU MAY REQUEST CANCELLATION
AND REISSUANCE. AS A CONDITION TO CANCELLATION AND
REISSUANCE, WELLS FARGO BANK MAY IMPOSE A FEE AND
REQUIRE AN INDEMNITY AGREEMENT AND BOND

VOID IF OVER US \$ 388,000.01

NON-NEGOTIABLE

Purchaser Copy

3-00- 15703 07020021

EXHIBIT F

WHEN RECORDED MAIL TO:
RED ROCK MORTGAGE, INC.

MAIL TAX STATEMENTS TO:
RED ROCK MORTGAGE, INC.
3600 AMERICAN RIVER DRIVE #135
SACRAMENTO, CA 95864



Sacramento County Recording
Craig A Kramer, Clerk/Recorder
BOOK 20080519 PAGE 0487

Check Number 9226
Monday, MAY 19, 2008 11:12:43 AM
Tax Pd \$12.00 Nbr-000398838

006-Sacramento Cy DTT PAID

AMH/GB/1-2

Space above this line for recorder's use only

Trustee Sale No. 723397CA Loan No. Title Order No M721884

TRUSTEE'S DEED UPON SALE

APN 013-0363-001-0000 T.R.A. No.

The undersigned grantor declares:

- 1) The Grantee herein was not the foreclosing beneficiary.
- 2) The amount of the unpaid debt together with costs was.....\$574,023.87
- 3) The amount paid by the grantee at the trustee sale was.....\$388,000.01
- 4) The documentary transfer tax is.....\$427.35
- 5) Said property is in SACRAMENTO

and CALIFORNIA RECONVEYANCE COMPANY (herein called Trustee), as the duly appointed Trustee or substituted Trustee under the Deed of Trust hereinafter described, does hereby grant and convey, but without covenant or warranty, express or implied, to Red Rock Mortgage, Inc. (herein called Grantee), all of its right, title and interest in and to that certain property situated in the County of SACRAMENTO, State of California, described as follows: LOT 259 AS SHOWN ON THE OFFICIAL "PLAT OF SOUTH CURTIS OAKS SUBDIVISION NOV. 6", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY, FEBRUARY 10, 1927 IN BOOK 19 OF MAPS, MAP NO. 18

Situs: 3622 WEST CURTIS DRIVE, , SACRAMENTO, CA 95818

RECITALS:

This conveyance is made pursuant to the powers conferred upon Trustee by that certain Deed of Trust dated 01/04/2007 and executed by LAURA RICHARDSON, AN UNMARRIED WOMAN, as Trustor, and Recorded 01/10/2007, Book 20070110, Page 1818, Instrument of official records of SACRAMENTO, County, California, and after fulfillment of the conditions specified in said Deed of Trust authorizing this conveyance.

Default occurred as set forth in a Notice of Default and Election to Sell which was recorded in the Office of the Recorder of said County, and such default still existed at the time of sale.

All requirements of law regarding the mailing of copies of notices or the publication of a copy of the Notice of Default or the personal delivery of the copy of the Notice of Default and the posting and publication of copies of the Notice of a Sale have been complied with.

f

Trustee, in compliance with said Notice of Trustee's Sale and in exercise of its powers under said Deed of Trust, sold the herein described property at public auction on 05/07/2008. Grantee, being the highest bidder at said sale, became the purchaser of said property for the amount bid being \$388,000.01 in lawful money of the United States, or by credit bid if the Grantee was the beneficiary of said Deed of Trust at the time of said Trustee's Sale.

DATE: 05/09/2008

CALIFORNIA RECONVEYANCE COMPANY, as Trustee



Karime Arias, Assistant Secretary

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

On May 09, 2008 before me, IRMA GARCIA TORRES, "Notary Public" personally appeared KARIME ARIAS, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Irma Garcia Torres (Seal)



1
EXHIBIT G

RECORDING REQUESTED BY
CALIFORNIA RECONVEYANCE COMPANY
AND WHEN RECORDED MAIL TO
CALIFORNIA RECONVEYANCE COMPANY
9200 Oakdale Avenue
Mail Stop: N 11 06 12
Chatsworth, CA 91311

Sacramento County Recording
Frederick B. Garcia, Clerk/Recorder
BOOK 20080602 PAGE 0885
Check Number 365268
Monday, JUN 02, 2008 10:45:44 AM
Ttl Pd \$14.00 Nbr-0005418923

MCY/82/1-2

Space above this line for recorder's use only

Trustee Sale No 723397CA Loan No [] Title Order No M721884

NOTICE OF RESCISSION OF TRUSTEE'S DEED UPON SALE

This Notice of Rescission is made on 05/30/2008 with respect to the following facts

1. That CALIFORNIA RECONVEYANCE COMPANY, a California Corporation as the duly appointed trustee under that certain Deed of Trust dated 01/04/2007, and Recorded 01/10/2007, Book 20070110, Page 1818, Instrument naming LAURA RICHARDSON, AN UNMARRIED WOMAN as trustor and WASHINGTON MUTUAL BANK as beneficiary, securing a Promissory Note in the amount of \$535,001 00.

2. The Deed of Trust encumbers the real property situated in the County of SACRAMENTO, State of CALIFORNIA, described as follows

LOT 259 AS SHOWN ON THE OFFICIAL "PLAT OF SOUTH CURTIS OAKS SUBDIVISION NOV. 6", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY, FEBRUARY 10, 1927 IN BOOK 19 OF MAPS, MAP NO. 18

A P N . []

Situs. 3622 WEST CURTIS DRIVE, SACRAMENTO, CA 95818

3 That by virtue of a Default under the terms of the Deed of Trust the Beneficiary did declare a default, as set forth in a Notice of Default and Election to Sell, which Notice was recorded in the Office of the County Recorder of SACRAMENTO, California.

4 On 05/07/2008, at 01:30 PM the property was purportedly sold to RED ROCK MORTGAGE, INC , being the highest bidder at such sale who bid the amount of \$388,000.01.

5. The Trustee's Sale on 05/07/2008 is being rescinded at the request of the Beneficiary, as the Beneficiary had previously agreed to postpone the foreclosure sale to June 4, 2008. The Trustee's sale of 05/07/2008 is therefore null and void, and of no force and effect

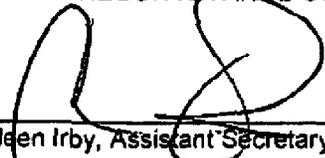
6 The express purpose for this Notice of Rescission is to return the priority and existence of all lien holders to the status quo ante that existed prior to the Trustee's Sale

NOW, THEREFORE, THE UNDERSIGNED HEREBY RESCINDS THE TRUSTEE'S SALE AND PURPORTED TRUSTEE'S DEED UPON SALE AND HEREBY ADVISES ALL PERSONS, WHOMEVER AND WHATSOEVER LOCATED, THAT THE TRUSTEE'S DEED UPON SALE DATED 05/09/2008, FROM CALIFORNIA RECONVEYANCE COMPANY TO RED ROCK MORTGAGE, INC AND RECORDED 05/19/2008 IN BOOK 20080519, PAGE 0487, OF OFFICIAL RECORDS OF SACRAMENTO COUNTY IS HEREBY RESCINDED AND SHALL HAVE NO FURTHER FORCE OR EFFECT WHATSOEVER

IN WITNESS WHEREOF, CALIFORNIA RECONVEYANCE COMPANY, has caused its corporate name and seal to be hereto affixed by its authorized signature.

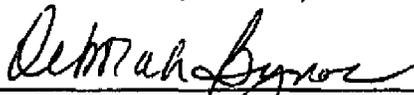
DATE: 05/29/2008

CALIFORNIA RECONVEYANCE COMPANY, as Trustee

BY 
Colleen Irby, Assistant Secretary

BY 
Karime Arias, Assistant Secretary

WASHINGTON MUTUAL BANK, FA

BY 
Deborah Brignac, Vice President

BY 
Huey-Jen Chiu, Vice President

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

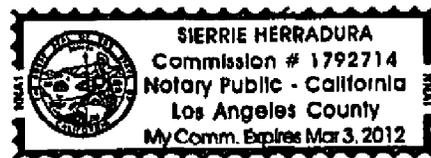
On 5/29/08 before me, SIERRIE HERRADURA, "Notary Public" personally appeared DEBORAH BRIGNAC, HUEY-JEN CHIU, COLLEEN IRBY AND KARIME ARIAS, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity (ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature  (Seal)

This document filed for recording
By Fidelity National Title Insurance and Trust
as an accommodation only. It has not been
examined as to its execution or as its effect
upon the title.



From: Battaglia, Paul J.
Sent: Friday, June 13, 2008 4:23:55 PM
To: Klein, Jason C.
CC: Stevens, Lawrence W.
Subject: RE: Laura Richardson

Excellent. Sorry I didn't use outlook calendaring. The technology is hard.

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-
Fax: 206-377-

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From: Klein, Jason C.
Sent: Friday, June 13, 2008 12:45 PM
To: Battaglia, Paul J.
Cc: Stevens, Lawrence W.
Subject: RE: Laura Richardson

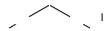
Larry should join us.

From: Battaglia, Paul J.
Sent: Friday, June 13, 2008 12:44 PM
To: Klein, Jason C.; 'Martin T. McGuinn'; Cook, Don; Parker, Gary L.
Subject: Laura Richardson

I've spoken to Jason and Marty and left a message with Gary. We'd like to have a 4:00 call to discuss the Laura Richardson matter.

Gary, can you come to our floor and you, Don and I will grab a conference room.

Jason and Marty, please dial in to my conference number.

Number: 866-736-
Participant Code: 

Thanks.

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-
Fax: 206-377-

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From: Parker, Gary L.
Sent: Friday, June 13, 2008 3:45:50 PM
To: Battaglia, Paul J.; Klein, Jason C.; Martin T. McGuinn; Cook, Don
Subject: RE: Laura Richardson

I'll meet you on your floor at 4:00.

Gary Parker
Legal Department
Washington Mutual
1301 Second Ave.
Seattle, WA 98101
206.500  direct, 206.377  fax
gary.parker@wamu.net

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From: Battaglia, Paul J.
Sent: Friday, June 13, 2008 12:44 PM
To: Klein, Jason C.; 'Martin T. McGuinn'; Cook, Don; Parker, Gary L.
Subject: Laura Richardson

I've spoken to Jason and Marty and left a message with Gary. We'd like to have a 4:00 call to discuss the Laura Richardson matter.

Gary, can you come to our floor and you, Don and I will grab a conference room.

Jason and Marty, please dial in to my conference number.

Number: 866-736-
Participant Code: 

Thanks.

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-
Fax: 206-377-

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From: Klein, Jason C.
Sent: Friday, June 13, 2008 3:45:04 PM
To: Battaglia, Paul J.
CC: Stevens, Lawrence W.
Subject: RE: Laura Richardson

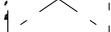
Larry should join us.

From: Battaglia, Paul J.
Sent: Friday, June 13, 2008 12:44 PM
To: Klein, Jason C.; 'Martin T. McGuinn'; Cook, Don; Parker, Gary L.
Subject: Laura Richardson

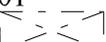
I've spoken to Jason and Marty and left a message with Gary. We'd like to have a 4:00 call to discuss the Laura Richardson matter.

Gary, can you come to our floor and you, Don and I will grab a conference room.

Jason and Marty, please dial in to my conference number.

Number: 866-736-
Participant Code: 

Thanks.

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-
Fax: 206-377-

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From: Battaglia, Paul J.
Sent: Friday, June 13, 2008 3:44:10 PM
To: Klein, Jason C.; Martin T. McGuinn; Cook, Don; Parker, Gary L.
Subject: Laura Richardson

I've spoken to Jason and Marty and left a message with Gary. We'd like to have a 4:00 call to discuss the Laura Richardson matter.

Gary, can you come to our floor and you, Don and I will grab a conference room.

Jason and Marty, please dial in to my conference number.

Number: 866-736-
Participant Code: 

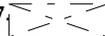
Thanks.

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-
Fax: 206-377-

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From: Battaglia, Paul J. <paul.battaglia@wamu.net>
Sent: Thursday, June 12, 2008 12:12 PM
To: Parker, Gary L. <gary.parker@wamu.net>; Strom, Erik E. <erik.strom@wamu.net>
Subject: Laura Richardson

FYI. Washington Post story.

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-
Fax: 206-377-

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From: Gaugl, Sara C.
Sent: Thursday, June 12, 2008 8:30 AM
To: Cook, Don; Battaglia, Paul J.; Thorn, Ann; Owen, Jan L.
Cc: Elias, Alan
Subject: Congresswoman's Financial Report: This Won't Be Pretty.

FYI, below. It appears that the House members' annual financial reports are scheduled to be released on Monday, which may include specific information about Ms. Richardson's home loan issues.

Just so you are aware, I communicated to Mary Ann that I couldn't discuss Ms. Richardson's loan situation (not foreclosure sale).

I'll let you know if I receive any media calls today.

Congresswoman's Financial Report: This Won't Be Pretty.
Mary Ann Akers And Paul Kane
12 June 2008
The Washington Post

We may learn more about Rep. Laura Richardson's (D-Calif.) home foreclosure problems Monday, when House members' annual financial reports are scheduled to be released.

Richardson filed her report on time rather than seeking an extension, her spokesman, William Marshall, tells On the Hill. But Marshall says he can "neither confirm nor deny" whether the disclosure report will reflect the full extent of the beleaguered congresswoman's financial woes, which include foreclosure on one home and loan defaults on two others.

Marshall declined to answer questions about how Richardson, who won a special election last August, wound up in such dire straits. She lost her Sacramento home to foreclosure after failing to make payments, at the same time that she reportedly owed Sacramento County some \$9,000 in property taxes and defaulted on loans six times on two other California homes.

In the meantime, however, Richardson rose in one year from Long Beach councilwoman to state assemblywoman to a member of the U.S. Congress.

According to the Long Beach Press-Telegram, Richardson also failed to pay hundreds of dollars worth of car repairs to one mechanic, then ultimately abandoned the car at another auto body shop.

Yesterday, the story took a new twist. The Los Angeles Times reported that the home Richardson lost in foreclosure could be returned to her, because the lender, **Washington Mutual**, filed a letter of rescission of the foreclosure sale and asked the new owner for the keys back.

"They took the property back, and they didn't even send back the money," the new owner, real estate investor James York, told the Times. "It's clear what's happening is Ms. Richardson is abusing her political power and using it for her own political needs," he said. "You don't have to be smart to understand what's happening."

Richardson isn't saying anything. Referring to the congresswoman's lender, her spokesman told us, "This is about **Washington Mutual**." He urged us to call **Washington Mutual** for comment. But a **Washington Mutual** spokeswoman told us she couldn't comment on the foreclosure sale because Congresswoman Richardson "has not provided us with authorization to publicly discuss her loan."

The left-leaning watchdog group Citizens for Responsibility and Ethics in Washington calls Richardson a "deadbeat congresswoman."

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500. direct | 206.228. cell
sara.gaugl@wamu.net

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From: Battaglia, Paul J. <paul.battaglia@wamu.net>
Sent: Wednesday, June 11, 2008 5:56 PM
To: Martin T. McGuinn <[REDACTED]>
Subject: FW: Loan No. [REDACTED] - Richardson
Attach: Check.pdf

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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From: Chiu, Huey-Jen
Sent: Wednesday, June 11, 2008 2:43 PM
To: Battaglia, Paul J. <[REDACTED]>
Subject: RE: Loan No. [REDACTED] - Richardson

REDACTED

Huey-Jen Chiu, Vice President
Department Manager
California Reconveyance Company
Home Loans

California Reconveyance Company
9200 Oakdale Avenue, N110612
Chatsworth, CA 91311

818-775-[REDACTED] direct
huey-jen.chiu@wamu.net

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From: Battaglia, Paul J.
Sent: Wednesday, June 11, 2008 2:05 PM
To: Chiu, Huey-Jen <[REDACTED]>
Subject: RE: Loan No. [REDACTED] - Richardson

JPMC - 002270
CONFIDENTIAL
CSOC.RICH.003759

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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From: Chiu, Huey-Jen
Sent: Wednesday, June 11, 2008 1:37 PM
To: mmcguinn@kirbymac.com
Cc: Battaglia, Paul J.; Brignac, Deborah P.
Subject: RE: Loan No. [REDACTED] - Richardson

REDACTED

Huey-Jen Chiu, Vice President
Department Manager
California Reconveyance Company
Home Loans

California Reconveyance Company
9200 Oakdale Avenue, N110612
Chatsworth, CA 91311

818-775-2340 direct
huey-jen.chiu@wamu.net

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From: Chiu, Huey-Jen
Sent: Tuesday, June 03, 2008 4:45 PM
To: mmcguinn@kirbymac.com
Cc: Battaglia, Paul J.
Subject: Loan No. [REDACTED] - Richardson

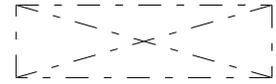
Check has been sent out via FedEx, 7910-7974-6682 along with a conformed copy of the rescission of trustee'deed, which I am attaching to this email.

JPMC - 002271
CONFIDENTIAL
CSOC.RICH.003760



P.O. BOX 6200, NORTHRIDGE, CA 91328

UNION BANK OF CALIFORNIA, N.A.
FINANCIAL INSTITUTIONS
16-49-6/1220 1050200341



06/03/2008

PAY TO THE ORDER OF Red Rock Mortgage, Inc. \$ 391,190.05

Three Hundred Ninety-One Thousand One Hundred Ninety and 05/100***** DOLLARS

Mohab Gyrz
Huy - Tu Chu

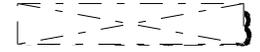
MEMO

ts# loan #

CALIFORNIA RECONVEYANCE COMPANY

Red Rock Mortgage, Inc.
Invalid Sale

06/03/2008



391,190.05

Union Bank

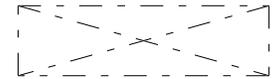
ts# loan #

391,190.05

CALIFORNIA RECONVEYANCE COMPANY

Red Rock Mortgage, Inc.
Invalid Sale

06/03/2008



391,190.05

PAYMENT
RECORD

Union Bank

ts# loan #

391,190.05

From: Chiu, Huey-Jen <huey-jen.chiu@wamu.net>
Sent: Wednesday, June 11, 2008 5:43 PM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>
Subject: RE: Loan No. [REDACTED] - Richardson
Attach: Check.pdf

REDACTED

Huey-Jen Chiu, Vice President
Department Manager
California Reconveyance Company
Home Loans

California Reconveyance Company
9200 Oakdale Avenue, N110612
Chatsworth, CA 91311

818-775-2340 direct
huey-jen.chiu@wamu.net

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From: Battaglia, Paul J.
Sent: Wednesday, June 11, 2008 2:05 PM
To: Chiu, Huey-Jen
Subject: RE: Loan No. [REDACTED] Richardson

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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From: Chiu, Huey-Jen
Sent: Wednesday, June 11, 2008 1:37 PM
To: mmcguinn@kirbymac.com
Cc: Battaglia, Paul J.; Brignac, Deborah P.
Subject: RE: Loan No. [REDACTED] - Richardson

Good afternoon,

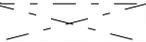
REDACTED

Huey-Jen Chiu, Vice President
Department Manager
California Reconveyance Company
Home Loans

California Reconveyance Company
9200 Oakdale Avenue, N110612
Chatsworth, CA 91311

818-775-2340 direct
huey-jen.chiu@wamu.net

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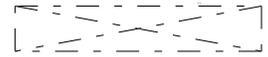
From: Chiu, Huey-Jen
Sent: Tuesday, June 03, 2008 4:45 PM
To: mmcguinn@kirbymac.com
Cc: Battaglia, Paul J
Subject: Loan No. |  Richardson

REDACTED



P.O. BOX 6200, NORTHRIDGE, CA 91328

UNION BANK OF CALIFORNIA, N.A.
FINANCIAL INSTITUTIONS
16-49-6/1220 1050200341



06/03/2008

PAY TO THE ORDER OF Red Rock Mortgage, Inc. \$ 391,190.05

Three Hundred Ninety-One Thousand One Hundred Ninety and 05/100***** DOLLARS

Mohab Gyor
Huy - Tu Chu

MEMO

ts# loan #

CALIFORNIA RECONVEYANCE COMPANY

Red Rock Mortgage, Inc.
Invalid Sale

06/03/2008



391,190.05

Union Bank

ts# loan #

391,190.05

CALIFORNIA RECONVEYANCE COMPANY

Red Rock Mortgage, Inc.
Invalid Sale

06/03/2008



391,190.05

PAYMENT RECORD

Union Bank

ts# loan #

391,190.05

From: Chiu, Huey-Jen <huey-jen.chiu@wamu.net>
Sent: Wednesday, June 11, 2008 4:37 PM
To: mmcguinn [REDACTED]
Cc: Battaglia, Paul J. <paul.battaglia@wamu.net>; Brignac, Deborah P. <deborah.brignac@wamu.net>
Subject: RE: Loan No. [REDACTED] - Richardson
Attach: Document.pdf

REDACTED

Huey-Jen Chiu, Vice President
Department Manager
California Reconveyance Company
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9200 Oakdale Avenue, N110612
Chatsworth, CA 91311

818-775-2340 direct
huey-jen.chiu@wamu.net

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From: Chiu, Huey-Jen
Sent: Tuesday, June 03, 2008 4:45 PM
To: mmcguinn@kirbymac.com
Cc: Battaglia, Paul J. [REDACTED]
Subject: Loan No. [REDACTED] Richardson

REDACTED



PARKINSON PHINNEY

PARKINSON PHINNEY
SACRAMENTO, CA 95814
PHONE 916-449-1444
FAX 916-449-1440
WWW.PARKINSONPHINNEY.COM
Donna T. Parkinson
916.449.1441 marcr
donna@parkinsonphinney.com

June 10, 2008

Via Federal Express

Huey-Jen Chiu
Vice President
California Reconveyance Company
9200 Oakdale Ave.
Chatsworth, CA 91311

Re: James York and Red Rock Mortgage, Inc.
Trustee Sale No. [REDACTED]
Loan No. [REDACTED]
Property Address: 3622 W. Curtis Drive, Sacramento, CA

Dear Mr. Chiu,

I am returning your check in the sum of \$319,109.05. By returning this check, I am also rejecting your offer to rescind the foreclosure sale. Please refer any questions or comments to Tom Sheridan at Wagner Kirkman et al, telephone number (916) 920-5286, to whom any litigation matters relating to this has been referred.

Donna T. Parkinson

Very truly yours,

PARKINSON PHINNEY

By Donna T. Parkinson

DTP:tb

Enclosures

Cc: Jim York
Tom Sheridan
Robin Klomparens

{7725:00014/DTP/A0053586.DOC}

JPMC - 002277
CONFIDENTIAL
CSOC.RICH.003766

From: Gaugl, Sara C.
Sent: Tuesday, June 10, 2008 4:47:42 PM
To: Battaglia, Paul J.
Subject: <http://thedistrictweekly.com/daily/staff-infection/briefing/congresswoman-laura-richardson-gets-her-house-back/>

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.1234 direct | 206.228.1234 cell
sara.gaugl@wamu.net

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From: Owen, Jan L.
Sent: Tuesday, June 10, 2008 4:31:57 PM
To: Battaglia, Paul J.
Subject: Out of Office AutoReply: Laura Richardson

Thank you for your email. I am out of the office the week of June 9th returning June 16th. I will have sporadic access to email during this week. Should you need immediate attention please call Seattle, Erik Strom at 206-500- or erik.strom@wamu.net. I will respond to your email when I return. Thank you. Jan

Subject: Accepted: Updated: Richardson Update

Location: 877-709[] passcode: []

Start: 6/5/2008 7:00 PM

End: 6/5/2008 8:00 PM

Show Time As: Busy

Recurrence: (none)

Required Attendees: Owen, Jan L.

Resources: 877-709[] passcode: []

From: Martin T. McGuinn <[REDACTED]>
Sent: Wednesday, June 4, 2008 1:32 PM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>
Subject: Laura Richardson
Attach: Melendrez v D&I Investment Inc. 05 WL 704130 BFP is not defined by CC 2924 Yates rejected.pdf;002 MTM to Parkinson Enclosing Rescission 6-2-08.pdf;003 Sheridan to MTM dtd 6-3-08.pdf

REDACTED

Only the Westlaw citation is currently available.

Court of Appeal, Sixth District, California.
 Miguel MELENDREZ et al., Plaintiffs and
 Appellants,

v.

D & I INVESTMENT, INC., Defendant and
 Respondent.

No. H027098.

March 29, 2005.

Santa Cruz County Superior Court, Superior Court No.
 CV141726, Hon. Robert B. Attack.

Maryam S. Karson, Richard S. Timan, Timan &
 Walsh, Attorneys for Plaintiffs/Appellants.

Edward C. McDonald, Jr., McDonald Law Offices,
Benjamin R. Levinson, Law Office of Benjamin R.
 Levinson, Patric J. Kelly, Duane W. Shewaga, Adleson,
 Hess & Kelly, Robert H. Darrow, Darrow Law Offices,
 Attorneys for Defendant/Respondent.

PREMO, J.

*1 Miguel and Maria Melendrez (Borrowers) lost their Watsonville home through a nonjudicial foreclosure sale in July 2001, approximately eight months after their loan default. The residence was purchased by a third party, defendant Royal Realty (Buyer). Borrowers thereafter sued to set aside the trustee's sale and to cancel the trustee's deed. They claimed that the sale was in violation of a repayment agreement (which included a conditional agreement to postpone the sale) with their lender, Washington Mutual Bank, N.A. (Lender), and thus violated Civil Code section 2924g, subdivision (c)(2). [FN1]

FN1. All statutory references are to the Civil Code unless otherwise indicated.

After a three-day bench trial, the court concluded that

the trustee's sale was valid. It decided that the sale did not violate the repayment agreement between Borrowers and Lender. It held further that Buyer was a bona fide purchaser for value (BFP) of the property at the sale.

Borrowers appeal. They argue that the trustee's sale was invalid because it took place notwithstanding a repayment agreement under which Lender agreed to postpone the sale. Borrowers contend further that the court erred by applying the wrong legal standard in reaching the conclusion that Buyer was a BFP. They assert that the correct standard required significant consideration of the fact that Buyer was experienced in foreclosure sales.

We review case law suggesting that an experienced foreclosure buyer who acquires property at significantly less than its fair market value cannot be a BFP and reject that conclusion. Accordingly, we hold that the trial court properly determined that Buyer was a BFP. The conclusion flowing directly from the fact that Buyer was a BFP was that the trustee's sale was unassailable as to Buyer in the absence of fraud. Since there was no evidence of fraud chargeable to Buyer, we conclude that the court properly rejected Borrowers' request to void the trustee's sale. We thus affirm the judgment.

FACTS

1. Borrowers' Loan And Default

In or about June 1987, Borrowers executed a note and deed of trust in favor of Great Western Savings, Lender's predecessor-in-interest. The deed of trust granted a security interest in residential property located at 61 White Street, Watsonville, California (Property). Borrowers defaulted on the loan, and Lender initiated foreclosure proceedings in January 2001. [FN2]

FN2. All dates are 2001 unless otherwise indicated.

On January 26, Lender, through the trustee, California

Reconveyance Company (Trustee), recorded a notice of default. Borrowers received a copy of the notice. The default notice indicated that Borrowers had defaulted with respect to monthly payments commencing in November 2000, and that the amount due under the loan as of January 24 was \$4,266.08.

Lender, through Trustee, recorded a notice of trustee's sale, dated April 27; the notice set the sale date for May 22. Borrowers received a copy of that sale notice as well. The trustee's sale was postponed initially from May 22 to June 4; it was postponed a second time to July 16. [FN3]

FN3. The Trustee's certificate of postponement indicated that the sale was postponed from June 4 to July 16. The complaint, however, noted-- consistent with testimony by Lender's representatives and Lender's records--that the sale was postponed from June 4 to July 14. Since July 14 was a Saturday and it is undisputed--as reflected in the trustee's deed-- that the trustee's sale took place on July 16, it appears that the Trustee postponed the sale from June 4 to July 16 because July 14 was a Saturday.

II. *Repayment (Forbearance) Agreement*

*2 After receiving the notice of sale in early May, Miguel Melendrez contacted Lender to make payment arrangements concerning the default. [FN4] Miguel understood from his telephone conversation with Lender's representative, Mary Garcia, that he and his wife, Maria, needed to make three payments, namely, (1) \$5,000 before the sale date, (2) a payment at the end of June, and (3) a payment at the end of July. According to Miguel's testimony, Garcia said that, if the \$5,000 payment was made before the sale date, Lender would "cancel" the sale. [FN5] Miguel understood further that, if either of the payments due in June or July were missed, Lender would "start" the sale again.

FN4. For convenience and clarity, we refer to Mr. and Mrs. Melendrez by their first names. We mean no disrespect in doing so.

FN5. The written repayment agreement contradicted Miguel's understanding from the telephone conversation with Garcia that the sale would be "cancelled." It provided that the trustee's sale would not proceed on May 22, if Borrowers made all of the required payments, and that the sale would be postponed from time to time if timely payments were made. In addition, Garcia testified that she merely "took the preliminary information," and that the repayment plan was later "set up" (i.e., written agreement was prepared) by another employee, Robbie Carter. Garcia testified that the repayment plan that she discussed with Miguel involved a postponement of the May 22 trustee's sale as long as Borrowers made the initial payment.

Thereafter on May 3, Lender faxed a letter (Repayment Agreement, or Agreement) to Borrowers at Maria's store. Miguel was in Greenfield at the time and asked Maria to sign the Repayment Agreement on his behalf and return it by fax to Lender. Maria signed it for herself and on her husband's behalf, and returned it to Lender by fax on May 3.

The typeface of the Repayment Agreement faxed on May 3 was indisputably unclear. Patricia Friedberg (Lender's vice president) testified that it was faxed to Borrowers not only on May 3, but also on May 22, May 23, and May 29. Miguel testified that he was able to read "part of" the Agreement but did not attempt to obtain a better copy. Maria--who does not read English--did not read the agreement and was not concerned about its legibility.

The Repayment Agreement [FN6] provided: "This letter when signed by you, dated and returned to Washington Mutual as indicated below, will be your Agreement with Washington Mutual as to the repayment arrangement negotiated on 05-[illegible]-01 [illegible] the outstanding delinquency on the above referenced loan. The following are the terms of the repayment plan which were agreed upon:

FN6. Our quotation of portions of the Agreement is based upon our review of the

letter (trial exhibit 7) itself. Illegible words are noted.

PLAN	DATE	AMT
01	05/10/01	5,000.00
02	06/29/01	3,556.22
03	07/30/01	3,556.22."

The letter stated that all payments were to be made "in *CERTIFIED FUNDS ONLY*," and that they were required to "be *received* in our office on or before the due dates indicated, not mailed on those dates. Any grace period afforded by your loan documents is not applicable to the terms of this repayment arrangement."

On the issue of postponement of the trustee's sale, the Agreement provided: "Washington Mutual shall not proceed with the Trustee's Sale on 05/22/01 provided that you make all payments required under the terms of this Agreement and all other payments required under the subject promissory note ... The Trustee's sale shall initially be postponed to a date following the next payment due under this Agreement. Subsequent postponements will occur after each timely payment is received under the terms of this repayment arrangement... [¶] ... Should timely payments not be received as described in this arrangement, we reserve the right to immediately proceed with the scheduled Trustee's sale without further notification."

III. *Alleged Modification Of Repayment Agreement*

*3 On or about May 18, Borrowers made the \$5,000 payment by cashier's check under the Agreement. Several days later, Miguel spoke to Lender's foreclosure specialist, Claudio Hernandez, who asked Miguel to fax him a copy of the cashier's check. Miguel testified that during this conversation, he asked whether he could make the second payment (due at the end of June) when he made the third payment at the end of July; Hernandez told him that combining these two payments at the end of July would be acceptable.

Hernandez testified that he had a telephone conversation with Miguel on or about May 21. [FN7] Hernandez told Miguel that he needed a copy of the cashier's check for the initial payment under the Repayment Agreement in order to postpone the sale. Miguel told Hernandez that he had a copy of the \$5,000 cashier's check he had used to make the initial payment, and that he had signed the Agreement. [FN8] At Hernandez's request, on May 22, Miguel faxed a copy of the cashier's check and a copy of the second page of the Agreement. Hernandez forwarded these documents to Lender's collections department. Based upon receipt of the documents, Hernandez postponed the trustee's sale. [FN9]

[FN7]. Miguel called Hernandez after Maria had previously called Lender on May 21 to determine the status of the loan. In the prior call, Hernandez told Maria that Borrowers were on a repayment plan with a payment of \$5,000 due, and he asked Maria to have her husband call him.

[FN8]. The notes entered on the computer by Hernandez concerning this May 21 telephone call with Miguel read: "Rcvd cll frm bwr (husband)[.] He advsd he has a copy of the cck he used to make his \$5K rpa pmt. Gave him fax no. and advsd to fax copy to my attn.. CRII." (Capitalization omitted.)

[FN9]. Hernandez made two entries for May 22 into the computer. The first entry read: "Cld bwr and advsd tier2 needs signed stip. Bwr faxed page w/signature on it. Will fwd to tier2

... CRH." (Capitalization omitted.) The second entry read: "Rcvd copy of cck# 400728601 iao \$5,000.00 paid by borrower to WAMU for their initial rpa pmt. Clld CRC and rqstd to p/pne sale to 7/14/01. *Nxt rpa due 6/29/01 ... Claudio x8821.*" (Capitalization omitted, italics added.)

According to Hernandez, Miguel and he did not discuss the June payment due under the Agreement, and Miguel did not ask to defer that payment to the end of July. Hernandez made no notes concerning any such modification request. [FN10] Since Hernandez was not responsible for repayment agreements, had Miguel made such a request, he would have referred it to the collections department.

[FN10] This is borne out by the notes Hernandez recorded contemporaneously with his telephone conversations with Miguel on May 21 and May 22. (See fns. 8 and 9, *ante*.)

After the telephone conversation with Hernandez, Borrowers received a letter from Lender dated May 24. The letter noted that there had been a change in the May 3 Repayment Agreement, namely, that the "plan 01" payment was due May 30. The letter indicated that the "plan 02" and "plan 03" payments were still due on June 29 and July 30, respectively. After Miguel read the May 24 letter, he was not concerned that it contained a different agreement than the one he thought he had with Hernandez. Miguel did not contact Lender to advise that the May 24 letter did not accurately set forth his understanding of the Repayment Agreement. Lender's representative (Friedberg) confirmed that Borrowers never objected to the statement in the May 24 letter that the second payment was due under the Agreement on June 29.

IV. Foreclosure

The trustee's sale took place on July 16. There were approximately four bidders (including Buyer) interested in the Property. Following the auction crier's announcement of Lender's opening bid of approximately \$76,000, there were a number of bids by the four prospective buyers. The Property was sold to

Buyer as the highest bidder; it paid \$197,100.

Buyer's principal, Dominic Ip, is a licensed real estate broker. Ip testified that, in the five years before September 2001, he--either individually or through his real estate business--had bought approximately 15 properties at foreclosure sales. Approximately 50 percent of Buyer's sales resulted from brokerage deals transacted on behalf of others (i.e., *not* Buyer's personal investment transactions).

*4 Prior to the trustee's sale, Ip conducted some research regarding the first lien against the Property, drove by the Property, and ran comparable sales with Multiple Listing Service to determine the Property's value. Ip did not contact Trustee or Lender prior to the sale. [FN11] Similarly, Ip did not contact Borrowers, and he had no knowledge of any repayment agreement between Lender and Borrowers.

[FN11] Ip, however, did call the number listed on the sale notice from which potential buyers (or, for that matter, the trustors) could determine by voice mail whether the sale was postponed, and, if not, the amount of the opening bid at the sale.

The trustee's deed (recorded July 26) conveyed the Property to Buyer. [FN12] The deed noted that a default as indicated in the default notice had occurred and existed at the time of the sale. It also contained a recital that "[a]ll requirements of law regarding the mailing of copies of notices or the publication of a copy of the Notice of Default or the personal delivery of the copy of the Notice of Default and the posting and publication of copies of the Notice of a Sale have been complied with." Borrowers became aware of the trustee's sale after they saw an eviction notice posted on the front door of their residence in late July.

[FN12] The trustee's deed conveyed the Property to "Royal Realty, a California corporation." Buyer was sued as "Royal Realty," an unknown entity; Buyer, however, filed its answer to the complaint (as well as a cross-complaint) as "D & I Investment, Inc., doing business as Royal Realty." Ip confirmed

at trial that D & I Investment, Inc. is a corporation that does business as Royal Realty. Thus, our references throughout this opinion to Buyer are to D & I Investment, Inc., dba Royal Realty.

V. Value Of Property

Miguel testified that he believed that the value of the Property was approximately \$375,000 as of July 2001. The parties apparently agree--based upon the testimony of their respective expert witnesses--that the fair market value of the Property was between \$317,000 and \$380,000.

PROCEDURAL HISTORY

On September 14, Borrowers filed suit seeking, among other things, to set aside the trustee's sale and to cancel the trustee's deed. [FN13] Borrowers named Lender, Buyer, and Trustee as defendants.

[FN13]. The record reflects that Buyer filed an action for unlawful detainer against Borrowers, case No. CV141471. Borrowers sought an order consolidating their action with Buyer's unlawful detainer action. The court denied that motion but ordered that trial of Borrowers' action precede trial of the unlawful detainer action.

Borrowers filed a first amended complaint (complaint) on February 10, 2003, alleging seven causes of action. Borrowers alleged that the trustee's sale under which Buyer took title to the Property was invalid because it was conducted in violation of an alleged repayment agreement between Borrowers and Lender, as well as in violation of the Lender's own internal procedures. The complaint asserted equitable and legal claims, including claims to cancel trustee's deed, to quiet title, and for wrongful foreclosure.

Prior to trial, Borrowers, Lender, and Trustee entered into a partial settlement. The settlement included the dismissal of the wrongful foreclosure claim, and a stipulation that Lender and Trustee would remain as nominal defendants as to the equitable claims to cancel the trustee's deed and to quiet title. [FN14]

[FN14]. The settlement stipulation included a recital that on June 11, 2003, the court granted summary adjudication as to three causes of action, namely, claims for cancellation of deed based upon deprivation of due process, breach of fiduciary duty (against Trustee), and breach of implied good faith covenant. (The settlement also included a dismissal of the claim for an accounting.) While the court's summary adjudication order was not made part of the record on appeal, there appears to be no dispute that the trial proceeded between Borrowers and Buyer on only the causes of action for cancellation of trustee's deed, and to quiet title. Lender and Trustee remained defendants as necessary parties; they, however, did not actively participate at the trial.

The case proceeded to a court trial on October 20, 2003. After a three-day trial, the court concluded that the trustee's sale was valid and found for defendants. On December 23, 2003, the court entered a modified statement of decision and judgment. [FN15]

[FN15]. Buyer filed a cross-complaint against Lender and Trustee, alleging, in essence, a contingent claim for damages, i.e., that if Borrowers prevailed in the action, it would be as a result of the negligence of cross-defendants, and that Buyer would be damaged thereby. The judgment therefore includes a recital that because Borrowers did not prevail on their complaint, the cross-complaint was dismissed as moot.

Borrowers filed a notice of appeal on February 20, 2004. The appeal from the judgment was filed timely (Cal. Rules of Court, rule 2(a)(1)) and is a proper subject for appellate review.

DISCUSSION

I. Issues On Appeal

Borrowers challenge the court's entry of judgment against them, asserting the following:

*5 1. The court used an incorrect standard in holding that Buyer was a BFP. (The court's finding directly implicated its rejection of Borrowers' claims.) Using the proper standard, there was no substantial evidence to support the court's conclusion that Buyer was a BFP.

2. The trustee's sale was void because it was held in violation of an agreement between Borrowers and Lender to postpone the sale; the sale going forward notwithstanding this agreement was in violation of section 2924g, subdivision (c)(2).

3. The court abused its discretion in finding that there were no irregularities with respect to the trustee's sale.

4. The court abused its discretion by concluding that the trustee's sale was valid since the sale was "contrary to law."

5. Lender was estopped from enforcing the forbearance agreement.

Because we deem it dispositive of this appeal, we begin by addressing the first contention. In so doing, we: (1) summarize the parties' contentions; (2) briefly review the statutory scheme concerning nonjudicial foreclosures; (3) identify the proper standard for determining whether a buyer at a foreclosure sale is a BFP; (4) determine whether there was substantial evidence supporting the court's conclusion here that Buyer was a BFP; (5) discuss the legal implications of Buyer's status as a BFP under the statutory presumptions of section 2924; and (6) decide the legal effect--disregarding section 2924--of Buyer as a BFP acquiring the Property at the trustee's sale. [FN16]

FN16. We discuss in part III, *post*, Borrowers' second contention that the foreclosure was invalid because it violated the Repayment Agreement. Finding no merit to this contention, we need not address Borrowers' remaining claims of error.

II. Buyer's Status As Bona Fide Purchaser

A. Contentions of the Parties

The court, in its modified statement of decision, concluded that Buyer "was a bona fide purchaser of the real property for value without notice of any adverse interest or of any irregularity in the sale proceedings." (As we will discuss in part II F, *post*, this determination is of central importance to Borrowers' challenge of the trustee's sale.) Borrowers contend that the court applied an incorrect standard. They claim--citing *Estate of Yates* (1994) 25 Cal.App.4th 511 (*Yates*)--that the test to determine whether Buyer was a BFP *should have been* whether Buyer (1) was a speculator who frequently bought property at foreclosure sales, and (2) purchased the Property at the trustee's sale for a price that was substantially less than its fair market value. In the event that both questions are answered in the affirmative (Borrowers argue), the foreclosure buyer *cannot* qualify as a BFP. Applying the *Yates* standard here, Borrowers assert that there was no substantial evidence to support the conclusion that Buyer was a BFP.

Buyer responds that the court applied the proper standard in reaching the conclusion that it was a BFP. Quoting a recent decision of this court, Buyer contends that it was a BFP because "[a] bona fide purchaser is one who pays value for the property without notice of any adverse interest or of any irregularity in the sale proceedings. [Citations.]" (*Nguyen v. Calhoun* (2003) 105 Cal.App.4th 428, 442 (*Nguyen*)).

B. Nonjudicial Foreclosure

*6 "[S]ections 2924 through 2924k provide a comprehensive framework for the regulation of a nonjudicial foreclosure sale pursuant to a power of sale contained in a deed of trust." (*Moeller v. Lien* (1994) 25 Cal.App.4th 822, 830 (*Moeller*); see also *Knapp v. Doherty* (2004) 123 Cal.App.4th 76, 86- 87.) This comprehensive statutory scheme has three purposes: "(1) to provide the creditor/beneficiary with a quick, inexpensive and efficient remedy against a defaulting debtor/trustor; (2) to protect the debtor/trustor from wrongful loss of the property; and (3) to ensure that a properly conducted sale is final between the parties and conclusive as to a bona fide purchaser." [Citations.]" (*Nguyen, supra*, 105 Cal.App.4th at p. 440.)

The manner in which the sale must be conducted is governed by section 2924g, subdivision (a), which requires, inter alia, that the property be sold at public auction to the highest bidder in the county where the property is located. "As a general rule, the purchaser at a nonjudicial foreclosure sale receives title under a trustee's deed free and clear of any right, title or interest of the trustor. [Citation.] A properly conducted nonjudicial foreclosure sale constitutes a final adjudication of the rights of the borrower and lender. [Citation.] Once the trustee's sale is completed, the trustor has no further rights of redemption. [Citation.]" (*Moeller, supra*, 25 Cal.App.4th at p. 831.)

C. Definition of Bona Fide Purchaser

Under section 2924, there is a conclusive presumption [FN17] created in favor of a bona fide purchaser who receives a trustee's deed that contains a recital that the trustee has fulfilled its statutory notice requirements. Section 2924 reads in relevant part: "A recital in the deed executed pursuant to the power of sale of compliance with all requirements of law regarding the mailing of copies of notices or the publication of a copy of the notice of default or the personal delivery of the copy of the notice of default or the posting of copies of the notice of sale or the publication of a copy thereof shall constitute prima facie evidence of compliance with these requirements and conclusive evidence thereof in favor of bona fide purchasers and encumbrancers for value and without notice." [FN18]

[FN17]. "A 'conclusive presumption' requires the trier of fact to find the existence of the presumed fact from the existence of the basic fact. An adverse party is not permitted to introduce evidence to contradict or rebut the existence of the presumed fact. [Citation.]" (2 Jefferson, Cal. Evidence Benchbook (Cont.Ed.Bar 3d ed. 2004) Presumptions, § 46.6, p. 1055; see also Cal. Law Revision Com. com., 29B pt. 2 West's Ann. Evid.Code (1995 ed.) foll. § 601, p. 38.)

[FN18]. Buyer emphasizes the importance of this conclusive presumption in disposing of this case on appeal. The potential application

of this statutory presumption to this case is discussed in part II E, *post*.

Section 2924 does not contain a definition of "bona fide purchaser" to guide us in evaluating whether the conclusive presumption of the statute is to be applied to a particular foreclosure sale in which the buyer has received a trustee's deed containing the requisite recitals. In the context of applying the presumptions applicable under section 2924, however, we have recently held that a BFP "is one who pays value for the property without notice of any adverse interest or of any irregularity in the sale proceedings. [Citations.]" (*Nguyen, supra*, 105 Cal.App.4th at p. 442.)

This definition of a BFP in the context of section 2924 is consonant with decisions defining the term under California's recording statutes, including sections 1107 [FN19] and 1214. [FN20] Thus, "a bona fide purchaser for value who acquires his interest in real property without notice of another's asserted rights in the property takes the property free of such unknown rights. [Citations.]" (*Hochstein v. Romero* (1990) 219 Cal.App.3d 447, 451; see also *In re Marriage of Cloney* (2001) 91 Cal.App.4th 429, 437; *Reiner v. Danial* (1989) 211 Cal.App.3d 682, 689-690.) "The elements of bona fide purchase are payment of value, in good faith, and *without actual or constructive notice of another's rights*. [Citation.] [Citation.]" (*Gates Rubber Co. v. Ulman* (1989) 214 Cal.App.3d 356, 364.) The same elements exist to determine whether a party who takes or purchases a lien is a bona fide encumbrancer. (*Caito v. United California Bank* (1978) 20 Cal.3d 694, 702; *First Fidelity Thrift & Loan Assn. v. Alliance Bank* (1998) 60 Cal.App.4th 1433, 1441 (*First Fidelity*).)

[FN19]. "Every grant of an estate in real property is conclusive against the grantor, also against everyone subsequently claiming under him, except a purchaser or encumbrancer who in good faith and for a valuable consideration acquires a title or lien by an instrument that is first duly recorded." (§ 1107.)

[FN20]. "Every conveyance of real property or an estate for years therein, other than a lease for a term not exceeding one year, is void as

against any subsequent purchaser or mortgagee of the same property, or any part thereof, in good faith and for a valuable consideration, whose conveyance is first duly recorded, and as against any judgment affecting the title, unless the conveyance shall have been duly recorded prior to the record of notice of action." (§ 1214.)

*7 Thus, the two elements of being a BFP are that the buyer (1) purchase the property in good faith *for value*, and (2) have no knowledge or notice of the asserted rights of another. (14 Powell on Real Property (1996) Recording Acts and Priorities, § 82.01[2], p. 82-12.) The first element does not require that the buyer's consideration be the fair market value of the property (or anything approaching it). (*Id.* at § 82.02[2], pp. 82-77 to 82-79.) Instead, the buyer need only part with something of value in exchange for the property. (See *Horton v. Kyburz* (1959) 53 Cal.2d 59, 65-66 [rejecting contention that BFP must give "adequate consideration" sufficient to obtain specific performance of a contract].) Thus, while "the 'adequacy' or amount of the consideration given by a subsequent purchaser or encumbrancer may reflect upon his 'good faith,' it does not preclude the consideration from being 'valuable.' The objective of the [recording statutes protecting bona fide purchasers and encumbrancers] is to protect persons who have invested substantial sums of money or property, or who have performed valuable services, in reliance on an honest belief that they are acquiring a good title or lien." (5 Miller & Starr, Cal. Real Estate (3d ed. 2000) Recording and Priorities § 11:52, p. 140, fn. omitted; see also 14 Powell on Real Property (1999) Transfer by Decd, § 81.A.07 [3][d], p. 81A-141 [where BFP "acquires an interest in land and makes an investment in the land, that party is entitled to have his or her expectations protected"].)

The second element required to establish BFP status is that the buyer have neither knowledge nor notice of the competing claim. (*Triple A Management Co. v. Frisone* (1999) 69 Cal.App.4th 520, 530 (*Triple A Management*).) The rationale for this requirement is that "[t]he recording laws were not enacted to protect those whose ignorance of the title is deliberate and intentional ... Their purpose is to protect those who honestly believe

they are acquiring a good title, and who invest some substantial sum in reliance on that belief." (*Beach v. Faust* (1935) 2 Cal.2d 290, 292-293.) "A person generally has 'notice' of a particular fact if that person has knowledge of circumstances which, upon reasonable inquiry, would lead to that particular fact. [Citations.]" (*First Fidelity, supra*, 60 Cal.App.4th at p. 1443.)

Borrowers here, however, contend that an entirely different standard applies to determine whether Buyer was a BFP at the foreclosure sale. Citing the Miller & Starr treatise and *Yates, supra*, 25 Cal.App.4th 511, Borrowers claim that a purchaser at a nonjudicial foreclosure sale is *not* bona fide if the purchaser "(1) [is] a speculator who frequently purchases at foreclosure sales, and (2) pays substantially less than the value of the property." We disagree.

In *Yates*, the trustee--knowing that the borrower had died and that the public administrator was administering her estate--failed to give the estate *any notice* of the decedent's default. (*Yates, supra*, 25 Cal.App.4th at p. 516.) While the property had been valued at \$120,000 the year before foreclosure (*id.* at p. 515), the buyer of the property--who purchased it from the successful bidder at the trustee's sale--paid \$12,000, and took title subject to an existing \$20,000 trust deed. (*Id.* at p. 517.) Based upon the complete absence of notice to the administrator and a sale at a grossly inadequate price (i.e., approximately one-quarter of its value), the court set aside the trustee's sale. (*Id.* at pp. 522-523.)

*8 The appellate court in *Yates* affirmed, concluding that "[t]here [was] sufficient evidence in the record to support the probate court's implied conclusion that [the buyer] was not a bona fide purchaser." (*Yates, supra*, 25 Cal.App.4th at p. 523.) This evidence included (1) the fact that the buyer had purchased between 300 and 500 properties in foreclosure over 16 years, (2) the buyer's testimony that " 'there was a lot of juice [equity] in the property,' " and (3) the fact that there was a "gross inadequacy of the sales price." (*Ibid.*)

Nowhere did the court in *Yates* hold that the *fact* that the buyer is experienced in purchasing foreclosure properties necessarily disqualifies him or her from

being a BFP under section 2924. To the contrary, the most that can be said is that the appellate court in *Yates* held that there was sufficient evidence to support the trial court's conclusion that the buyer had notice of the sale's irregularity (i.e., negating the second BFP prong). Its conclusion was based in part upon the buyer's vast foreclosure experience (i.e., 300 to 500 foreclosure purchases). [FN21]

[FN21. Likewise, Borrowers' reliance upon the Miller & Starr treatise is unavailing. *Yates* was the only authority cited by the authors of the treatise in support of the view that "a speculator who frequently purchases at foreclosure sales [and] who pays substantially less than the value of the property at a foreclosure sale is not a bona fide purchaser." (4 Miller & Starr, Cal. Real Estate (3d ed. 2003) Deeds of Trust § 10:210, p. 673, fn. omitted.)

Further, we see no reasoned basis for a blanket rule that would preclude a buyer from being a BFP simply because he or she has experience in foreclosure sales and purchases the property at less than fair market value. The law is designed to protect outside buyers [FN22] who part with value and have no knowledge or notice of a defect. In this respect, the presumption of section 2924 affords protection to the novice and experienced foreclosure buyer alike, and "was clearly designed to provide incentives to the public at large to attend the sales in order to obtain a better price at the sale." (*Homestead Savings v. Darmiento* (1991) 230 Cal.App.3d 424, 434.) A holding that an experienced foreclosure buyer perforce cannot receive the benefits of the law as a BFP if he or she buys property for substantially less than its value would chill participation at trustee's sales by this entire class of buyers, and, ultimately, could have the undesired effect of reducing sales prices at foreclosure.

[FN22. A beneficiary who acquires the property at foreclosure sale through a credit bid may not qualify as a BFP. (See *Tomczak v. Ortega* (1966) 240 Cal.App.2d 902, 907; see also 4 Miller & Starr, Cal. Real Estate, *supra*, Deeds of Trust § 10:211, pp. 680-681.)

We conclude therefore that the proper standard to determine whether a buyer at a foreclosure sale is a BFP is whether the buyer (1) purchased the property *for value*, and (2) had *no knowledge or notice* of the asserted rights of another. [FN23] Applying this test, we now review the court's determination here that Buyer was, in fact, a BFP. [FN24]

[FN23. Of course, in evaluating whether a buyer at a trustee's sale is a BFP, the buyer's foreclosure sale experience may be considered in making the factual determination of whether he or she had knowledge or notice of the conflicting claim.

[FN24. Our conclusion here is not inconsistent with our holding in *Nguyen*, where we indicated--citing *Yates*--that "[t]here is authority suggesting that an experienced foreclosure bidder may not qualify as a bona fide purchaser." (*Nguyen, supra*, 105 Cal.App. 4th at p. 442.) In *Nguyen*, however, we did not reach the question of whether the buyer was a BFP. Because of the absence of any potential grounds for invalidating the foreclosure sale in *Nguyen*, we noted that we did not need to address the issue of whether the sale was governed by a rebuttable or conclusive presumption under section 2924. (*Nguyen, supra*, at p. 444, fn. 7.)

D. Court's Conclusion That Buyer Was a BFP

We note preliminarily that the issue of whether a buyer is a BFP is a question of fact. (*Triple A Management, supra*, 69 Cal.App.4th 520, 536; *Asisten v. Underwood* (1960) 183 Cal.App.2d 304, 311.) Accordingly, we will reverse a trial court's determination on this question only if it is not supported by substantial evidence. (*Triple A Management, supra*, at p. 536; *Hochstein v. Romero, supra*, 219 Cal.App.3d 447, 451.) Moreover, this factual determination is based upon the circumstances that existed at the time of the buyer's acquisition; information learned after the acquisition does not affect the buyer's BFP status. (*Reiner v. Danial, supra*, 211 Cal.App.3d 682, 690.)

*9 As we have concluded, a purchaser at foreclosure is a BFP if he or she (1) purchases the property in good faith and for value, and (2) has no knowledge or notice of the asserted rights claimed by another. The evidence was undisputed that Buyer acquired the Property for value: it paid \$197,100 at the auction, after engaging in competitive bidding with three rivals. This purchase price was more than double the initial bid made by Lender. There was no evidence that Buyer acquired the Property in bad faith. The fact that it paid less than the Property's fair market value--giving rise to Borrowers' contention that the consideration was "inadequate"--is of no legal consequence. (See Horton v. Kyburz, *supra*, 53 Cal.2d 59, 65-66.) Indeed, "it is common knowledge that at forced sales such as a trustee's sale the full potential value of the property being sold is rarely realized." (Strutt v. Ontario Sav. & Loan Assn. (1972) 28 Cal.App.3d 866, 876; see also Alliance Mortgage Co. v. Rothwell (1995) 10 Cal.4th 1226, 1236 [property's price at trustee's sale "is not deemed the equivalent of the property's fair market value"].)

There was also substantial evidence supporting the second BFP requirement (i.e., absence of knowledge or notice of the competing claim). Buyer had no knowledge of the Repayment Agreement; in fact, it had no contact whatsoever with either Lender or Borrowers. Further, at the time of the trustee's sale, Buyer had no notice of Borrowers' asserted rights (i.e., their claim that the Repayment Agreement, as modified, required postponement of the trustee's sale). While we acknowledge that Buyer had significant foreclosure experience, we reject Borrowers' suggestion that this experience compels the conclusion that notice of the Repayment Agreement should be "imputed" to Buyer. There is no authority that would support such a theory of imputed notice under the facts of this case. (See, e.g., Pierson v. Fischer (1955) 131 Cal.App.2d 208, 215 [refusing to set aside trustee's sale based upon claim, inter alia, that sale postponement not properly announced, where BFP was unaware of alleged fraud by trustee]; Karrell v. First Thrift of Los Angeles (1951) 104 Cal.App.2d 536, 539 [rejecting trustor's challenge to trustee's sale, where BFP had no knowledge of any postponement agreement or other transactions between trustor and beneficiary].)

In this instance, therefore--applying the proper BFP test--there was substantial evidence supporting the court's conclusion that Buyer was a BFP. Indeed, there was *little, if any, evidence supporting a contrary conclusion*. We will now address the legal implications of the court's finding that Buyer was a BFP.

E. Effect of Buyer's BFP Status Under Section 2924

As noted above, section 2924 provides that, where the trustee delivers a deed to the buyer at the foreclosure sale, and the deed recites that all procedural requirements for the default notice and sale notice have been satisfied, there is a statutory rebuttable presumption that such notice requirements have been fulfilled; as to a BFP, this presumption is conclusive. (§ 2924; Homestead Savings v. Darmiento, *supra*, 230 Cal.App.3d 424, 432; Napue v. Gor-Mey West, Inc. (1985) 175 Cal.App.3d 608, 620-621.) This statutory presumption was clearly intended to subserve the third goal of the foreclosure statutes that we acknowledged in Nguyen, i.e., "to ensure that a properly conducted sale is final between the parties and conclusive as to a bona fide purchaser." (Nguyen, *supra*, 105 Cal.App.4th 428, 440; see also Homestead Savings v. Darmiento, *supra*, at pp. 433-434 [recognizing that intent of presumption language "was to promote certainty in favor of the validity of the private foreclosure sale because it encouraged the public at large to bid on the distressed property which in turn benefited the trustor"].)

*10 Here, the trustee's deed indisputably contained the recitals under section 2924 concerning Trustee's compliance with the required procedures for the default and sale notices. Since Buyer was a BFP, Buyer argues that section 2924's conclusive presumption language precludes *any* attack by Borrowers on the trustee's sale. We disagree.

The alleged irregularity in the trustee's sale of which Borrowers complain was that the sale violated the terms of their Repayment Agreement with Lender. As such, Borrowers contend that Trustee violated its statutory obligation of postponing the sale upon agreement of the beneficiary and trustor, as required under section 2924g, subdivision (c)(2). [FN25] Borrowers' challenge

to the trustee's sale does not involve a claim concerning whether Trustee followed all statutory procedures with respect to the default and sales notices; there is no dispute that Trustee followed the statutory procedures for the default and sales notices. We therefore hold that the conclusive presumption for BFP's under section 2924 does not apply to bar Borrowers' attempt to set aside the trustee's sale. [FN26]

FN25. "The trustee shall postpone the sale upon the order of any court of competent jurisdiction, or where stayed by operation of law, or by the mutual agreement, whether oral or in writing, of any trustor and any beneficiary or any mortgagor and any mortgagee." (§ 2924g, subd. (c)(2).)

FN26. Section 2924's conclusive presumption language for BFP's applies only to challenges to statutory compliance with respect to default and sales notices. In reaching this conclusion, we recognize that there is dictum that suggests that the conclusive presumption under section 2924 applies across the board to *any* claimed irregularities in the trustee's sale. The court in *Moeller* held that the presumption under section 2924 provides that the trustee's "sale has been conducted regularly and properly," and that, as against a BFP, the presumption operates to prevent the trustor from "attacking the validity of the sale." (*Moeller, supra*, 25 Cal.App.4th 822, 831.) Cases following *Moeller* have similarly described the conclusive presumption--applicable under section 2924 where the buyer is a BFP who has received a trustee's deed--as precluding *any* attack on the trustee's sale. (See *Residential Capital v. Cal-Western Reconveyance Corp.* (2003) 108 Cal.App.4th 807, 817 (*Residential Capital*) [once trustee's deed is delivered, "there was a conclusive presumption of validity under section 2924"]; *6 Angels, Inc. v. Stuart-Wright Mortgage, Inc.* (2001) 85 Cal.App.4th 1279, 1286 [same]; *Angell v. Superior Court* (1999) 73 Cal.App.4th 691, 699-700 [same].) To the extent that Buyer may construe these cases as

describing section 2924's presumption as precluding *any* attack on the foreclosure sale as to a BFP-- irrespective of whether the challenge relates to the trustee's compliance with procedural requirements concerning the default and sale notices--we decline to follow such interpretation. (See 4 Miller & Starr, Cal. Real Estate, *supra*, Deeds of Trust § 10:211, p. 680 [section 2924 "presumption only applies to the propriety of the required notices, but it does not apply to other requirements of the foreclosure process"].)

F. Effect of Buyer's BFP Status Generally

We have concluded that the conclusive presumption under section 2924 did not preclude Borrowers' action to set aside the trustee's sale. We must consider further whether the trial court's conclusion that Buyer was a BFP--supported by substantial evidence--nonetheless rendered the sale invulnerable to Borrowers' challenge. We answer this question in the affirmative.

We begin with the general proposition that the trustor cannot set aside a foreclosure sale to a BFP "based on irregularities in the foreclosure sale process, except in the case of fraud." (4 Miller & Starr, Cal. Real Estate, *supra*, Deeds of Trust § 10:211, p. 683.) This rule is founded upon BFP principles, generally, that "a bona fide purchaser is not chargeable with the fraud of his predecessors and takes a title purged of any anterior fraud affecting it and free from any equities existing between the original parties. [Citations.]" (*Marlenee v. Brown* (1943) 21 Cal.2d 668, 675.) The general unassailability of foreclosures promotes twin policies: "[1] that a properly conducted sale be a final adjudication of the rights of the creditor and debtor [citations] and [2 that] the sanctity of title of a bona fide purchaser be protected." (*Moeller, supra*, 25 Cal.App.4th 822, 832.) In this respect, *Strutt v. Ontario Sav. & Loan Assn.* (1970) 11 Cal.App.3d 547 (*Strutt*) is instructive.

In *Strutt*, the trustor challenged the foreclosure sale on the grounds that (1) he had no notice of the sale, and (2) the beneficiary and trustee had both actual and constructive knowledge that he was suffering from a

legal disability at the time of the sale: namely, after the court, pursuant to former Penal Code section 1368, [FN27] suspended separate criminal proceedings pending against the trustor, he was committed to a mental facility by a criminal court after a finding that he was "unable to assist counsel in his defense." (*Strutt, supra*, 11 Cal.App.3d at p. 552.) The appellate court affirmed the trial court's dismissal of the action after summary judgment in favor of the buyer, Iler, rejecting the trustor's claim that the buyer was charged with constructive notice of trustor's alleged legal disability. (*Id.* at pp. 554-556; see also *Strutt v. Ontario Sav. & Loan Assn.*, *supra*, 28 Cal.App.3d 866, 872 [in subsequent appeal involving trustor, beneficiary, and trustee, court acknowledged its prior holding in *Strutt* that trustee's sale could not be set aside because Iler was BFP].)

FN27. "If at any time during the pendency of an action and prior to judgment a doubt arises as to the sanity of the defendant, the court must order the question as to his sanity to be determined by a trial by the court without a jury, or with a jury, if a trial by jury is demanded; and, from the time of such order, all proceedings in the criminal prosecution shall be suspended until the question of the sanity of the defendant has been determined, and the trial jury in the criminal prosecution may be discharged, or retained, according to the discretion of the court until the determination of the issue of insanity." (Former Pen.Code, § 1368, amended by Stats.1974, ch. 1511, § 3, p. 3317.)

*11 In concluding that the trustor's attempt to set aside the sale should be rejected, the court in *Strutt* reasoned: "Viewing the situation most favorably to plaintiff, the most that can be said is that, knowing of his alleged legal disability, [the beneficiary and trustee] may have been guilty of some fraud or imposition upon plaintiff in proceeding with the foreclosure and trustee's sale and that, as between plaintiff and those defendants, the trustee's sale may have been voidable. It would not follow, however, that the subsequent sale to Iler would be invalid, for it is well established that a subsequent good faith purchaser for value and without notice of the

fraud or imposition is not chargeable with the fraud or imposition of his predecessor and takes title free of any equity of the person thus defrauded or imposed upon. [Citations.]" (*Strutt, supra*, 11 Cal.App.3d at p. 554; see also *Taliaferro v. Crola* (1957) 152 Cal.App.2d 448, 449-450 [trustor's attack on trustee's sale against buyer receiving trustee's deed must be based upon fraud--not mere irregularity--of which buyer had knowledge or notice].)

In this instance, Borrowers' theory was that the trustee's sale violated the Repayment Agreement; they claim the Agreement was orally modified to permit them to make the June payment at the end of July. Thus, applying the reasoning in *Strutt*, the *most* that can be said is that, in Borrowers' view, there was some potential fraud or imposition because Lender failed to instruct Trustee to postpone the foreclosure sale to a date after the second and third payments were due (i.e., after July 30). There was no evidence that Buyer knew about the Repayment Agreement itself, let alone its alleged modification. Further, there were no facts sufficient to put Buyer on notice of the Agreement or its alleged modification. Buyer was not chargeable with any alleged fraud or imposition, and there was simply no basis for setting aside the trustee's sale. Accordingly, adopting the court's finding that Buyer was a BFP, we must affirm the judgment against Borrowers.

III. Absence Of Prejudicial Procedural Irregularity

Assuming, arguendo, that Borrowers' challenge of the trustee's sale could survive the legal implications of the court's finding that Buyer was a BFP-- which we have found it cannot--we evaluate whether the court's judgment was nonetheless proper. We conclude that it was.

A nonjudicial foreclosure sale is accompanied by a common law presumption that it "was conducted regularly and fairly." (*Brown v. Busch* (1957) 152 Cal.App.2d 200, 204; see also *Stevens v. Plumias Eureka Annex Min. Co.* (1935) 2 Cal.2d 493, 497.) This presumption may only be rebutted by substantial evidence of prejudicial procedural irregularity. (*Angels, Inc. v. Stuart-Wright Mortgage, Inc.*, *supra*, 85 Cal.App.4th 1279, 1284.) The "mere inadequacy of

price, absent some procedural irregularity that contributed to the inadequacy of price or otherwise injured the trustor, is insufficient to set aside a nonjudicial foreclosure sale. [Citations.] (*Ibid.*; see also *Sargent v. Shumaker* (1924) 193 Cal. 122, 129 [gross inadequacy in price must be coupled with unfairness or advantage " 'resulting in such gross inadequacy and consequent injury' " to borrower].) It is the burden of the party challenging the trustee's sale to prove such irregularity and thereby overcome the presumption of the sale's regularity. (*Hatch v. Collins* (1990) 225 Cal.App.3d 1104, 1113.)

*12 Of considerable significance as well is whether a trustee's deed has been prepared and delivered to the buyer. Thus, courts have sustained a number of foreclosure sale challenges where the actions have been brought *before* the transfer of the trustee's deed to the buyer. (See, e.g., *Residential Capital, supra*, 108 Cal.App.4th 807 [trustee refused to issue trustee's deed when it learned that sale had occurred despite postponement agreement between beneficiary and trustor]; *Angell v. Superior Court, supra*, 73 Cal.App.4th 691 [after sale but before delivery of trustee's deed, trustee discovered material understatements in default and sale notices concerning amounts due]; *Whitman v. Transtate Title Co.* (1985) 165 Cal.App.3d 312 [trust deed not issued after sale where trustee learned of its failure to grant postponement of sale required by statute]; *Little v. CFS Service Corp.* (1987) 188 Cal.App.3d 1354 (*Little*) [trustee discovered failure to provide statutory sale notices to trustor, junior lienor, and judgment creditor before issuing deed].) These cases--which include ones that Borrowers cite in support of their claims of error--often emphasize that the absence of delivery of a trustee's deed made possible the attack on the trustee's sale. [FN28] In contrast, Trustee here prepared and delivered a trustee's deed to Buyer.

FN28. For instance in *Residential Capital*, the court specifically recognized that "[i]t might be a different case had the trustee's deed been issued" to the buyer. (*Residential Capital, supra*, 108 Cal.App.4th at p. 823; see also *Moeller, supra*, 25 Cal.App.4th 822, 832 [noting that "trustee may abort a sale to a bona

fide purchaser" where foreclosure defect discovered before delivery of trustee's deed]; *Little, supra*, 188 Cal.App.3d at p. 1359, fn. 1 [noting that, in "[m]any notice defect cases ... the trustor was precluded from challenging the sale" because of delivery of the trustee's deed].)

In this instance, the court concluded that there was no procedural irregularity whatsoever with respect to the trustee's sale. It held that the foreclosure was conducted in accordance with all statutory requirements. The court concluded further that there was no "substantial defect in the foreclosure process apart from the requirements of Civil Code § 2924 et seq., which would justify setting aside the foreclosure sale." Underlying the court's decision was its finding that the Repayment Agreement was *not* orally modified to permit Borrowers to make the June 29 payment on July 30. This finding was supported by substantial evidence.

There was certainly *some* evidence--namely, Miguel's testimony--that Borrowers and Lender orally modified the Repayment Agreement to consolidate the second and third payments on July 30. [FN29] There was, however, *significant evidence to the contrary*. This evidence included: (1) the written Agreement, itself, signed by the parties, which provided unambiguously that the second payment was due in Lender's office by June 29, and which was never modified in writing to change this due date to July 30; (2) the fact that the Agreement was faxed to Borrowers *multiple times* after the alleged oral modification, and Borrowers never contacted Lender to advise that it contained an incorrect due date for the second payment; (3) the fact that Borrowers received Lender's May 24 letter (advising that the second payment was due June 29) and never advised Lender that this term was incorrect; (4) Hernandez's testimony that he had *no* conversation with Miguel about changing the due date of the second payment (or, in fact, concerning the second payment at all); and (5) Lender's records of May 22 (after Hernandez's telephone conversations with Miguel), indicating that the next payment was due on June 29.

FN29. We summarily reject Borrowers' argument that the trustee's sale was improper

because it allegedly contravened the parties' agreement that the sale would be "cancelled" if Borrowers made the first payment of \$5,000 before the original sale date. This claim was based solely on Miguel's testimony and was directly contradicted by the terms of the Repayment Agreement.

***13** Borrowers rely heavily on two cases, each of which concerned disputes between trustor and beneficiary regarding the terms of a repayment agreement. The cases--Tully v. World Savings & Loan Assn. (1997) 56 Cal.App.4th 654 (Tully), and Sutherland v. Barclays American Mortgage Corp. (1997) 53 Cal.App.4th 299 (Sutherland)--are procedurally and factually distinguishable and offer Borrowers no support.

In Tully, the trustor filed an action to set aside a nonjudicial foreclosure sale, claiming, inter alia, that the beneficiary breached a repayment agreement. (Tully, supra, 56 Cal.App.4th at p. 657.) The beneficiary moved successfully for summary judgment, relying upon an *unsigned* document as establishing the terms of the parties' repayment agreement. (Id. at p. 658.) The trustor contradicted the terms of the agreement with a declaration indicating that the beneficiary had agreed to terminate the foreclosure when it accepted the trustor's \$20,000 payment. (Id. at p. 659.) The appellate court reversed, holding that the trustor's declaration raised a triable issue of fact that precluded summary judgment. (Id. at pp. 660-661.)

Significantly, the court in Tully did not hold that the trustor was entitled to prevail; it merely held that there was a factual dispute as to the terms of the repayment agreement that could not be resolved by summary judgment. (Tully, supra, 56 Cal.App.4th at p. 661.) Also of importance, the buyer at the foreclosure sale in Tully was *the beneficiary itself*. (Id. at p. 658.) Thus, assuming the trier of fact in Tully ultimately concluded that the trustee's sale occurred in breach of the parties' repayment agreement, the buyer/beneficiary *could not* claim it was a BFP; it took title at the trustee's sale with full knowledge of the defect (i.e., breach of the repayment agreement).

Likewise, in Sutherland, the beneficiary obtained summary judgment in its dispute with the trustor over the terms of a repayment agreement. (Sutherland, supra, 53 Cal.App.4th 299, 309.) The trustor--whose condominium was severely damaged by the Northridge earthquake in 1994 (id. at pp. 304- 305)--obtained from the beneficiary a three-month "stop" to her mortgage payments. (Id. at p. 305.) The beneficiary contended that the repayment agreement required the trustor to "catch up" by making three monthly payments at the end of the three-month moratorium. (Id. at pp. 307, 310.) The trustor, however, understood that she was not required to make a "catch up" payment, and that the entire term of the loan would be extended by three months. (Ibid.) The appellate court reversed, concluding that summary judgment was inappropriate in light of the disputed fact issue as to the terms of the repayment agreement. (Id. at pp. 310-313.)

Again, Sutherland is distinguishable and offers no aid to Borrowers here. The court there did *not* conclude that the trustor was entitled to prevail; it merely held that summary judgment was improper. (Sutherland, supra, 53 Cal.App.4th at p. 311, fn. 7.) Furthermore, Sutherland did not involve a foreclosure sale at all. It was an action by the trustor for declaratory and injunctive relief to prevent the beneficiary from asserting a default that trustor claimed was contrary to the parties' agreement. (Id. at pp. 308- 309.) Therefore, it did not present the issues central to the instant dispute, namely, whether trustors could invalidate a foreclosure sale and cancel a trustee's deed to a buyer who was a BFP, on the basis that the foreclosure allegedly violated the terms of their Repayment Agreement with the beneficiary.

***14** The trial court here was well within its power to reject Borrowers' contention that the Repayment Agreement was orally modified. Its conclusion was based upon substantial evidence. As a result--even apart from the fact that the trustee's sale was unassailable because Buyer was a BFP--we reject Borrowers' challenge of the court's conclusion that there was no procedural irregularity that overcame the presumption that the foreclosure was regularly and fairly conducted. (See Crummer v. Whitehead (1964) 230 Cal.App.2d 264, 268 [acknowledging trial court's discretion to

determine "whether the particular facts of a given case justify setting aside a trustee's sale"). [FN30]

[FN30. Borrowers also claim that the trustee's sale should be set aside because: (1) Lender did not follow its own internal procedures in dealing with trustors in foreclosure proceedings (e.g., it failed to notify Borrowers of the postponed sale date); and (2) Lender did not properly credit Borrowers' first payment made in May under the Agreement, and this accounting failure resulted in Lender incorrectly noting a default under the Agreement that led to the ultimate foreclosure in July. We reject those contentions as well. As to the first claim, there is no authority for the proposition that a beneficiary's failure to follow its own internal procedures--where such failure is not a breach of its contractual or statutory obligations--is a procedural irregularity that makes a trustee's sale void or voidable. Lender was under no obligation to inform Borrowers of the postponed date(s) of the trustee's sale. Indeed, it is apparent that Borrowers could have easily learned this information by contacting Trustee. (See Tully, supra, 56 Cal.App.4th at p. 664 ["debtors bear the responsibility to remain informed about the status of their property that has been put into foreclosure" before their bankruptcy].) We likewise reject the second contention. Given the trial court's factual finding that the Repayment Agreement was not modified, Lender unquestionably had the right to foreclose on July 16, since Borrowers breached the Agreement by failing to make the second payment on or before June 29, 2001.

DISPOSITION

The judgment is affirmed.

WE CONCUR: RUSHING, P.J., and ELIA, J.

2005 WL 704130 (Cal.App. 6 Dist.)

END OF DOCUMENT



Leonard Ackerman
Dean T. Kirby, Jr.
Jana Logan
Kenneth G. Noorigian
Cheryl Edwards Tannenberg

600 B Street, Suite 1950
San Diego, CA 92101
(619) 685-4000

Martin T. McGuinn
Voice: 619.525. []
Fax: 619.525. []
E-Mail: mmcguinn@ []

June 2, 2008

VIA EMAIL ONLY donna []

Donna Parkinson, Esq.
Parkinson & Phinney LLC
400 Capitol Mall, 11th Fl.
Sacramento, CA 95814

*Re: Your Clients: James York and Red Rock Mortgage Inc.
(collectively, "Red Rock")
Our Clients: Washington Mutual Bank ("WaMu") and California
Reconveyance Company ("CRC")
Real Property: 3622 W. Curtis Drive, Sacramento, CA (the "Property")
Borrower: Laura Richardson
Our File No.: WAS002-93*

Dear Ms. Parkinson:

WaMu has considered Red Rock's counter offer to its recent settlement proposal and has rejected it. In accordance with Civil Code section 1058.5 (b) and the case authority contained in our prior letter, enclosed please find an unrecorded copy of the Notice of Rescission of the Trustee's Deed Upon Sale. I will send a copy of the recorded Notice of Rescission as soon as I receive it. The foreclosure trustee, California Reconveyance Company, is mailing to you separately a check in the sum of \$391,190.06, which includes refund of Red Rock's purchase funds of \$388,001.01, plus 10% interest thereon through June 6, 2008 totaling \$3,189.05. I will email to you the tracking number for the overnight delivery package containing the check, once I have that information, so you can track the progress of the delivery.

Mr. York previously advised me that he had incurred expenses related to the Property. WaMu will reimburse Mr. York for his expenses if you will kindly provide an itemization of the expenses and receipts for the expenditures.

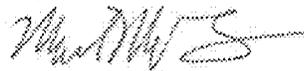
Please advise your client and his agents, contractors or employees, to remove themselves and their equipment from the premises and to lock the front door when they have vacated the Property. Please notify me in writing when the equipment has been removed and the premises are locked, so that WaMu can notify the borrower that the locks need to be changed. If you are willing to send the keys to our client, I will provide you with a billing number for overnight delivery service so you can

return the keys at our expense.

If there is anything you wish to discuss regarding the transition and the removal of your client's equipment from the Property, please contact me so we can work together and avoid any miscommunication.

Thank you in advance for your continuing professional courtesy and cooperation in this matter. Should you have any questions, or concerns not addressed in this letter, please do not hesitate to contact the undersigned.

Very truly yours,



Martin T. McGuinn

cc: Paul Battaglia *(via email)*
Deborah Brignac *(via email)*
Donald Cook *(via email)*
Jan Owen *(via email)*

RECORDING REQUESTED BY
CALIFORNIA RECONVEYANCE COMPANY
AND WHEN RECORDED MAIL TO
CALIFORNIA RECONVEYANCE COMPANY
9200 Oakdale Avenue
Mail Stop: N 11 06 12
Chatsworth, CA 91311

Space above this line for recorder's use only

Trustee Sale No. 723397CA Loan No.  Title Order No. M721884

NOTICE OF RESCISSION OF TRUSTEE'S DEED UPON SALE

This Notice of Rescission is made on 05/30/2008 with respect to the following facts:

1. That CALIFORNIA RECONVEYANCE COMPANY, a California Corporation as the duly appointed trustee under that certain Deed of Trust dated 01/04/2007, and Recorded 01/10/2007, Book 20070110, Page 1818, Instrument naming LAURA RICHARDSON, AN UNMARRIED WOMAN as trustor and WASHINGTON MUTUAL BANK as beneficiary, securing a Promissory Note in the amount of \$535,001.00.

2. The Deed of Trust encumbers the real property situated in the County of SACRAMENTO, State of CALIFORNIA, described as follows:

LOT 259 AS SHOWN ON THE OFFICIAL "PLAT OF SOUTH CURTIS OAKS SUBDIVISION NOV. 6", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY, FEBRUARY 10, 1927 IN BOOK 19 OF MAPS, MAP NO. 18

A.P.N.: 

Situs: 3622 WEST CURTIS DRIVE, SACRAMENTO, CA 95818

3. That by virtue of a Default under the terms of the Deed of Trust the Beneficiary did declare a default, as set forth in a Notice of Default and Election to Sell, which Notice was recorded in the Office of the County Recorder of SACRAMENTO, California.

4. On 05/07/2008, at 01:30 PM the property was purportedly sold to RED ROCK MORTGAGE, INC., being the highest bidder at such sale who bid the amount of \$388,000.01.

5. The Trustee's Sale on 05/07/2008 is being rescinded at the request of the Beneficiary, as the Beneficiary had previously agreed to postpone the foreclosure sale to June 4, 2008. The Trustee's sale of 05/07/2008 is therefore null and void, and of no force and effect.

6. The express purpose for this Notice of Rescission is to return the priority and existence of all lien holders to the status quo ante that existed prior to the Trustee's Sale.

NOW, THEREFORE, THE UNDERSIGNED HEREBY RESCINDS THE TRUSTEE'S SALE AND PURPORTED TRUSTEE'S DEED UPON SALE AND HEREBY ADVISES ALL PERSONS, WHOMEVER AND WHATSOEVER LOCATED, THAT THE TRUSTEE'S DEED UPON SALE DATED 05/09/2008, FROM CALIFORNIA RECONVEYANCE COMPANY TO RED ROCK MORTGAGE, INC. AND RECORDED 05/19/2008 IN BOOK 20080519, PAGE 0487, OF OFFICIAL RECORDS OF SACRAMENTO COUNTY IS HEREBY RESCINDED AND SHALL HAVE NO FURTHER FORCE OR EFFECT WHATSOEVER.

IN WITNESS WHEREOF, CALIFORNIA RECONVEYANCE COMPANY, has caused its corporate name and seal to be hereto affixed by its authorized signature.

DATE: 05/30/2008

CALIFORNIA RECONVEYANCE COMPANY, as Trustee

BY _____
Hana Konupek, Assistant Secretary

BY _____
Karime Arias, Assistant Secretary

WASHINGTON MUTUAL BANK, FA

BY _____
Deborah Brignac, Vice President

BY _____
Huey-Jen Chiu, Vice President

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

On 6/2/08 before me, CARLA DODD, "Notary Public" personally appeared DEBORAH BRIGNAC, HUEY-JEN CHIU, HANA KONUPEK AND KARIME ARIAS, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity (ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

**WAGNER KIRKMAN BLAINE
KLOMPARENS & YOUNG LLP**
Attorneys at Law

June 3, 2008

Martin T. McGuinn, Esq.
Kirby & McGuinn
600 B Street, Suite 1950
San Diego, California 92101

VIA EMAIL:
mmcguinn

VIA FACSIMILE: 619.525

Re: 3622 W. Curtis Drive, Sacramento, California
Our File No.

Dear Mr. McGuinn:

This office is substituting in as litigation counsel for Red Rocks Mortgage, Inc. and James York with respect to the above-referenced property. In that capacity, I am in receipt of your letters dated May 28, 2008, and June 2, 2008, regarding same. We disagree that your client is entitled to rescind the trustee's deed for the above-referenced property due to an alleged unexecuted forbearance agreement.

In support of its position, your client relies on an extrapolated reading of *Bank of America, N.A. v. La Jolla Group II* (2005) 129 Cal.App.4th 706 and *Residential Capital LLC v. Cal Western Reconveyance Corp.* (2003) 108 Cal.App.4th 807. We believe these cases are inapposite and distinguishable from the facts of this case. The *Melendrez v. D & I Investment Inc.* 127 Cal.App.4th 1238 case, on the other hand, is on point and absolutely supports our position that, as a *bona fide* purchaser, our client's title to the property is unchallengeable.

In *La Jolla*, the trustors (debtors) defaulted on their loan. A Notice of Default, an Election to Sell under Deed of Trust, and a Notice of Trustee's Sale were recorded. Four days before the sale, the trustors tendered payment at a branch of the beneficiary. A branch employee accepted the payment and reinstated the loan. However, the beneficiary never notified the trustee that the loan had been reinstated, and the foreclosure sale proceeded as planned. La Jolla Group II (the buyer at the sale) purchased the property. The trustee issued a Trustee's Deed, which was promptly recorded. Five days after the deed was recorded, the trustee realized he made a mistake and that the sale should not have gone forward. The trustee recorded a notice of rescission of the Trustee's Deed and tendered a refund check for the amount paid. When La Jolla Group II refused to accept tender, the trustee filed an action against it seeking cancellation of the Trustee's Deed.

10640 Mather Blvd., Suite 200
Mather, CA 95655
(916) 920-5286 • FAX (916) 920-8608

967 Reserve Drive
Roseville, CA 95678
(916) 920-5286 • FAX (916) 920-8608

Mr. McGuinn
June 3, 2008
Page 2

Applying these facts, *La Jolla* held that the sale was void. It based its holding on *Bisno v. Sax* (1959) 175 Cal.App.2d 714, which had held that "the tender and acceptance of a payment sufficient to cure a default on a loan secured by a deed of trust reinstated the loan and deprived the trustee of the power to foreclose." *La Jolla, supra*, 129 Cal.App.4th at 711. Citing *Bisno*, *La Jolla* approved of the proposition that, "[s]peaking generally, the acceptance of payment of a delinquent installment of principal or interest cures that particular default and precludes a foreclosure sale based upon such preexisting delinquency." *Id.* Applying *Bisno* to the facts of its case, *La Jolla* held that "[i]f, after default, the trustor and beneficiary enter into an agreement to cure the default and reinstate the loan, no contractual basis remains for exercising the power of sale.[emphasis added]" *Id.* at 712. Taking these holdings together, in order for the "*La Jolla*" exception to apply, there must be (1) a tender (2) of a payment sufficient to cure a default, (3) acceptance of that payment, and (4) reinstatement of the loan. Here, all four of these elements are missing. The holding of *La Jolla*, therefore, does not apply.

Residential Capital is clearly inapposite as no Trustee's Deed Upon Sale was issued or recorded. Moreover, in that case, the court stated that if a Trustee's Deed had been issued it might have been a different case. *Residential Capital, supra*, at 715. Accordingly, your clients' assertion that these cases, collectively, stand for the proposition that, under our facts, the trustee's deed is rescindable is without merit.

Your failure to attempt to distinguish the *Melendrez* is understandable.

In *Melendrez*, the borrowers lost their home through non-judicial foreclosure whereby an experienced third-party bought the property at the Trustee's Sale. The borrowers sued to cancel the sale contending that, *inter alia*, it was invalid because it took place notwithstanding a repayment agreement between the lender and the borrowers.

The court began its discussion by explaining the comprehensive framework of the regulations attendant to non-judicial foreclosure sales pursuant to a power of sale contained in the deed of trust. The court reiterated the tri-fold purposes of the statutory scheme, to wit:

- (i) to provide the creditor/beneficiary with a quick, inexpensive and efficient remedy against the defaulting debtor/trustor; (ii) to protect the debtor/trustor from wrongful loss of the property; and
- (iii) to ensure that a properly conducted sale is final between the parties and conclusive as to a bona fide purchaser.

"A properly conducted non-judicial foreclosure sale constitutes a final adjudication of the rights of the borrower and lender. Once the trustee's sale is completed, the trustor has no further rights of redemption." (*Melendrez*, at 1249-1250.)

Mr. McGuinn
June 3, 2008
Page 3

The court then defined a “*bona fide purchaser*”: “A *bona fide purchaser* is one who pays value for the property without notice of any adverse interest or of any irregularity in the sale proceedings.” (*Nguyen* (2003) 105 Cal.App.4th 428, 442.) (*Melendrez*, at p. 1250.) The court specifically held that this definition of a *bona fide purchaser* in the context of Civil Code section 2924 is consonant with decisions defining the term under California’s recording statutes. Therefore, “a *bona fide purchaser* for value who acquires his interest in real property without notice of another’s asserted rights in the property takes the property free of such unknown rights.” (*Id.*)

The court found that buyer was a purchaser for value. In addition, the court found that, like here, the buyer had no knowledge of the alleged repayment agreement and had no contact whatsoever with either the lender or the borrowers. In sum, the buyer had no knowledge of the borrower’s asserted right and the court refused to impute notice of the alleged repayment agreement to the buyer lacking any authority upon which to do so. (*Melendrez*, at pp. 1254 and 1255.)

The court then averted to the presumption set forth in Civil Code section 2924: “Where the trustee delivers a deed to the buyer at the foreclosure sale, and the deed recites that all procedural requirements for the default notice and sale notice have been satisfied, there is a statutory rebuttable presumption that such notice requirements have been fulfilled; as to a BFP, this presumption is conclusive. (*Melendrez*, at p. 1255.) The court in *Melendrez* went on to say:

In this instance, Borrowers’ theory was that the trustee’s sale violated the Repayment Agreement; ..., the most that can be said is that, in Borrowers’ view, there was some potential fraud or imposition because Lender failed to instruct Trustee to postpone the foreclosure sale to a date after the second and third payments were due (i.e., after July 30). There was no evidence that Buyer knew about the Repayment Agreement itself, let alone its alleged modification. Further, there were no facts sufficient to put Buyer on notice of the Agreement or its alleged modification. Buyer was not chargeable with any alleged fraud or imposition, and there was simply no basis for setting aside the trustee’s sale. Accordingly, adopting the court’s finding that Buyer was a BFP, we must affirm the judgment against Borrowers. (*Melendrez, supra*, at 1258.)

Based on the above-quoted language from the *Melendrez* case, the responsible party for the failure to notify the trustee of the alleged forbearance agreement falls squarely on the shoulders of your client.

To reiterate, the distinction made clear from the *La Jolla* and *Melendrez* cases is the reinstatement of the loan in *La Jolla*, which rendered the power of sale provision in the deed of

Mr. McGuinn
June 3, 2008
Page 4

trust ineffective. Such is not the case here. Rather, here, there was a mere alleged agreement to postpone the sale; there was no reinstatement. Accordingly, the *Melendrez* case is directly on point.

In further support of my client's position, I would direct your attention to *In Re Tydings-Monsour* (2006) 2006 Bankr. Lexis 2455, a 9th Circuit Bankruptcy Court case applying California law, where the court employed identical reasoning in finding that the *La Jolla* case created only a narrow exception in instances where there is, *inter alia*, a reinstatement of the loan.

Accordingly, even assuming the facts are as you state them, meaning that there was a forbearance agreement,¹ your client still loses as a matter of law because the loan was not reinstated; therefore, the power of sale provision contained in the deed of trust was not ineffective; thus, the sale is valid and cannot be unilaterally rescinded as against an undisputed *bona fide* purchaser.

Based upon the above-reasoning, I would implore your client not to record the Notice of Rescission attached to your letter of yesterday's date. If such Notice is recorded, my client will have no choice to but to file an action for slander of title wherein we will seek all remedies available under California law, which include attorneys' fees.

I would hope your client does not make a bad situation worse by forcing my client into litigation. Rather, I would urge you to make an offer to my client that adequately reflects the reality of this situation. I look forward to your response.

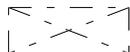
Very truly yours,

**WAGNER KIRKMAN BLAINE
KLOMPARENS & YOUNG LLP**



THOMAS B. SHERIDAN

Cc: Client
Donna Parkinson



¹ The copy enclosed with your May 28, 2008, letter is unsigned, not on letterhead, and does not include enclosures.

**WAGNER KIRKMAN BLAINE
KLOMPARENS & YOUNG LLP**
Attorneys at Law

FACSIMILE COVER SHEET

**THE ADVICE CONTAINED IN THIS COMMUNICATION WAS NOT INTENDED OR WRITTEN
TO BE USED AND CANNOT BE USED FOR THE PURPOSE OF AVOIDING PENALTIES THAT
MAY BE IMPOSED BY THE INTERNAL REVENUE SERVICE.**

Date: June 3, 2008

Our File No. [] [] [] [] [] [] [] [] [] []

Fax No.

Telephone No.

To: **Martin T. McGuinn**

(619) 525-[] [] [] [] [] []

Company: **Kirby & McGuinn**

From: **Thomas B. Sheridan**

Number of pages being transmitted including the cover page: 5

Message/Document(s): Correspondence re 3622 W. Curtis Dr., Sacramento, CA

Please call **Cheryl Ewing** at (916) 920-[] [] [] [] [] [] if all pages are not received.

ORIGINAL will follow by: Other:

This message is intended only for the use of the individual or entity to which it is addressed and may contain information that is privileged, confidential, and exempt from disclosure under applicable law. If the reader of this message is not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this communication in error, please notify us immediately by telephone and return the original message to us at the above address via the U.S. Postal Service. Thank you.

10640 Mather Blvd., Suite 200
Mather, CA 95655
(916) 920-5286 • (916) 920-8608
e-mail wkblaw.com

From: Chiu, Huey-Jen <huey-jen.chiu@wamu.net>
Sent: Tuesday, June 3, 2008 7:45 PM
To: mmcguinn [REDACTED]
Cc: Battaglia, Paul J. <paul.battaglia@wamu.net>
Subject: Loan No. [REDACTED] Richardson
Attach: Document.pdf

[REDACTED]

RECORDING REQUESTED BY
CALIFORNIA RECONVEYANCE COMPANY

AND WHEN RECORDED MAIL TO

CALIFORNIA RECONVEYANCE COMPANY
9200 Oakdale Avenue
Mail Stop N 11 06 12
Chatsworth, CA 91311

THIS IS TO CERTIFY THAT THIS IS A FULL,
TRUE AND CORRECT COPY OF THE ORIGINAL
RECORDED IN THE OFFICE OF THE COUNTY

RECORDER ON: June 2, 2008

AS DOCUMENT NO: BK: 20080602 / PG: 885

BY: s/ Khundy Vy

FIDELITY NATIONAL DEFAULT SOLUTIONS

(space above this line for recorder's use only)

Trustee Sale No. 723397CA Loan No. [] [] [] Title Order No. M721884

NOTICE OF RESCISSION OF TRUSTEE'S DEED UPON SALE

This Notice of Rescission is made on 05/30/2008 with respect to the following facts:

1. That CALIFORNIA RECONVEYANCE COMPANY, a California Corporation as the duly appointed trustee under that certain Deed of Trust dated 01/04/2007, and Recorded 01/10/2007, Book 20070110, Page 1818, Instrument naming LAURA RICHARDSON, AN UNMARRIED WOMAN as trustor and WASHINGTON MUTUAL BANK as beneficiary, securing a Promissory Note in the amount of \$635,001.00.

2. The Deed of Trust encumbers the real property situated in the County of SACRAMENTO, State of CALIFORNIA, described as follows:

LOT 259 AS SHOWN ON THE OFFICIAL "PLAT OF SOUTH CURTIS OAKS SUBDIVISION NOV. 6", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY, FEBRUARY 10, 1927 IN BOOK 19 OF MAPS, MAP NO. 18

A.P.N.: [] [] []

Situs: 3622 WEST CURTIS DRIVE, SACRAMENTO, CA 95818

3. That by virtue of a Default under the terms of the Deed of Trust the Beneficiary did declare a default, as set forth in a Notice of Default and Election to Sell, which Notice was recorded in the Office of the County Recorder of SACRAMENTO, California

4. On 05/07/2008, at 01:30 PM the property was purportedly sold to RED ROCK MORTGAGE, INC., being the highest bidder at such sale who bid the amount of \$388,000.01.

5. The Trustee's Sale on 05/07/2008 is being rescinded at the request of the Beneficiary, as the Beneficiary had previously agreed to postpone the foreclosure sale to June 4, 2008. The Trustee's sale of 05/07/2008 is therefore null and void, and of no force and effect.

6. The express purpose for this Notice of Rescission is to return the priority and existence of all lien holders to the status quo ante that existed prior to the Trustee's Sale.

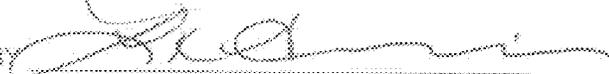
NOW, THEREFORE, THE UNDERSIGNED HEREBY RESCINDS THE TRUSTEE'S SALE AND PURPORTED TRUSTEE'S DEED UPON SALE AND HEREBY ADVISES ALL PERSONS, WHOMEVER AND WHATSOEVER LOCATED, THAT THE TRUSTEE'S DEED UPON SALE DATED 05/09/2008, FROM CALIFORNIA RECONVEYANCE COMPANY TO RED ROCK MORTGAGE, INC. AND RECORDED 05/19/2008 IN BOOK 20080519, PAGE 0487, OF OFFICIAL RECORDS OF SACRAMENTO COUNTY IS HEREBY RESCINDED AND SHALL HAVE NO FURTHER FORCE OR EFFECT WHATSOEVER.

IN WITNESS WHEREOF, CALIFORNIA RECONVEYANCE COMPANY, has caused its corporate name and seal to be hereto affixed by its authorized signature.

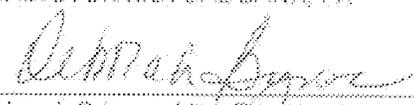
DATE: 05/29/2008

CALIFORNIA RECONVEYANCE COMPANY, as Trustee

BY 
Colleen Irby, Assistant Secretary

BY 
Karime Arias, Assistant Secretary

WASHINGTON MUTUAL BANK, FA

BY 
Deborah Brignac, Vice President

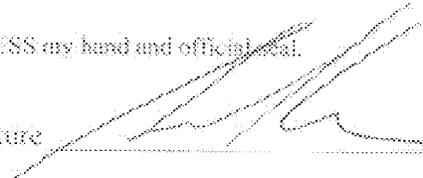
BY 
Huey-Jen Chiu, Vice President

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

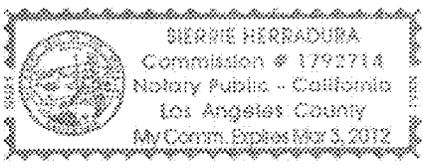
On 5/29/08 before me, SIERRIE HERRADURA, "Notary Public" personally appeared DEBORAH BRIGNAC, HUEY-JEN CHIU, COLLEEN IRBY AND KARIME ARIAS, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity (ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature  (Seal)

This document filed for recording
by Fidelity National Title Insurance and Trust
is an accommodation only. It has not been
examined as to its execution or as its effect
upon the title.



From: Chiu, Huey-Jen
Sent: Tuesday, June 03, 2008 5:50:20 PM
To: Battaglia, Paul J.
Subject: Richardson Loan

Attachments: Richardson.doc

REDACTED



Richardson.doc
(35 kB)

Thank you.

Huey-Jen Chiu, Vice President
Department Manager
California Reconveyance Company
Home Loans

California Reconveyance Company
9200 Oakdale Avenue, N110612
Chatsworth, CA 91311

818-775-2340 direct
huey-jen.chiu@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

June 3, 2008

Donna Parkinson, Esq.
Parkinson & Phinney, LLC
400 Capitol Mall, 11th Floor
Sacramento, CA 95814

Re: Your Clients: James York and Red Rock Mortgage, Inc.
Our Trustee Sale No. 723397CA
Loan No. [REDACTED]
Property Address: 3622 W. Curtis Drive, Sacramento, CA

Dear Ms. Parkinson:

Per letter sent to your office, dated June 2, 2008, from Martin T. McGuinn, Washington Mutual Bank's counsel, please find enclosed check no. for \$391,190.06 payable to Red Rock Mortgage, Inc. The amount is for the refund for the purchase funds of \$388,001.01, plus \$3,189.05, which is the 10% interest through June 6, 2008.

I am also enclosing a conformed copy of the recorded Notice of Rescission of Trustee's Deed Upon Sale document.

Sincerely,

Huey-Jen Chiu
Vice President
(818) 775-2340

From: Battaglia, Paul J.
Sent: Tuesday, June 03, 2008 11:30:44 AM
To: Martin T. McGuinn
Subject: FW: Richardson Rescission Notice

Attachments: Document.pdf

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Chiu, Huey-Jen
Sent: Monday, June 02, 2008 10:20 AM
To: Battaglia, Paul J.
Subject: RE: Richardson Rescission Notice

REDACTED



Document.pdf
(1 MB)

Huey-Jen Chiu, Vice President
Department Manager
California Reconveyance Company
Home Loans

California Reconveyance Company
9200 Oakdale Avenue, N110612
Chatsworth, CA 91311

818-775-2340 direct
huey-jen.chiu@wamu.net

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From: Battaglia, Paul J.
Sent: Monday, June 02, 2008 9:37 AM
To: Chiu, Huey-Jen
Subject: FW: Richardson Rescission Notice

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel

Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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From: Chiu, Huey-Jen
Sent: Friday, May 30, 2008 7:46 AM
To: Battaglia, Paul J.; Brignac, Deborah P.
Cc: Martin T. McGuinn; Cook, Don
Subject: RE: Richardson Rescission Notice

REDACTED

Huey-Jen Chiu, Vice President
Department Manager
California Reconveyance Company
Home Loans

California Reconveyance Company
9200 Oakdale Avenue, N110612
Chatsworth, CA 91311

818-775-2340 direct
huey-jen.chiu@wamu.net

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From: Battaglia, Paul J.
Sent: Thursday, May 29, 2008 5:24 PM
To: Chiu, Huey-Jen; Brignac, Deborah P.
Cc: 'Martin T. McGuinn'; Cook, Don
Subject: Richardson Rescission Notice

REDACTED

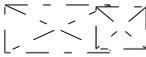
Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

JPMC - 002312
CONFIDENTIAL
CSOC.RICH.003801

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RECORDING REQUESTED BY
CALIFORNIA RECONVEYANCE COMPANY
AND WHEN RECORDED MAIL TO
CALIFORNIA RECONVEYANCE COMPANY
9200 Oakdale Avenue
Mail Stop: N 11 06 12
Chatsworth, CA 91311

Space above this line for recorder's use only

Trustee Sale No. 723397CA Loan No.  Title Order No. M721884

NOTICE OF RESCISSION OF TRUSTEE'S DEED UPON SALE

This Notice of Rescission is made on 05/30/2008 with respect to the following facts:

1. That CALIFORNIA RECONVEYANCE COMPANY, a California Corporation as the duly appointed trustee under that certain Deed of Trust dated 01/04/2007, and Recorded 01/10/2007, Book 20070110, Page 1818, Instrument naming LAURA RICHARDSON, AN UNMARRIED WOMAN as trustor and WASHINGTON MUTUAL BANK as beneficiary, securing a Promissory Note in the amount of \$535,001.00.

2. The Deed of Trust encumbers the real property situated in the County of SACRAMENTO, State of CALIFORNIA, described as follows:

LOT 259 AS SHOWN ON THE OFFICIAL "PLAT OF SOUTH CURTIS OAKS SUBDIVISION NOV. 6", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY, FEBRUARY 10, 1927 IN BOOK 19 OF MAPS, MAP NO. 18

A.P.N.: 
Situs: 3622 WEST CURTIS DRIVE, SACRAMENTO, CA 95818

3. That by virtue of a Default under the terms of the Deed of Trust the Beneficiary did declare a default, as set forth in a Notice of Default and Election to Sell, which Notice was recorded in the Office of the County Recorder of SACRAMENTO, California.

4. On 05/07/2008, at 01:30 PM the property was purportedly sold to RED ROCK MORTGAGE, INC., being the highest bidder at such sale who bid the amount of \$388,000.01.

5. The Trustee's Sale on 05/07/2008 is being rescinded at the request of the Beneficiary, as the Beneficiary had previously agreed to postpone the foreclosure sale to June 4, 2008. The Trustee's sale of 05/07/2008 is therefore null and void, and of no force and effect.

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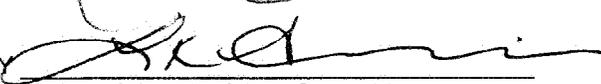
NOW, THEREFORE, THE UNDERSIGNED HEREBY RESCINDS THE TRUSTEE'S SALE AND PURPORTED TRUSTEE'S DEED UPON SALE AND HEREBY ADVISES ALL PERSONS, WHOMEVER AND WHATSOEVER LOCATED, THAT THE TRUSTEE'S DEED UPON SALE DATED 05/09/2008, FROM CALIFORNIA RECONVEYANCE COMPANY TO RED ROCK MORTGAGE, INC AND RECORDED 05/19/2008 IN BOOK 20080519, PAGE 0487, OF OFFICIAL RECORDS OF SACRAMENTO COUNTY IS HEREBY RESCINDED AND SHALL HAVE NO FURTHER FORCE OR EFFECT WHATSOEVER.

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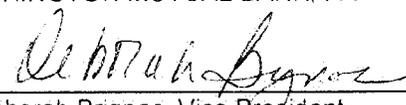
DATE: 05/29/2008

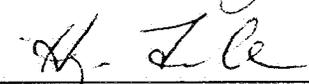
CALIFORNIA RECONVEYANCE COMPANY, as Trustee

BY 
Colleen Irby, Assistant Secretary

BY 
Karime Arias, Assistant Secretary

WASHINGTON MUTUAL BANK, FA

BY 
Deborah Brignac, Vice President

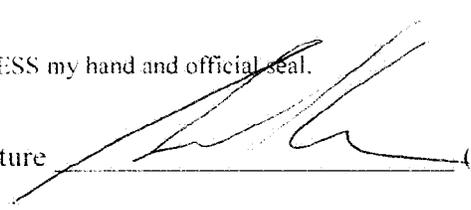
BY 
Huey-Jen Chiu, Vice President

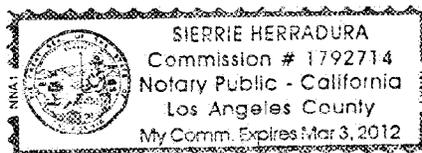
STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

On 5/29/08 before me, SIERRIE HERRADURA, "Notary Public" personally appeared DEBORAH BRIGNAC, HUEY-JEN CHIU, COLLEEN IRBY AND KARIME ARIAS, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity (ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature  (Seal)



From: Chiu, Huey-Jen
Sent: Monday, June 02, 2008 1:20:25 PM
To: Battaglia, Paul J.
Subject: RE: Richardson Rescission Notice

Attachments: Document.pdf

REDACTED



Document.pdf
(1 MB)

Huey-Jen Chiu, Vice President
Department Manager
California Reconveyance Company
Home Loans

California Reconveyance Company
9200 Oakdale Avenue, N110612
Chatsworth, CA 91311

818-775-2340 direct
huey-jen.chiu@wamu.net

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From: Battaglia, Paul J.
Sent: Monday, June 02, 2008 9:37 AM
To: Chiu, Huey-Jen
Subject: FW: Richardson Rescission Notice

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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Sent: Friday, May 30, 2008 7:46 AM
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Cc: Martin T. McGuinn; Cook, Don
Subject: RE: Richardson Rescission Notice

REDACTED

REDACTED

Huey-Jen Chiu, Vice President
Department Manager
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Sent: Thursday, May 29, 2008 5:24 PM
To: Chiu, Huey-Jen; Brignac, Deborah P.
Cc: 'Martin T. McGuinn'; Cook, Don
Subject: Richardson Rescission Notice

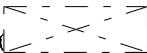
REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

RECORDING REQUESTED BY
CALIFORNIA RECONVEYANCE COMPANY
AND WHEN RECORDED MAIL TO
CALIFORNIA RECONVEYANCE COMPANY
9200 Oakdale Avenue
Mail Stop: N 11 06 12
Chatsworth, CA 91311

Space above this line for recorder's use only

Trustee Sale No. 723397CA Loan No.  Title Order No. M721884

NOTICE OF RESCISSION OF TRUSTEE'S DEED UPON SALE

This Notice of Rescission is made on 05/30/2008 with respect to the following facts:

1. That CALIFORNIA RECONVEYANCE COMPANY, a California Corporation as the duly appointed trustee under that certain Deed of Trust dated 01/04/2007, and Recorded 01/10/2007, Book 20070110, Page 1818, Instrument naming LAURA RICHARDSON, AN UNMARRIED WOMAN as trustor and WASHINGTON MUTUAL BANK as beneficiary, securing a Promissory Note in the amount of \$535,001.00.

2. The Deed of Trust encumbers the real property situated in the County of SACRAMENTO, State of CALIFORNIA, described as follows:

LOT 259 AS SHOWN ON THE OFFICIAL "PLAT OF SOUTH CURTIS OAKS SUBDIVISION NOV. 6", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY, FEBRUARY 10, 1927 IN BOOK 19 OF MAPS, MAP NO. 18

A.P.N.: 

Situs: 3622 WEST CURTIS DRIVE, SACRAMENTO, CA 95818

3. That by virtue of a Default under the terms of the Deed of Trust the Beneficiary did declare a default, as set forth in a Notice of Default and Election to Sell, which Notice was recorded in the Office of the County Recorder of SACRAMENTO, California.

4. On 05/07/2008, at 01:30 PM the property was purportedly sold to RED ROCK MORTGAGE, INC., being the highest bidder at such sale who bid the amount of \$388,000.01.

5. The Trustee's Sale on 05/07/2008 is being rescinded at the request of the Beneficiary, as the Beneficiary had previously agreed to postpone the foreclosure sale to June 4, 2008. The Trustee's sale of 05/07/2008 is therefore null and void, and of no force and effect.

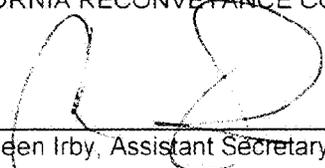
6. The express purpose for this Notice of Rescission is to return the priority and existence of all lien holders to the status quo ante that existed prior to the Trustee's Sale.

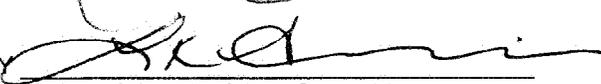
NOW, THEREFORE, THE UNDERSIGNED HEREBY RESCINDS THE TRUSTEE'S SALE AND PURPORTED TRUSTEE'S DEED UPON SALE AND HEREBY ADVISES ALL PERSONS, WHOMEVER AND WHATSOEVER LOCATED, THAT THE TRUSTEE'S DEED UPON SALE DATED 05/09/2008, FROM CALIFORNIA RECONVEYANCE COMPANY TO RED ROCK MORTGAGE, INC AND RECORDED 05/19/2008 IN BOOK 20080519, PAGE 0487, OF OFFICIAL RECORDS OF SACRAMENTO COUNTY IS HEREBY RESCINDED AND SHALL HAVE NO FURTHER FORCE OR EFFECT WHATSOEVER.

IN WITNESS WHEREOF, CALIFORNIA RECONVEYANCE COMPANY, has caused its corporate name and seal to be hereto affixed by its authorized signature.

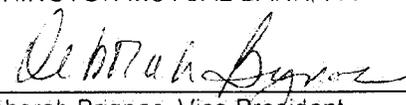
DATE: 05/29/2008

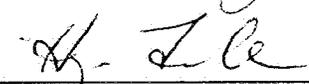
CALIFORNIA RECONVEYANCE COMPANY, as Trustee

BY 
Colleen Irby, Assistant Secretary

BY 
Karime Arias, Assistant Secretary

WASHINGTON MUTUAL BANK, FA

BY 
Deborah Brignac, Vice President

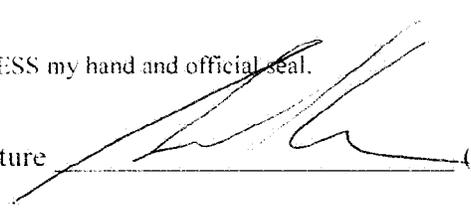
BY 
Huey-Jen Chiu, Vice President

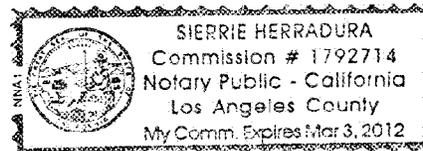
STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

On 5/29/08 before me, SIERRIE HERRADURA, "Notary Public" personally appeared DEBORAH BRIGNAC, HUEY-JEN CHIU, COLLEEN IRBY AND KARIME ARIAS, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity (ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature  (Seal)



From:

Sent:

To: Gaugl, Sara C. <sara.gaugl@wamu.net>; Cook, Don <don.cook@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>; Elias, Alan <alan.elias@wamu.net>

Subject: RE: Questions from the Daily Breeze

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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-----Original Message-----

From: Gaugl, Sara C.
Sent: Friday, May 30, 2008 11:27 AM
To: Cook, Don; Battaglia, Paul J.; Owen, Jan L.; Elias, Alan
Subject: Questions from the Daily Breeze

All:
FYI, below.

REDACTED

- Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228. cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

JPMC - 002320
CONFIDENTIAL
CSOC.RICH.003809

-----Original Message-----

From: Gene Maddaus [mailto:gmaddaus@wamu.com]

Sent: Friday, May 30, 2008 10:28 AM

To: Gaugl, Sara C.

Subject: RE: follow-up

1. Is WaMu aware of situations in which WaMu loans have been foreclosed improperly, either because a loan modification was signed prior to the auction or for some other reason, and if so, what steps is WaMu taking to correct that problem? Would a borrower in that situation be entitled to a refund of any payments made on the loan modification?
2. If WaMu determines that a WaMu loan was foreclosed improperly, will WaMu, as a general practice, sue to overturn the foreclosure? Has that ever happened and if so what was the outcome?
3. Without violating Congresswoman Laura Richardson's privacy rights, can WaMu state unequivocally that Ms. Richardson has received no preferential treatment in the handling of her loan, and will not receive any preferential treatment in the future?
4. Has Ms. Richardson allowed WaMu to discuss her case publicly? (If yes, there will be some other questions.)

Gene

----- Original Message -----

From: Gene Maddaus [mailto:gmaddaus@wamu.com]

To: Gaugl, Sara C.

Sent: Thu May 29 16:47:09 2008

Subject: follow-up

Please call for some follow-up questions on general policies that may relate to the Laura Richardson situation, but do not require you to divulge her personal information.

Gene Maddaus

Daily Breeze

310 543 [mailto:gmaddaus@wamu.com]

Subject: Richardson Update
Location: 877-709- passcode:

Start: 6/2/2008 12:30 PM
End: 6/2/2008 1:00 PM
Show Time As: Busy

Recurrence: (none)

Meeting Status: Accepted

Required Attendees: Owen, Jan L.; Gaugl, Sara C.; Cook, Don; Battaglia, Paul J.; Thorn, Ann; Woodcock, Wendy A.;
GM QSM DTE

Resources: 877-709- passcode:

From: Brignac, Deborah P.
Sent: Thursday, May 29, 2008 8:24:24 PM
To: Battaglia, Paul J.
Subject: Out of Office AutoReply: Richardson Rescission Notice

I will be out of the office Friday, 5/30. If you require immediate assistance please contact Huey-Jen Chiu at (818) 775-
☞ ☞ ☞ br huey-jen.chiu@wamu.net. Thank you.

NOTE: Please direct all DIL, Senior Lien Monitoring and TDUS inquiries to crcreferrals@wamu.net. Thank you.

From: Battaglia, Paul J. <paul.battaglia@wamu.net>
Sent: Thursday, May 29, 2008 3:36 PM
To: Lyman, Daryl W. <daryl.lyman@wamu.net>
Subject: FW: Washington Mutual/Laura Richardson
Attach: 001 MTM to Parkinson re rescission dtd 5-28-08.pdf

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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From: Martin T. McGuinn [mailto:m.mcguinn@kirbyandmcguinn.com]
Sent: Wednesday, May 28, 2008 9:34 AM
To: Battaglia, Paul J.
Cc: Owen, Jan L.
Subject: FW: Washington Mutual/Laura Richardson

Martin T. McGuinn
Kirby & McGuinn, A P.C.
600 B Street, Ste. 1950
San Diego, CA 92101
mmcguinn@kirbyandmcguinn.com
Direct Dial: (619) 525-1659
Direct Fax: (619) 525-4000

In Compliance with the Fair Debt Collection Practices Act, 15 U.S.C. § 1692e(11):

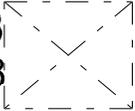
THIS MESSAGE IS FROM A DEBT COLLECTOR.

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This electronic message contains privileged or confidential information which is solely intended for the use of the addressee(s) listed as recipient(s). If you are not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any disclosure, dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this transmission in error, please immediately notify us by telephone at (619) 525-1659 or (619) 685-4000, and return the original message to Kirby & McGuinn, A P.C., 600 B Street, Ste. 1950, San Diego, CA 92101.

From: Beth Ward
Sent: Wednesday, May 28, 2008 9:09 AM
To: donna [mailto:donna@wamu.net]
Subject: Washington Mutual/Laura Richardson

Good morning, Ms. Parkinson. Attached is Mr. McGuinn's letter of today's date regarding the above matter.

Beth Ward
Paralegal to Martin T. McGuinn
& Kenneth C. Noorigian
Kirby & McGuinn, A P.C.
600 B Street, Suite 1950
San Diego, CA 92101
Direct Line: (619) 398-
Direct Fax: (619) 398-

In Compliance with the Fair Debt Collection Practices Act, 15 U.S.C. § 1692e(11):
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Leonard Ackerman
Dean T. Kirby, Jr.
Jana Logan
Kenneth G. Noorigian
Cheryl Edwards Tannenber

600 B Street, Suite 1950
San Diego, CA 92101
(619) 685-4000

Martin T. McGuinn
Voice: 619.525
Fax: 619.525
E-Mail: mmcguinn

May 28, 2008

VIA EMAIL ONLY donna
Donna Parkinson, Esq.
Parkinson & Phinney LLC
400 Capitol Mall, 11th Fl.
Sacramento, CA 95814

*Re: Your Clients: James York and Red Rocks Mortgage Inc.
(collectively, "Red Rocks")
Our Clients: Washington Mutual Bank ("WaMu") and California
Reconveyance Company ("CRC")
Real Property: 3622 W. Curtis Drive, Sacramento, CA (the "Property")
Borrower: Laura Richardson
Our File No.: WAS002-93*

Dear Ms. Parkinson:

This letter is being sent to you pursuant to California Code of Procedure section 1152 and Federal Rules of Evidence, rule 408. The contents of this letter may not be used in any pleading or constitute an admission of liability on the part of our client. The facts as we understand them to be are that Red Rocks was the high bidder at a foreclosure conducted by CRC on May 7, 2008. That foreclosure sale occurred despite an agreement between WaMu and Ms. Richardson to postpone the foreclosure sale to June 4, 2008. That postponement agreement was confirmed in writing by letter dated April 17, 2008, a copy of which is attached hereto.

As you know, California law permits a trustee to rescind a foreclosure sale where the borrower and the lender had an agreement to postpone the sale. California Civil Code section 1058.5(b) permits a trustee with the consent of either the beneficiary or the successful bidder to rescind a foreclosure sale due to the filing of a bankruptcy by the owner or otherwise.

The extent of a trustee's right to rescind a foreclosure sale has been the subject of litigation in several courts of appeal. *Residential Capital LLC v. Cal Western Reconveyance Corp.* (2003) 108 Cal.App.4th 807, 822 held: "The right of the trustor to postpone the foreclosure sale by agreement with the beneficiary is as important to the protection of the trustor's property from wrongful foreclosure as are the notice requirements." The Residential Capital court enunciated two important

Donna Parkinson, Esq.
May 28, 2008
Page 2

principles: First, it reaffirmed the holding in *Little v. CFS Servicing Corp.* (1987) 188 Cal.App.3rd 1354 that the only recovery permitted to a third party bidder is the return of its capital paid at the sale, plus interest; and second, it held that the failure to postpone the sale at the request of the borrower when there was an agreement to do so was a substantial irregularity to a foreclosure sale permitting the trustee to rescind.

Although the TDUS was not delivered to the bidder prior to rescission in the Residential Capital case, later case law supported the beneficiary's and the trustee's right to rescind after the TDUS had been delivered and recorded. In *Bank of America v La Jolla Group II* (2005) 129 Cal.App.4th 706, 712 the court held: "But La Jolla has not relied on this presumption and, if it had, we would have concluded that the presumption was rebutted by the fact that the trustor and beneficiary entered into an agreement to cure the default and reinstate the loan before the foreclosure sale. In sum, the foreclosure sale was invalid." In *Bank of America*, the bidder contended that once the trustee's deed upon sale has been delivered with all the recitals of statutory compliance and the recital of authority under the power of sale "the deed cannot be 'void' as a matter of law." The court rejected that argument by noting: "We know of no authority for this proposition."

It is clear in this case that, based on the written agreement to postpone, WaMu has the right to rescind the sale. When the sale is rescinded, in addition to return of the funds paid at the sale (\$388,000.01), Red Rocks is entitled to interest on the sales proceeds, plus reimbursement of any funds expended on the Property since the sale. Reasonable interest in this case totals approximately \$2,500. As well, prior to your being retained by Red Rocks, Mr. York told me that he has expended approximately \$10,000-15,000 in repairs to the Property.

In an effort to resolve this matter amicably, WaMu is willing to offer Red Rocks a small premium on its investment and pay a total of \$25,000 to Red Rocks in exchange for a release of all right, title and interest that Red Rocks has in the Property. That amounts to an approximate \$10,000 return on a one-month investment—a return that is not legally mandated. The payment is conditioned upon the parties executing a settlement agreement releasing each other from any liability or claims arising out of or relating to the May 7, 2008 foreclosure sale, including a Civil Code section 1542 waiver, and Red Rocks will provide a W-4 to WaMu to allow it to issue the check. We are prepared to immediately document the settlement. Please advise if this offer is acceptable to Red Rocks.

Thank you in advance for your continuing professional courtesy and cooperation in this matter. Should you have any questions, or wish to discuss the case further, please do not hesitate to contact the undersigned.

Very truly yours,



Martin T. McGuinn

cc: Paul Battaglia (via email)
Jan Owen (via email)

April 17, 2008

Laura Richardson
717 East Vernon Street
Long Beach, CA 90806

RE: Washington Mutual Loan Number 
Property Address: 3622 West Curtis Drive, Sacramento, CA 95818

WE MAY REPORT/HAVE REPORTED INFORMATION ABOUT YOUR ACCOUNT TO CREDIT BUREAUS. LATE PAYMENTS, MISSED PAYMENTS, OR OTHER DEFAULTS ON YOUR ACCOUNT MAY BE REFLECTED IN YOUR CREDIT REPORT.

WE ARE A DEBT COLLECTOR. THIS IS AN ATTEMPT TO COLLECT A DEBT, AND ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.

Dear Ms. Richardson:

Thank you for your recent contact with our Executive Office. Please find your reinstatement figures enclosed. Please remit the exact reinstatement amount in certified funds to us at the below address:

Washington Mutual
Default Cash Processing
7255 Baymeadows Way
Jacksonville, FL 32256

We have placed a sixty day hold on all foreclosure sale or actions; the hold will expire June 4, 2008.

Should you have any further questions, please feel free to contact me at 904-732-

Sincerely,

Allison Dolan
Default Specialist II – ERT
Washington Mutual Home Loans

Subject: Richardson Update
Location: 877-709[] passcode: []

Start: 5/28/2008 6:00 PM
End: 5/28/2008 7:00 PM
Show Time As: Busy

Recurrence: (none)

Meeting Status: Accepted

Required Attendees: Owen, Jan L.; Thorn, Ann; Battaglia, Paul J.; Gaugl, Sara C.; Woodcock, Wendy A.; Cook, Don
Resources: 877-709[] passcode: []

From: Thorn, Ann
Sent: Wednesday, May 28, 2008 10:08 AM
To: Gaugl, Sara C.; Owen, Jan L.; Battaglia, Paul J.
Subject: Richardson

In addition to the email I received last night, I got a phone call last night leaving me a message to please contact Congresswoman Richardson.

Any change in how you would like me to respond/handle? I have not done anything at this point in time.

Seems that the new opinion coming out of John Berens office is that we should not rescind the sale unless she comes up with the reinstatement funds in which we gave her the 60 days to do so.....

Just wanted to pass this along.

Let me know...

Ann

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644*

For Internal Use Only

From: Thorn, Ann
Sent: Wednesday, May 28, 2008 1:08:10 PM
To: Gaugl, Sara C.; Owen, Jan L.; Battaglia, Paul J.
Subject: Richardson

In addition to the email I received last night, I got a phone call last night leaving me a message to please contact Congresswoman Richardson.

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*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644*

For Internal Use Only

Subject: Richardson Update
Location: 877-709 passcode:

Start: 5/28/2008 6:00 PM
End: 5/28/2008 7:00 PM
Show Time As: Tentative

Recurrence: (none)

Meeting Status: Not yet responded

Required Attendees: Owen, Jan L.; Thorn, Ann; Battaglia, Paul J.; Gaugl, Sara C.; Woodcock, Wendy A.; Cook, Don
Resources: 877-709 passcode:

When: Wednesday, May 28, 2008 3:00 PM-4:00 PM (GMT-08:00) Pacific Time (US & Canada); Tijuana.
Where: 877-709 passcode:

~~*~*~*~*~*~*~*~*

From: Thorn, Ann
Sent: Wednesday, May 28, 2008 10:08 AM
To: Gaugl, Sara C.; Owen, Jan L.; Battaglia, Paul J.
Subject: Richardson

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To: Gaugl, Sara C.; Owen, Jan L.; Battaglia, Paul J.
Subject: Richardson

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Let me know...

Ann

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644*

For Internal Use Only

From: Owen, Jan L.
Sent: Wednesday, May 28, 2008 1:18:31 PM
To: Thorn, Ann; Gaugl, Sara C.; Battaglia, Paul J.
Subject: RE: Richardson

Ann: I will try and get a call in today- how late for you this pm tonite? That being said- I am having a tendency to agree with the new thought process. Thanks, Jan

Jan Lynn Owen
First Vice President
State and Local Government and Industry Relations Manager
801 K Street Suite 110
Sacramento, CA 95814
916-553-4961
916-325-4717 fax
jan.owen@wamu.net

From: Thorn, Ann
Sent: Wednesday, May 28, 2008 10:08 AM
To: Gaugl, Sara C.; Owen, Jan L.; Battaglia, Paul J.
Subject: Richardson

In addition to the email I received last night, I got a phone call last night leaving me a message to please contact Congresswoman Richardson.

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Let me know...

Ann

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644*

For Internal Use Only

Subject: Updated: Richardson update
Location: 877-709 passcode

Start: 5/30/2008 3:30 PM
End: 5/30/2008 4:30 PM
Show Time As: Busy

Recurrence: (none)

Meeting Status: Accepted

Required Attendees: Owen, Jan L.; Battaglia, Paul J.; Woodcock, Wendy A.; GM QSM DTE; Baptista, Geri Ann S.;
Oakley, Susan B.; Gaugl, Sara C.; Cook, Don; Thorn, Ann; Thorn, Ann

Resources: 877-709 passcode

Subject: Richardson update
Location: 877-709- passcode

Start: 5/29/2008 1:00 PM
End: 5/29/2008 2:00 PM
Show Time As: Tentative

Recurrence: (none)

Meeting Status: Not yet responded

Required Attendees: Owen, Jan L.; Gaugl, Sara C.; Battaglia, Paul J.; Thorn, Ann; Woodcock, Wendy A.; Cook, Don;
GM QSM DTE; Baptista, Geri Ann S.

Resources: 877-709- passcode

When: Thursday, May 29, 2008 10:00 AM-11:00 AM (GMT-08:00) Pacific Time (US & Canada); Tijuana.

Where: 877-709- passcode

~~*~*~*~*~*~*~*~*

From: Battaglia, Paul J. <paul.battaglia@wamu.net>
Sent: Tuesday, May 27, 2008 8:20 PM
To: Martin T. McGuinn <[REDACTED]>
Subject: RE: Laura Richardson

[REDACTED]

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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From: Martin T. McGuinn [REDACTED]
Sent: Tuesday, May 27, 2008 5:05 PM
To: Battaglia, Paul J.
Subject: Laura Richardson

Paul when you get a chance please get me Legal Dept. billing no.

Marty

Martin T. McGuinn
Kirby & McGuinn, A P.C.
600 B Street, Ste. 1950
San Diego, CA 92101
mmcguinn [REDACTED]
Direct Dial: (619) 525- [REDACTED]
Direct Fax: (619) 525- [REDACTED]

In Compliance with the Fair Debt Collection Practices Act, 15 U.S.C. § 1692e(11):

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From: Martin T. McGuinn 
Sent: Tuesday, May 27, 2008 8:05 PM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>
Subject: Laura Richardson

Paul when you get a chance please get me Legal Dept. billing no.

Marty

Martin T. McGuinn
Kirby & McGuinn, A P.C.
600 B Street, Ste. 1950
San Diego, CA 92101
mmcguinn 
Direct Dial: (619) 525-
Direct Fax: (619) 525-

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From: Battaglia, Paul J.
Sent: Tuesday, May 27, 2008 5:34:11 PM
To: Wilson-Aguilar, Jason
Subject: RE: Richardson

Now?

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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From: Wilson-Aguilar, Jason
Sent: Tuesday, May 27, 2008 2:34 PM
To: Battaglia, Paul J.
Subject: Richardson

Can you let me know when you have a sec?

Jason Wilson-Aguilar
Vice President and Counsel
Legal Department
Home Loans and Consumer Lending Division

Washington Mutual
1301 Second Avenue, WMC 3501
Seattle, WA 98101

206.500.4365 direct, 206.377.2786 fax
jason.wilson-aguilar@wamu.net

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From: Beth Ward <[redacted]>
Sent: Tuesday, May 27, 2008 12:36 PM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>
Subject: RE: Consent

I'll let him know.

Beth Ward
Paralegal to Martin T. McGuinn
& Kenneth C. Noorigian
Kirby & McGuinn, A P.C.
600 B Street, Suite 1950
San Diego, CA 92101
Direct Line: (619) 398-[redacted]
Direct Fax: (619) 398-[redacted]

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From: Battaglia, Paul J. [mailto:paul.battaglia@wamu.net]
Sent: Tuesday, May 27, 2008 9:34 AM
To: Beth Ward
Subject: RE: Consent

I'll be calling Marty shortly.

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
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Fax: 206-377-2784

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From: Beth Ward [redacted]
Sent: Tuesday, May 27, 2008 9:34 AM
To: Battaglia, Paul J.
Subject: RE: Consent

Okay. Thanks very much.

Beth Ward
Paralegal to Martin T. McGuinn
& Kenneth C. Noorigian
Kirby & McGuinn, A P.C.
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From: Battaglia, Paul J. [mailto:paul.battaglia@wamu.net]
Sent: Tuesday, May 27, 2008 9:32 AM
To: Beth Ward
Subject: RE: Consent

This is how it was sent to us.

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
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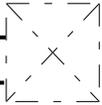
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From: Beth Ward [mailto:beth.ward@kirbyandmcguinn.com]
Sent: Tuesday, May 27, 2008 9:16 AM
To: Battaglia, Paul J.
Subject: FW: Consent

Good morning, Paul. Is it possible you can resend this in Adobe. The letter is coming out landscaped and I cannot tweak it to portrait. Thanks very much.

Beth Ward
Paralegal to Martin T. McGuinn
& Kenneth C. Noorigian

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From: Battaglia, Paul J. [mailto:paul.battaglia@wamu.net]

Sent: Tuesday, May 27, 2008 7:45 AM

To: Martin T. McGuinn

Subject: FW: Consent

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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From: Thorn, Ann

Sent: Saturday, May 24, 2008 6:17 AM

To: Battaglia, Paul J.; Gaugl, Sara C.; Owen, Jan L.; Baptista, Geri Ann S.

Subject: FW: Consent

Here is the consent form for the April 17th letter.

From: RichardsonMC, Laura [mailto:laura.richardson@wamu.net]

Sent: Fri 05/23/2008 09:48 PM

To: Thorn, Ann

Cc: Woodcock, Wendy A.; RichardsonMC, Laura; Hernandez, Rosa (Rep. Richardson)

Subject: RE: Consent

Ann,

Well... Attached you will find my scanned authorization to release the "attached April 17, 2008" letter to the third party purchaser to

facilitate rescission of the sale on May 7, 2008. Please advise me at your earliest convenience what next steps are required of me to resolve this situation.

I can be reached at anytime on my cell at 562-706-

Thank you,
Laura Richardson

-----Original Message-----

From: Thorn, Ann [<mailto:ann.thorn@wamu.net>]

Sent: Thursday, May 22, 2008 3:01 PM

To: RichardsonMC, Laura

Cc: Woodcock, Wendy A.

Subject: Consent

Congresswoman Richardson, per our conversation, attached is the consent form needed to be signed by you in order to release the attached letter to the third party purchaser to facilitate the rescission of foreclosure sale. If you can please sign and scan back to my attention, I would appreciate it.

Thank you,

Ann Thorn

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Battaglia, Paul J. <paul.battaglia@wamu.net>
Sent: Tuesday, May 27, 2008 12:34 PM
To: Beth Ward <[redacted]>
Subject: RE: Consent

I'll be calling Marty shortly.

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First Vice President and Senior Counsel
Washington Mutual Bank
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Seattle WA 98101
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To: Battaglia, Paul J.
Subject: RE: Consent

Okay. Thanks very much.

Beth Ward
Paralegal to Martin T. McGuinn
& Kenneth C. Noorigian
Kirby & McGuinn, A P.C.
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San Diego, CA 92101
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From: Battaglia, Paul J. [mailto:paul.battaglia@wamu.net]
Sent: Tuesday, May 27, 2008 9:32 AM
To: Beth Ward
Subject: RE: Consent

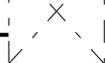
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Washington Mutual Bank
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Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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From: Beth Ward 
Sent: Tuesday, May 27, 2008 9:16 AM
To: Battaglia, Paul J.
Subject: FW: Consent

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From: Battaglia, Paul J. [mailto:paul.battaglia@wamu.net]
Sent: Tuesday, May 27, 2008 7:45 AM
To: Martin T. McGuinn
Subject: FW: Consent

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank

JPMC - 002344
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1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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From: Thorn, Ann
Sent: Saturday, May 24, 2008 6:17 AM
To: Battaglia, Paul J.; Gaugl, Sara C.; Owen, Jan L.; Baptista, Geri Ann S.
Subject: FW: Consent

Here is the consent form for the April 17th letter.

From: RichardsonMC, Laura [redacted]
Sent: Fri 05/23/2008 09:48 PM
To: Thorn, Ann
Cc: Woodcock, Wendy A.; RichardsonMC, Laura; Hernandez, Rosa (Rep. Richardson)
Subject: RE: Consent

Ann,
Well... Attached you will find my scanned authorization to release the "attached April 17, 2008" letter to the third party purchaser to facilitate rescission of the sale on May 7, 2008. Please advise me at your earliest convenience what next steps are required of me to resolve this situation.
I can be reached at anytime on my cell at 562-706-

Thank you,
Laura Richardson

-----Original Message-----
From: Thorn, Ann [<mailto:ann.thorn@wamu.net>]
Sent: Thursday, May 22, 2008 3:01 PM
To: RichardsonMC, Laura
Cc: Woodcock, Wendy A.
Subject: Consent

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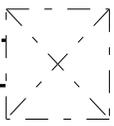
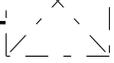
Thank you,
Ann Thorn

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

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From: Beth Ward <[redacted]>
Sent: Tuesday, May 27, 2008 12:34 PM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>
Subject: RE: Consent

Okay. Thanks very much.

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From: Battaglia, Paul J. [mailto:paul.battaglia@wamu.net]
Sent: Tuesday, May 27, 2008 9:32 AM
To: Beth Ward
Subject: RE: Consent

This is how it was sent to us.

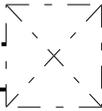
Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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Sent: Tuesday, May 27, 2008 9:16 AM
To: Battaglia, Paul J.
Subject: FW: Consent

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From: Battaglia, Paul J. [mailto:paul.battaglia@wamu.net]
Sent: Tuesday, May 27, 2008 7:45 AM
To: Martin T. McGuinn
Subject: FW: Consent



REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
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1301 2nd Avenue, WMC 3501
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From: Thorn, Ann
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To: Battaglia, Paul J.; Gaugl, Sara C.; Owen, Jan L.; Baptista, Geri Ann S.
Subject: FW: Consent

Here is the consent form for the April 17th letter.

From: RichardsonMC, Laura []

Sent: Fri 05/23/2008 09:48 PM

To: Thorn, Ann

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Subject: RE: Consent

Ann,

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-----Original Message-----

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To: RichardsonMC, Laura

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Subject: Consent

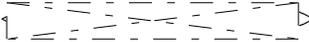
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Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
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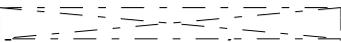
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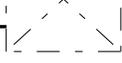
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From: Battaglia, Paul J. [mailto:paul.battaglia@wamu.net]
Sent: Tuesday, May 27, 2008 7:45 AM
To: Martin T. McGuinn
Subject: FW: Consent

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
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Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

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Sent: Tuesday, May 27, 2008 12:26 PM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>
Subject: RE: Consent

Thank you, however, it is still coming out landscaped across the page.

Beth Ward
Paralegal to Martin T. McGuinn
& Kenneth C. Noorigian
Kirby & McGuinn, A P.C.
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From: Battaglia, Paul J. [mailto:paul.battaglia@wamu.net]
Sent: Tuesday, May 27, 2008 9:23 AM
To: Beth Ward
Subject: RE: Consent

Here it is.

Paul J. Battaglia
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From: Battaglia, Paul J. [mailto:paul.battaglia@wamu.net]
Sent: Tuesday, May 27, 2008 7:45 AM
To: Martin T. McGuinn
Subject: FW: Consent

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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From: Thorn, Ann
Sent: Saturday, May 24, 2008 6:17 AM
To: Battaglia, Paul J.; Gaugl, Sara C.; Owen, Jan L.; Baptista, Geri Ann S.
Subject: FW: Consent

Here is the consent form for the April 17th letter.

From: RichardsonMC, Laura

Sent: Fri 05/23/2008 09:48 PM

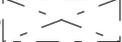
To: Thorn, Ann

Cc: Woodcock, Wendy A.; RichardsonMC, Laura; Hernandez, Rosa (Rep. Richardson)

Subject: RE: Consent

Ann,

Well... Attached you will find my scanned authorization to release the "attached April 17, 2008" letter to the third party purchaser to facilitate rescission of the sale on May 7, 2008. Please advise me at your earliest convenience what next steps are required of me to resolve this situation.

I can be reached at anytime on my cell at 562-706 

Thank you,

Laura Richardson

-----Original Message-----

From: Thorn, Ann [mailto:ann.thorn@wamu.net]

Sent: Thursday, May 22, 2008 3:01 PM

To: RichardsonMC, Laura

Cc: Woodcock, Wendy A.

Subject: Consent

Congresswoman Richardson, per our conversation, attached is the consent form needed to be signed by you in order to release the attached letter to the third party purchaser to facilitate the rescission of foreclosure sale. If you can please sign and scan back to my attention, I would appreciate it.

Thank you,

Ann Thorn

Ann Thorn, FVP

Washington Mutual

National Asset Recovery Manager

904-886-5644

For Internal Use Only

From: Battaglia, Paul J.
Sent: Tuesday, May 27, 2008 12:25:17 PM
To: Strakal, Tammy R.
Subject: RE: TeamConnect File

Add Leah. Don Cook as Senior VP.

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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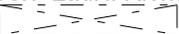
From: Strakal, Tammy R.
Sent: Tuesday, May 27, 2008 8:50 AM
To: Battaglia, Paul J.
Subject: RE: TeamConnect File

Opened file  Which paralegal should I add? Also do you know who we're using for the SVP?

Tammy

From: Battaglia, Paul J.
Sent: Tuesday, May 27, 2008 8:30 AM
To: Strakal, Tammy R.
Subject: TeamConnect File

Tammy, can you open a TeamConnect file for me on

Borrower: Laura Richardson
Loan: 

Catagory: Alleged wrongful foreclosure.

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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From: Battaglia, Paul J. <paul.battaglia@wamu.net>
Sent: Tuesday, May 27, 2008 12:23 PM
To: Beth Ward <[redacted]>
Subject: RE: Consent
Attach: 20080527091544140.pdf

Here it is.

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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From: Beth Ward <[redacted]>
Sent: Tuesday, May 27, 2008 9:16 AM
To: Battaglia, Paul J.
Subject: FW: Consent

Good morning, Paul. Is it possible you can resend this in Adobe. The letter is coming out landscaped and I cannot tweak it to portrait. Thanks very much.

Beth Ward
Paralegal to Martin T. McGuinn
& Kenneth C. Noorigian
Kirby & McGuinn, A P.C.
600 B Street, Suite 1950
San Diego, CA 92101
Direct Line: (619) 398-[redacted]
Direct Fax: (619) 398-[redacted]

In Compliance with the Fair Debt Collection Practices Act, 15 U.S.C. § 1692e(11):
THIS MESSAGE IS FROM A DEBT COLLECTOR.
ANY INFORMATION OBTAINED MAY BE USED FOR THAT PURPOSE.

This electronic message contains privileged or confidential information which is solely intended for the use of the addressee(s) listed as recipient(s). If you are not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any disclosure, dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this transmission in error, please immediately notify us by telephone at (619) 525-1659 or (619) 685-4000, and return the original message to Kirby & McGuinn, A P.C., 600 B Street, Ste. 1950, San Diego, CA 92101.

From: Battaglia, Paul J. [mailto:paul.battaglia@wamu.net]
Sent: Tuesday, May 27, 2008 7:45 AM
To: Martin T. McGuinn
Subject: FW: Consent

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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From: Thorn, Ann
Sent: Saturday, May 24, 2008 6:17 AM
To: Battaglia, Paul J.; Gaugl, Sara C.; Owen, Jan L.; Baptista, Geri Ann S.
Subject: FW: Consent

Here is the consent form for the April 17th letter.

From: RichardsonMC, Laura [mailto:lrichard@wamu.net]
Sent: Fri 05/23/2008 09:48 PM
To: Thorn, Ann
Cc: Woodcock, Wendy A.; RichardsonMC, Laura; Hernandez, Rosa (Rep. Richardson)
Subject: RE: Consent

Ann,
Well... Attached you will find my scanned authorization to release the "attached April 17, 2008" letter to the third party purchaser to facilitate rescission of the sale on May 7, 2008. Please advise me at your earliest convenience what next steps are required of me to resolve this situation.

I can be reached at anytime on my cell at 562-706-

Thank you,
Laura Richardson

-----Original Message-----

From: Thorn, Ann [mailto:ann.thorn@wamu.net]
Sent: Thursday, May 22, 2008 3:01 PM
To: RichardsonMC, Laura
Cc: Woodcock, Wendy A.
Subject: Consent

Congresswoman Richardson, per our conversation, attached is the consent form needed to be signed by you in order to release the attached letter to the third party purchaser to facilitate the rescission of foreclosure sale. If you can please sign and scan back to my attention, I would appreciate it.

Thank you,

JPMC - 002358
CONFIDENTIAL
CSOC.RICH.003847

Ann Thorn

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

AUTHORIZATION AND CONSENT
TO RELEASE OF PERSONAL, NON-PUBLIC INFORMATION

Borrower Name LAURA RICHARDSON

Loan Number _____

Mortgage
Address

717 E. VERNON

PROPERTY
ADDRESS

LONG BEACH, CA 90801

3622 West Curtis Drive
SACRAMENTO, CA 95811

I authorize Washington Mutual Bank ("Washington Mutual") to send the attached April 17, 2008 letter to Red Rock Mortgage, Inc.

Executed this 23rd day of MAY, 2008, at CALIFORNIA, [State]

Laura Richardson
(Signature)

From: Beth Ward 
Sent: Tuesday, May 27, 2008 12:16 PM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>
Subject: FW: Consent
Attach: LR Auth Consent.jpg

Good morning, Paul. Is it possible you can resend this in Adobe. The letter is coming out landscaped and I cannot tweak it to portrait. Thanks very much.

Beth Ward
Paralegal to Martin T. McGuinn
& Kenneth C. Noorigian
Kirby & McGuinn, A P.C.
600 B Street, Suite 1950
San Diego, CA 92101
Direct Line: (619) 398-
Direct Fax: (619) 398-

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From: Battaglia, Paul J. [mailto:paul.battaglia@wamu.net]
Sent: Tuesday, May 27, 2008 7:45 AM
To: Martin T. McGuinn
Subject: FW: Consent

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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From: Thorn, Ann
Sent: Saturday, May 24, 2008 6:17 AM
To: Battaglia, Paul J.; Gaugl, Sara C.; Owen, Jan L.; Baptista, Geri Ann S.
Subject: FW: Consent

Here is the consent form for the April 17th letter.

From: RichardsonMC, Laura [mailto:lrichard@wamu.net]
Sent: Fri 05/23/2008 09:48 PM
To: Thorn, Ann
Cc: Woodcock, Wendy A.; RichardsonMC, Laura; Hernandez, Rosa (Rep. Richardson)
Subject: RE: Consent

Ann,
Well... Attached you will find my scanned authorization to release the "attached April 17, 2008" letter to the third party purchaser to facilitate rescission of the sale on May 7, 2008. Please advise me at your earliest convenience what next steps are required of me to resolve this situation.
I can be reached at anytime on my cell at 562-706-1111

Thank you,
Laura Richardson

-----Original Message-----

From: Thorn, Ann [mailto:ann.thorn@wamu.net]
Sent: Thursday, May 22, 2008 3:01 PM
To: RichardsonMC, Laura
Cc: Woodcock, Wendy A.
Subject: Consent

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Thank you,

Ann Thorn

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Strakal, Tammy R.
Sent: Tuesday, May 27, 2008 11:50:25 AM
To: Battaglia, Paul J.
Subject: RE: TeamConnect File

Opened file 2008 002 785 104233. Which paralegal should I add? Also do you know who we're using for the SVP?

Tammy

From: Battaglia, Paul J.
Sent: Tuesday, May 27, 2008 8:30 AM
To: Strakal, Tammy R.
Subject: TeamConnect File

Tammy, can you open a TeamConnect file for me on

Borrower: Laura Richardson
Loan: [] [] [] [] [] []

Catagory: Alleged wrongful foreclosure.

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
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Phone: 206-500-4261
Fax: 206-377-2784

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From: Battaglia, Paul J.
Sent: Tuesday, May 27, 2008 11:30:02 AM
To: Strakal, Tammy R.
Subject: TeamConnect File

Tammy, can you open a TeamConnect file for me on

Borrower: Laura Richardson

Loan: 

Catagory: Alleged wrongful foreclosure.

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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From: Battaglia, Paul J. <paul.battaglia@wamu.net>
Sent: Tuesday, May 27, 2008 10:45 AM
To: Martin T. McGuinn <[redacted]>
Subject: FW: Consent
Attach: LR Auth Consent.jpg

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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From: Thorn, Ann
Sent: Saturday, May 24, 2008 6:17 AM
To: Battaglia, Paul J.; Gaugl, Sara C.; Owen, Jan L.; Baptista, Geri Ann S.
Subject: FW: Consent

Here is the consent form for the April 17th letter.

From: RichardsonMC, Laura <[redacted]>
Sent: Fri 05/23/2008 09:48 PM
To: Thorn, Ann
Cc: Woodcock, Wendy A.; RichardsonMC, Laura; Hernandez, Rosa (Rep. Richardson)
Subject: RE: Consent

Ann,
Well... Attached you will find my scanned authorization to release the "attached April 17, 2008" letter to the third party purchaser to facilitate rescission of the sale on May 7, 2008. Please advise me at your earliest convenience what next steps are required of me to resolve this situation.

I can be reached at anytime on my cell at 562-706- [redacted]

Thank you,
Laura Richardson

-----Original Message-----

From: Thorn, Ann [mailto:ann.thorn@wamu.net]
Sent: Thursday, May 22, 2008 3:01 PM
To: RichardsonMC, Laura
Cc: Woodcock, Wendy A.
Subject: Consent

JPMC - 002366
CONFIDENTIAL
CSOC.RICH.003855

Congresswoman Richardson, per our conversation, attached is the consent form needed to be signed by you in order to release the attached letter to the third party purchaser to facilitate the rescission of foreclosure sale. If you can please sign and scan back to my attention, I would appreciate it.

Thank you,

Ann Thorn

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Battaglia, Paul J. <paul.battaglia@wamu.net>
Sent: Tuesday, May 27, 2008 10:42 AM
To: Martin T. McGuinn []>
Subject: FW: Laura Richardson

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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From: Gaugl, Sara C.
Sent: Friday, May 23, 2008 7:08 PM
To: Baptista, Geri Ann S.; Owen, Jan L.; Battaglia, Paul J.; Elias, Alan; Cook, Don
Subject: AP: Laura Richardson

Hi team -
FYI, below.

From: Verdin, Tom []>
Sent: Fri 05/23/2008 7:02 PM
To: Gaugl, Sara C.
Subject: RE: Laura Richardson

Sara, here's our first take on the Laura Richardson story tonight. Subsequent versions will have greater detail. Please let me know if WaMu wants to issue an updated statement.

Tom

¶ BC-CA--Congresswoman's House
¶ URGENT
¶ AP Interview: Calif. congresswoman says home sale 'improper'
¶ AP Interview: Calif. congresswoman claims sale of her Sacramento house shouldn't have happened
¶ Eds: APNewsNow. Will be led.
¶ ewfodtfotav1
¶ By ERICA WERNER
¶ Associated Press Writer
¶ 05-23-2008 18:36
¶ WASHINGTON (AP) _ California Congresswoman Laura Richardson claims the foreclosure auction of her Sacramento house was improper and contrary to a written agreement she had with her lender.

¶ In a lengthy interview with The Associated Press on Friday, the Southern California Democrat struck back against several days of negative publicity over reports she defaulted on her mortgage. Her house was sold at auction earlier this month.

¶ Richardson said that sale never should have happened and that she has renegotiated her loan to pay it off.

¶ She insisted that she is not getting special terms because she's a congresswoman.

¶ In fact, Richardson said the experience has allowed her to relate to the thousands of other Americans _ including many in her Los Angeles-area district _ confronted with foreclosures. She even wants to testify before Congress about it.

¶

From: Verdin, Tom
Sent: Friday, May 23, 2008 6:27 PM
To: sara.gaugl@wamu.net
Subject: Laura Richardson

Sara, thank you for calling us back earlier this evening.

As it happens, our reporter in Washington who covers California's congressional delegation was on the phone with Laura Richardson while you and I were talking. In brief, Richardson is blaming WaMu. She claims she did not know her Sacramento house was being sold at auction and says WaMu told her no action would be taken on it until sometime next month.

She also claims to have documentation to support this claim but has yet to provide it to us.

We'll be moving a story based on Richardson's comments shortly.

Because AP did not have her statement when we spoke previously, I wanted to give WaMu an opportunity to respond.

We'll be sending our story in takes (individual bites will move before the final writethru), and I can send you those so you can see exactly what Richardson claims.

Regards,

Tom

Tom Verdin

Correspondent

Sacramento bureau
916-448-9555

<< OLE Object: Picture (Metafile) >>

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prohibited. If you have received this communication in error, please notify The Associated Press immediately by telephone at +1-212-621-1898 and delete this email. Thank you.

[IP_US_DISC]

msk dccc60c6d2c3a6438f0cf467d9a4938

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Friday, May 23, 2008 5:43 PM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>
Subject: RE: Media Update: Claim from Richardson

FYI.

"We finally [saw] a notice on the front door about two and a half months ago," Burgos said. "It was a bank repossession notice."

http://cbs5.com/business/congresswoman_home.default.2.730339.html

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue I WMC40 I Seattle WA 98101
206.500.2822 direct I 206.228  cell
sara.gaugl@wamu.net

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-----Original Message-----

From: Battaglia, Paul J.
Sent: Friday, May 23, 2008 1:57 PM
To: Cook, Don; Gaugl, Sara C.; Owen, Jan L.; Baptista, Geri Ann S.; Thorn, Ann; Woodcock, Wendy A.
Subject: RE: Media Update: Claim from Richardson

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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-----Original Message-----

From: Cook, Don
Sent: Friday, May 23, 2008 1:13 PM
To: Gaugl, Sara C.; Owen, Jan L.; Baptista, Geri Ann S.; Battaglia, Paul J.; Thorn, Ann; Woodcock, Wendy A.
Subject: RE: Media Update: Claim from Richardson

REDACTED

-----Original Message-----

From: Gaugl, Sara C.

Sent: Friday, May 23, 2008 1:09 PM

To: Owen, Jan L.; Baptista, Geri Ann S.; Cook, Don; Battaglia, Paul J.; Thorn, Ann; Woodcock, Wendy A.

Subject: Media Update: Claim from Richardson

REDACTED

Sara Gaugl

Home Loans Public Relations

WaMu

1301 Second Avenue 1 WMC401 Seattle WA 98101

206.500.2822 direct 1 206.228 cell sara.gaugl@wamu.net

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From: Champney, Steven D.
Sent: Thursday, May 22, 2008 8:57:20 PM
To: Battaglia, Paul J.
Subject: Out of Office AutoReply: Laura Richardson - Attorney Client Privileged Communication

Thank you for contacting me. I am presently out of office 5/22 - 5/27, so if this is an urgent matter or an emergency please contact my assistant Susan Samuel at 904-886- or susan.samuel@wamu.net, otherwise I will respond once I've returned. Thank you and have a WaMu day!

From: Baptista, Geri Ann S.
Sent: Thursday, May 22, 2008 8:02:35 PM
To: Battaglia, Paul J.
Subject: Richardson

Hi Paul,
Adrian is our Corp Comm division exec. Could you please share the update with him?

Adrian Rodriguez
adrian.rodriguez@wamu.net

Geri Ann S. Baptista, VP
Corporate Communications

Washington Mutual
1301 Second Avenue, WMC2103
Seattle, WA 98101

206.500.2875 direct, 206.377.2023 fax
geriann.baptista@wamu.net

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Subject: richardson call
Start: 5/23/2008 1:00 PM
End: 5/23/2008 2:00 PM
Show Time As: Busy
Recurrence: (none)

From: Battaglia, Paul J.
Sent: Thursday, May 22, 2008 6:52:44 PM
To: Baptista, Geri Ann S.
CC: Gaugl, Sara C.
Subject: RE: Prepared Response to Richardson re Comm

This is fine. Thanks.

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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From: Baptista, Geri Ann S.
Sent: Thursday, May 22, 2008 3:43 PM
To: Battaglia, Paul J.
Cc: Gaugl, Sara C.
Subject: RE: Prepared Response to Richardson re Comm
Sensitivity: Confidential

Sorry, an addition at the bottom:

Congresswoman Richardson:

We appreciate your concern over media attention surrounding your loan situation. Please be aware that WaMu does not disclose our customers' personal financial information without written authorization from the customer.

If we are asked by the media to verify or discuss aspects of your loan situation outside of what is available in public records, we require your written consent to do so. Attached is our standard media consent form for your signature, which can be faxed to XXX.XXX.XXXX.

Please be aware that you are solely responsible for the content and accuracy of the statements you make about your personal accounts and personal financial information, and as a practical and policy matter, we cannot advise you on the statements you make.

Thank you,
Sara Gaugl

Geri Ann S. Baptista – VP, WaMu Corporate Communications
206.500.2875 direct | 206.612. bell | 206.377.2023 fax | geriann.baptista@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Baptista, Geri Ann S.

JPMC - 002377
CONFIDENTIAL
CSOC.RICH.003866

Sent: Thursday, May 22, 2008 3:41 PM
To: Battaglia, Paul J.
Cc: Gaugl, Sara C.
Subject: Prepared Response to Richardson re Comm
Sensitivity: Confidential

Hi Paul,

REDACTED

Congresswoman Richardson:

We appreciate your concern over media attention surrounding your loan situation. Please be aware that WaMu does not disclose our customers' personal financial information without written authorization from the customer.

If we are asked by the media to verify or discuss aspects of your loan situation outside of what is available in public records, we require your written consent to do so. Attached is our standard media consent form for your signature, which can be faxed to XXX.XXX.XXXX.

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Thank you,
Sara Gaugl

Geri Ann S. Baptista, VP
Corporate Communications

Washington Mutual
1301 Second Avenue, WMC2103
Seattle, WA 98101

206.500.2875 direct, 206.377.2023 fax
geriann.baptista@wamu.net

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From: Battaglia, Paul J. <paul.battaglia@wamu.net>
Sent: Thursday, May 22, 2008 5:50 PM
To: Thorn, Ann <ann.thorn@wamu.net>
Subject: Richardson
Attach: 20080522144304877.pdf

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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-----Original Message-----

From: Battaglia, Paul J.
Sent: Thursday, May 22, 2008 11:43 AM
To: Battaglia, Paul J.
Subject:

This E-mail was sent from "MFDWMC3411" (LD245).

Scan Date: 05.22.2008 14:43:04 (-0400)

April 17, 2008

Laura Richardson
717 East Vernon Street
Long Beach, CA 90806

RE: Washington Mutual Loan Number [REDACTED]
Property Address: 3622 West Curtis Drive, Sacramento, CA 95818

WE MAY REPORT/HAVE REPORTED INFORMATION ABOUT YOUR ACCOUNT TO CREDIT BUREAUS. LATE PAYMENTS, MISSED PAYMENTS, OR OTHER DEFAULTS ON YOUR ACCOUNT MAY BE REFLECTED IN YOUR CREDIT REPORT.

WE ARE A DEBT COLLECTOR. THIS IS AN ATTEMPT TO COLLECT A DEBT, AND ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.

Dear Ms. Richardson:

Thank you for your recent contact with our Executive Office. Please find your reinstatement figures enclosed. Please remit the exact reinstatement amount in certified funds to us at the below address:

Washington Mutual
Default Cash Processing
7255 Baymeadows Way
Jacksonville, FL 32256

We have placed a sixty day hold on all foreclosure sale or actions; the hold will expire June 4, 2008.

Should you have any further questions, please feel free to contact me at 904-732-[REDACTED]

Sincerely,

Allison Dotan
Default Specialist II - ERT
Washington Mutual Home Loans

From: Battaglia, Paul J.
Sent: Thursday, May 22, 2008 4:29:13 PM
To: Martin T. McGuinn

Subject:

REDACTED

Attachments: Richardson reinstatement.doc

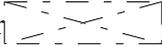
REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

April 17, 2008

Laura Richardson
717 East Vernon Street
Long Beach, CA 90806

RE: Washington Mutual Loan Number 
Property Address: 3622 West Curtis Drive, Sacramento, CA 95818

WE MAY REPORT/HAVE REPORTED INFORMATION ABOUT YOUR ACCOUNT TO CREDIT BUREAUS. LATE PAYMENTS, MISSED PAYMENTS, OR OTHER DEFAULTS ON YOUR ACCOUNT MAY BE REFLECTED IN YOUR CREDIT REPORT.

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Should you have any further questions, please feel free to contact me at 904-732-

Sincerely,

Allison Dolan
Default Specialist II – ERT
Washington Mutual Home Loans

From: Battaglia, Paul J.
Sent: Thursday, May 22, 2008 3:34 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: AUTHORIZATION AND CONSENT TO RELEASE OF PERSONAL (14).doc
Attach: AUTHORIZATION AND CONSENT TO RELEASE OF PERSONAL (14).doc

<<...>>

**AUTHORIZATION AND CONSENT
TO RELEASE OF PERSONAL, NON-PUBLIC INFORMATION**

Borrower Name _____

Loan Number _____

Address _____

I authorize Washington Mutual Bank ("Washington Mutual") to discuss with third-parties the facts and circumstances pertaining to my loan with Washington Mutual (Loan # [redacted]). I understand that by doing so, I am authorizing Washington Mutual to disclose to third-parties personal, non-public information concerning me and my loan, including but not limited to information regarding any communications to refinance or modify my loan.

Executed this ____ day of _____, 2008, at _____, [State]

(Signature)

From: Martin T. McGuinn <[REDACTED]>
Sent: Thursday, May 22, 2008 1:45 PM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>
Subject: RE: More info re: York

REDACTED

Martin T. McGuinn
Kirby & McGuinn, A P.C.
600 B Street, Ste. 1950
San Diego, CA 92101
mmcguinn@kirbyandmcguinn.com
Direct Dial: (619) 525-1659
Direct Fax: (619) 525-4000

In Compliance with the Fair Debt Collection Practices Act, 15 U.S.C. § 1692e(11):

THIS MESSAGE IS FROM A DEBT COLLECTOR.

ANY INFORMATION OBTAINED MAY BE USED FOR THAT PURPOSE.

This electronic message contains privileged or confidential information which is solely intended for the use of the addressee(s) listed as recipient(s). If you are not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any disclosure, dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this transmission in error, please immediately notify us by telephone at (619) 525-1659 or (619) 685-4000, and return the original message to Kirby & McGuinn, A P.C., 600 B Street, Ste. 1950, San Diego, CA 92101.

From: Battaglia, Paul J. [mailto:paul.battaglia@wamu.net]
Sent: Thursday, May 22, 2008 10:36 AM
To: Martin T. McGuinn
Subject: FW: More info re: York
Importance: High

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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From: Gaugl, Sara C.

Sent: Thursday, May 22, 2008 10:33 AM

To: Battaglia, Paul J.

Cc: Owen, Jan L.

Subject: More info re: York

Importance: High

Money, Finance & Business*See other Money, Finance & Business Articles*

Title: **Congresswoman defaults on (mortgage) loan**Source: **Long Beach (Calif.) Press-Telegram**URL Source: <http://www.presstelegram.com>Published: **May 22, 2008**Author: (unknown)Post Date: **2008-05-22 12:35:46** by **glc11733** Comments

Rep. Laura Richardson lost her Sacramento home in a foreclosure auction two weeks ago, and left behind nearly \$9,000 in unpaid property taxes.

Richardson, D-Long Beach, appears to have made only a few payments on the house, which she bought in January 2007 for \$535,000.

After buying the home, Richardson hardly had time to live in it. Three months later, Rep. Juanita Millender-McDonald died and Richardson - then a freshman member of the state Assembly - launched a campaign to replace her in Congress.

Richardson won the election, pouring in \$77,500 in personal loans to her own campaign. Around the same time, she stopped making payments on the Sacramento house. The bank issued a default notice in December, and the home was sold at a public auction on May 7 for \$388,000.

Richardson declined Wednesday to be interviewed about the foreclosure, which was first revealed in Capitol Weekly, a Sacramento-based publication. But in a statement, Richardson denied that the home was in foreclosure and said it had not been seized by the bank.

"I have worked with my lender to complete a loan modification and have renegotiated the terms of the agreement - with no special provisions," Richardson said in the statement. "I fully intend to fulfill all financial obligations on the property."

That would come as a surprise to James York, the Sacramento real estate broker who bought Richardson's house at auction. York specializes in buying and selling foreclosed homes, and said he eventually intends to resell Richardson's home, which overlooks a park in an upscale neighborhood. York produced a trustee's deed confirming that his company, Red Rock Mortgage Inc., owns the house.

York said the house was relatively clean when he found it, at least compared with other foreclosed homes, though the garage was "full of trash to the ceiling." Workers have been cleaning it out and tending to the yard, which had been left unmowed for months.

When he bought the house at 3622 W. Curtis Drive, York assumed responsibility for Richardson's unpaid property tax bill of \$8,950.79.

"Tell Laura I'd be happy to have her pay my property tax," York said.

The real loser in the deal was Washington Mutual Bank, which issued Richardson a \$535,000 loan with no money down in January 2007. By the time the default notice was issued, Richardson was underwater on the loan. She owed about \$575,000, including \$18,000 in missed payments.

Washington Mutual ended up writing off nearly \$200,000 of that debt to get rid of the home.

"They took a beating," York said.

The previous owner of the home, Sharon Helmar, said the neighbors were "appalled" that Richardson was not maintaining the lawn. Another neighbor said that until recently the grass was about a foot high.

"It's kind of heartbreaking to see something you've worked on for 30 years be left and not taken care of," Helmar said. "You would have thought someone like that would have been a little more responsible."

The home is only a few minutes' drive from the Capitol. It is about 1,600 square feet, and has three bedrooms and 1 1/2 baths. It sits on a corner facing Curtis Park.

"It's your typical 1920s house," she said. "Hardwood floors, wallpaper. It's not huge, but it served us for a lot of years."

The neighborhood is known as affluent and politically liberal. A mayoral candidate lives nearby, and a former state senator lives three doors down.

"It is a very stable neighborhood," said Charlene Singley, the Realtor who sold the home to Richardson. "It has been affected by the downturn, however, because it is in the older, more established area of Sacramento, and it is close to the downtown urban core. It is one of the few neighborhoods that has not been hit as hard."

Singley was surprised to hear that the home had gone into foreclosure.

Although Richardson did not pay her property taxes or the balance of her loan, she has begun repaying the loans that she issued to her own political campaign.

Richardson, a former Long Beach city councilwoman, still owns a home in Long Beach.

One of Richardson's first votes upon arriving in Congress last fall was on the Mortgage Forgiveness Debt Relief Act of 2007. The bill helped homeowners by preventing the federal government from charging income tax on debt forgiven in a foreclosure, such as the \$200,000 forgiven in Richardson's foreclosure.

Joining 385 of her colleagues, Richardson voted aye.

Sara Gaugl

Home Loans Public Relations

WaMu

1301 Second Avenue | WMC40 | Seattle WA 98101

206.500.2822 direct | 206.228-- cell

sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Chiu, Huey-Jen
Sent: Thursday, May 22, 2008 1:39:15 PM
To: Battaglia, Paul J.
Subject: FW: Richardson

Attachments: Affidavits 3 17 08.pdf; Document.pdf

Good morning,

REDACTED



723397CA
Affidavits 3
17 08.pdf
(527 kB)

Huey-Jen Chiu, Vice President
Department Manager
California Reconveyance Company
Home Loans

California Reconveyance Company
9200 Oakdale Avenue, N110612
Chatsworth, CA 91311

818-775-2340 direct
huey-jen.chiu@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Chiu, Huey-Jen
Sent: Wednesday, May 21, 2008 5:00 PM
To: Battaglia, Paul J.
Subject: RE: Richardson

REDACTED

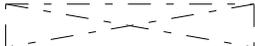
Huey-Jen Chiu, Vice President
Department Manager
California Reconveyance Company
Home Loans

JPMC - 002388
CONFIDENTIAL
CSOC.RICH.003877

California Reconveyance Company
9200 Oakdale Avenue, N110612
Chatsworth, CA 91311

818-775-2340 direct
huey-jen.chiu@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Battaglia, Paul J.
Sent: Wednesday, May 21, 2008 4:37 PM
To: Chiu, Huey-Jen
Subject: Richardson 

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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AFFIDAVIT OF MAILING

Date: 03/17/2008

REF. No.: [redacted]

Mailing: 104CA

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE)

The declarant, whose signature appears below, states that he is over the age of eighteen (18) years; is employed in Riverside County, California; acting on behalf of California Reconveyance Company; is not a party to the within action; and that on March 17, 2008, he personally served the Notice, of which the annexed is a true copy, by depositing in the United States Mail a copy of such Notice in a sealed envelope, sent First Class, with postage prepaid, such envelope being addressed to the person(s) named at the addresses below.

I declare under penalty of perjury that the foregoing is true and correct.

X _____
Affiant Valdemar Botello

[redacted]
TSN NUMBER: [redacted]
LAURA RICHARDSON
3622 W CURTIS DR
SACRAMENTO, CA 95818-4462

[redacted]
TSN NUMBER: [redacted]
LAURA RICHARDSON
3622 W CURTIS DR
SACRAMENTO, CA 95818-4462

[redacted]
TSN NUMBER: [redacted]
LAURA RICHARDSON
717 E VERNON ST
LONG BEACH, CA 90806-2726

[redacted]
TSN NUMBER: [redacted]
LAURA RICHARDSON
3622 W CURTIS DR
SACRAMENTO, CA 95818-4462

[redacted]
TSN NUMBER: [redacted]
LAURA RICHARDSON
3622 W CURTIS DR
SACRAMENTO, CA 95818-4462

[redacted]
TSN NUMBER: [redacted]
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717 E VERNON ST
LONG BEACH, CA 90806-2726

[redacted]
TSN NUMBER: [redacted]
LAURA RICHARDSON
717 E VERNON ST
LONG BEACH, CA 90806-2726

AFFIDAVIT OF MAILING

Date: 03/17/2008

REF. No.: []

Mailing: 104CA

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[]
TSN NUMBER: []
LAURA RICHARDSON
717 E VERNON ST
LONG BEACH, CA 90806-2726

RECORDING REQUESTED BY
CALIFORNIA RECONVEYANCE COMPANY
AND WHEN RECORDED MAIL TO
CALIFORNIA RECONVEYANCE COMPANY
9200 Oakdale Avenue
Mail Stop: N 110612
Chatsworth, CA 91311
800 892-6902
(818)775-2258 (Fax)

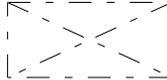
The following copy of the original of which was filed for record on 12/14/2007 in the office of the County Recorder of the County set forth below is sent to you in as much as an examination of the title of the trust property shows you may have an interest in the Trustee's Sale Proceedings.

CALIFORNIA RECONVEYANCE COMPANY, Trustee

Space above this line for recorder's use only

Trustee Sale No. 723397CA

Loan No.



Title Order No. M721884

IMPORTANT NOTICE

NOTICE OF DEFAULT AND ELECTION TO SELL UNDER DEED OF TRUST

IF YOUR PROPERTY IS IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR PAYMENTS, IT MAY BE SOLD WITHOUT ANY COURT ACTION, and you may have the legal right to bring your account in good standing by paying all of your past due payments plus permitted costs and expenses within the time permitted by law for reinstatement of your account, which is normally five business days prior to the date set for the sale of your property. No sale date may be set until three months from the date this notice of default may be recorded (which date of recordation appears on this notice).

This amount is \$18,356.40 as of 12/13/2007 and will increase until your account becomes current.

While your property is in foreclosure, you still must pay other obligations (such as insurance and taxes) required by your note and deed of trust or mortgage. If you fail to make future payments on the loan, pay taxes on the property, provide insurance on the property, or pay other obligations as required in the note and deed of trust or mortgage, the beneficiary or mortgagee may insist that you do so in order to reinstate your account in good standing. In addition, the beneficiary or mortgagee may require as a condition to reinstatement that you provide reliable written evidence that you paid all senior liens, property taxes, and hazard insurance premiums.

Upon your written request, the beneficiary or mortgagee will give you a written itemization of the entire amount you must pay. You may not have to pay the entire unpaid portion of your account, even though full payment was demanded, but you must pay all amounts in default at the time payment is made. However, you and your beneficiary or mortgagee may mutually agree in writing prior to the time the notice of sale is posted (which may not be earlier than the end of the three-month period stated above) to, among other things, (1) provide additional time in which to cure the default by transfer of the property or otherwise; or (2) establish a schedule of payments in order to cure your default; or both (1) and (2).

Following the expiration of the time period referred to in the above paragraph of this notice, unless the obligation being foreclosed upon or a separate written agreement between you and your creditor permits a longer period, you have only the legal right to stop the sale of property by paying the entire amount demanded by your creditor.

To find out the amount you must pay, to arrange for payment to stop the foreclosure, or if your property is in foreclosure for any other reason, contact: WASHINGTON MUTUAL BANK, FA at 7301 BAYMEADOWS WAY JACKSONVILLE FL 32256 (877) 926-8937.

If you have any questions, you should contact a lawyer or the governmental agency which may have insured your loan. Notwithstanding the fact that your property is in foreclosure, you may offer your property for sale, provided the sale is concluded prior to the conclusion of the foreclosure.

REMEMBER, YOU MAY LOSE LEGAL RIGHTS IF YOU DO NOT TAKE PROMPT ACTION. NOTICE IS HEREBY GIVEN THAT: CALIFORNIA RECONVEYANCE COMPANY is the duly appointed Trustee under a Deed of Trust dated 01/04/2007, executed by LAURA RICHARDSON, AN UNMARRIED WOMAN, as trustor, to secure obligations in favor of WASHINGTON MUTUAL BANK, as Beneficiary Recorded 01/10/2007, Book 20070110, Page 1818, Instrument of official records in the Office of the Recorder of SACRAMENTO County, California, as more fully described on said Deed of Trust. APN: [REDACTED] Situs: 3622 WEST CURTIS DRIVE, , SACRAMENTO, CA 95818 Including the note(s) for the sum of \$535,001.00 that the beneficial interest under said Deed of Trust and the obligations secured thereby are presently held by the beneficiary; that a breach of, and default in, the obligations for which said Deed of Trust is security has occurred in that the payment has not been made of: THE 08/01/2007 INSTALLMENT OF PRINCIPAL AND INTEREST AND ALL SUBSEQUENT MONTHLY INSTALLMENTS OF PRINCIPAL AND INTEREST; PLUS ANY ADDITIONAL ACCRUED AND UNPAID AMOUNTS INCLUDING, BUT NOT LIMITED TO, LATE CHARGES, ADVANCES, IMPOUNDS, TAXES, HAZARD INSURANCE, ADMINISTRATIVE FEES, INSUFFICIENT AND PARTIAL RETURN CHECK FEES, STATEMENT FEES, AND OBLIGATIONS SECURED BY PRIOR ENCUMBRANCES.

That by reason thereof, the present beneficiary under such Deed of Trust, has executed and delivered to said Trustee, a written Declaration and Demand for Sale, and has deposited with said duly appointed Trustee, such Deed of Trust and all documents evidencing the obligations secured thereby, and has declared and does hereby declare all sums secured thereby immediately due and payable and has elected and does hereby elect to cause the trust property to be sold to satisfy the obligations secured thereby.

DATE: 12/13/2007

CALIFORNIA RECONVEYANCE COMPANY, as authorized agent for Washington Mutual Bank,
Beneficiary,
By: FIDELITY NATIONAL TITLE COMPANY, authorized agent of CRC

CALIFORNIA RECONVEYANCE COMPANY IS A DEBT COLLECTOR ATTEMPTING TO COLLECT A DEBT. ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.

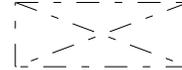
DECLARATION OF MAILING

Date: 12/28/2007

Type of Mailing: 10 Day

Trustee's Sale No. 723397CA

Loan No.:



I, IMELDA SERRANO

That I am an officer, agent, or employee of CALIFORNIA RECONVEYANCE COMPANY whose business address is 9200 Oakdale Avenue N 110612 Chatsworth , CA 91311. I am over the age of eighteen years; On 12/28/2007 by 1st Class mail, enclosed in a sealed envelope with postage fully prepaid, I deposited in the United States Post Office at Chatsworth notices, a true and correct copy of which is hereunto attached and made a part hereof, address to the following:

Number of Article	Name of Addressee, Street, and Post Office Address	Postage Fee
1st Class	LAURA RICHARDSON 3622 WEST CURTIS DRIVE SACRAMENTO, CA 95818	\$ 0.41
1st Class	LAURA RICHARDSON 3622 W CURTIS DR SACRAMENTO, CA 95818	\$ 0.41
1st Class	LAURA RICHARDSON 717 E VERNON ST LONG BEACH, CA 90806	\$ 0.41
Number of pieces: 3		\$ 1.23

I certify (or Declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct

12/28/07
Date

x 
(Declarant)

DECLARATION OF MAILING

Date: 12/28/2007

Type of Mailing: 10 Day

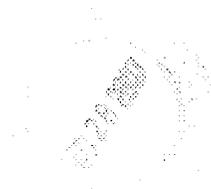
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Loan No.: 

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Number of Article	Name of Addressee, Street, and Post Office Address	Postage Fee	Cert Fee	R.R. Fee
7179 2993 5780 0290 6970		\$ 0.41	\$ 2.65	
Certified	LAURA RICHARDSON 3622 WEST CURTIS DRIVE SACRAMENTO, CA 95818			
7179 2993 5780 0290 6987		\$ 0.41	\$ 2.65	
Certified	LAURA RICHARDSON 3622 W CURTIS DR SACRAMENTO, CA 95818			
7179 2993 5780 0290 6994		\$ 0.41	\$ 2.65	
Certified	LAURA RICHARDSON 717 E VERNON ST LONG BEACH, CA 90806			
Number of pieces: 3		\$ 1.23	\$ 7.95	



I certify (or Declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct

12/28/07
Date

X ISS
(Declarant)

DECLARATION OF MAILING

Date: 01/10/2008

Type of Mailing: 1 Month

Trustee's Sale No. 723397CA

Loan No.: []

I, LINDA YELNICKER

That I am an officer, agent, or employee of CALIFORNIA RECONVEYANCE COMPANY whose business address is 9200 Oakdale Avenue N 110612 Chatsworth , CA 91311. I am over the age of eighteen years; On 01/10/2008 by 1st Class mail, enclosed in a sealed envelope with postage fully prepaid, I deposited in the United States Post Office at Chatsworth notices, a true and correct copy of which is hereunto attached and made a part hereof, address to the following:

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1st Class	LAURA RICHARDSON 3622 W CURTIS DRIVE SACRAMENTO, CA 95818	\$ 0.41
1st Class	LAURA RICHARDSON 717 E VERNON STREET LONG BEACH, CA 90806	\$ 0.41
Number of pieces: 3		\$ 1.23

I certify (or Declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct

1/10/08
Date

X [Signature]
(Declarant)

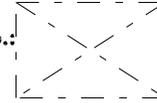
DECLARATION OF MAILING

Date: 01/10/2008

Type of Mailing: 1 Month

Trustee's Sale No. 723397CA

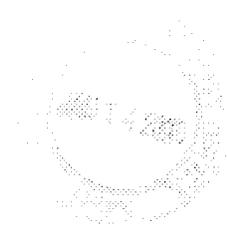
Loan No.:



I, LINDA YELNICKER

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Certified	LAURA RICHARDSON 3622 WEST CURTIS DR SACRAMENTO, CA 95818 ✓			
7179 2993 5780 0302 7759		\$ 0.41	\$ 2.65	
Certified	LAURA RICHARDSON 3622 W CURTIS DRIVE ✓ SACRAMENTO, CA 95818			
7179 2993 5780 0302 7766		\$ 0.41	\$ 2.65	
Certified	LAURA RICHARDSON ✓ 717 E VERNON STREET LONG BEACH, CA 90806			
Number of pieces: 3		\$ 1.23	\$ 7.95	



I certify (or Declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct

1/10/08
Date

X [Signature]
(Declarant)

From: Woodcock, Wendy A. <wendy.woodcock@wamu.net>
Sent: Thursday, May 22, 2008 12:26 PM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>
Subject: FW: Article: Calif. congresswoman's home threatened with repo

fyi

Wendy Woodcock, VP
Division Manager
Homeownership Preservation Dept.
904 886-1309 ph
904 886-1325 fax

From: Jenne', Kevin M.
Sent: Thursday, May 22, 2008 12:21 PM
To: Woodcock, Wendy A.
Subject: FW: Article: Calif. congresswoman's home threatened with repo

Wendy, how are you? I'm forwarding this to you because I got Brad's out of office. Again, probably not news to you, but wanted to make sure.

From: Jenne', Kevin M.
Sent: Thursday, May 22, 2008 9:19 AM
To: Champney, Steven D.; Kallner, Brad; Johnson, Renee T.; Gaugl, Sara C.
Cc: Walser, Michael; Scharf, Will D.
Subject: Article: Calif. congresswoman's home threatened with repo

You probably already know all about this, but I never want to assume. There's some confusion about whether her home has been sold or not, and WaMu hasn't responded about it as of this report.

Calif. congresswoman's home threatened with repo

Thursday May 22, 11:49 am ET

By Don Thompson, Associated Press Writer

Calif. congresswoman's home threatened with repossession after she fails to pay mortgage

SACRAMENTO, Calif. (AP) -- Rep. Laura Richardson has an unusual perspective on the housing foreclosure bills moving through Congress: One of her own homes was threatened with repossession after she failed to pay the mortgage.

Richardson, a Southern California Democrat, bought a two-story home in a leafy, upper-middle-class neighborhood of Sacramento in January 2007, just months after winning a seat in the state Assembly.

She bought the three-bedroom, 1 1/2-bath home in the state capital for \$535,500. The bill collectors started knocking soon after, according to records reviewed Wednesday by The Associated Press.

The city utility department placed a lien on her property in June 2007 for \$154 in unpaid bills, according to documents at the Sacramento County recorder's office. In December, she received a default notice on the mortgage from the collection agency of Washington Mutual Inc., her lender. At that point, she owed \$18,356.

At the time, she had left the Legislature after a quick rise from the Long Beach City Council and moved to Washington after winning a special election to fill a vacant congressional seat. Richardson on Wednesday blamed the frequent job-shifting for financial problems related to the Sacramento property.

A default notice in March this year put the "unpaid balance and other expenses" at \$578,384 and said her 1,639-square-foot house would be auctioned at a trustee sale.

County records show the property was sold to a company called Red Rock Mortgage Inc. of Sacramento for \$388,000 -- although the county assessor's office continues to list Richardson as the owner. No listing could be found for Red Rock.

That sale was officially recorded Monday, according to the records. But Richards said the home was not in foreclosure and had not been seized.

"I have worked with my lender to complete a loan modification and have renegotiated the terms of the agreement -- with no special provisions," Richardson said in a statement Wednesday. "I fully intend to fulfill all financial obligations of this property."

Richardson's chief of staff, Kimberly Parker, told the AP that the mortgage on the home had been sold but that the house had not. The collection agency referred inquiries to Washington Mutual, which did not return a call.

A real estate agent's lock box hung Wednesday from the front door of the 1926-vintage house.

Records at a Sacramento County tax office also show Richardson is delinquent in paying \$8,950 in property taxes.

Richardson moved from the Long Beach City Council to her Assembly seat in 2006, and the next year won a special election to represent a heavily Democratic congressional district that includes Long Beach.

Congressional records show Richardson did not cast votes May 8 on three bills related to the Foreclosure Prevention Act. In her statement, she said she was away from Washington because of her father's funeral.

"I understand that these homeownership issues are a reflection of what many Americans are going through as they fight to keep their homes and to remain financially stable," Richardson said in her statement.

Associated Press writers Erica Werner in Washington and Samantha Young and Rich Pedroncelli in Sacramento contributed to this report.

Kevin Jenné | *FVP, Market Research Manager*
Research & Customer Insight
Washington Mutual
V: 206.500.2615 | E: kevin.jenne@wamu.net

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From: Battaglia, Paul J.
Sent: Thursday, May 22, 2008 11:50:40 AM
To: Gaugl, Sara C.
Subject: FW: Richardson 

Attachments: Document.pdf

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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From: Chiu, Huey-Jen
Sent: Thursday, May 22, 2008 8:39 AM
To: Battaglia, Paul J.
Subject: RE: Richardson 

REDACTED



Document.pdf
(1 MB)

Huey-Jen Chiu, Vice President
Department Manager
California Reconveyance Company
Home Loans

California Reconveyance Company
9200 Oakdale Avenue, N110612
Chatsworth, CA 91311

818-775-2340 direct
huey-jen.chiu@wamu.net

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From: Battaglia, Paul J.
Sent: Thursday, May 22, 2008 8:22 AM
To: Chiu, Huey-Jen
Subject: RE: Richardson 

REDACTED

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First Vice President and Senior Counsel

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From: Chiu, Huey-Jen
Sent: Wednesday, May 21, 2008 5:00 PM
To: Battaglia, Paul J.
Subject: RE: Richardson ([REDACTED])

REDACTED

Huey-Jen Chiu, Vice President
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From: Battaglia, Paul J.
Sent: Wednesday, May 21, 2008 4:37 PM
To: Chiu, Huey-Jen
Subject: Richardson ([REDACTED])

REDACTED

Paul J. Battaglia

JPMC - 002401
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CSOC.RICH.003890

First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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WHEN RECORDED MAIL TO:
RED ROCK MORTGAGE, INC.

MAIL TAX STATEMENTS TO:
RED ROCK MORTGAGE, INC.
3600 AMERICAN RIVER DRIVE #135
SACRAMENTO, CA 95864

Cap

Space above this line for recorder's use only

Trustee Sale No. 723397CA Loan No. [] [] [] [] [] Title Order No. M721884

TRUSTEE'S DEED UPON SALE

APN [] [] [] [] [] [] [] [] [] [] T.R.A. No.

The undersigned grantor declares:

- 1) The Grantee herein was not the foreclosing beneficiary.
- 2) The amount of the unpaid debt together with costs was\$574,023.87
- 3) The amount paid by the grantee at the trustee sale was\$388,000.01
- 4) The documentary transfer tax is\$
- 5) Said property is in SACRAMENTO

and CALIFORNIA RECONVEYANCE COMPANY (herein called Trustee), as the duly appointed Trustee or substituted Trustee under the Deed of Trust hereinafter described, does hereby grant and convey, but without covenant or warranty, express or implied, to **Red Rock Mortgage, Inc.** (herein called Grantee), all of its right, title and interest in and to that certain property situated in the County of SACRAMENTO, State of California, described as follows: LOT 259 AS SHOWN ON THE OFFICIAL "PLAT OF SOUTH CURTIS OAKS SUBDIVISION NOV. 6", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY, FEBRUARY 10, 1927 IN BOOK 19 OF MAPS, MAP NO. 18

Situs: 3622 WEST CURTIS DRIVE, . SACRAMENTO, CA 95818

RECITALS:

This conveyance is made pursuant to the powers conferred upon Trustee by that certain Deed of Trust dated 01/04/2007 and executed by LAURA RICHARDSON, AN UNMARRIED WOMAN, as Trustor, and Recorded 01/10/2007, Book 20070110, Page 1818, Instrument of official records of SACRAMENTO County, California, and after fulfillment of the conditions specified in said Deed of Trust authorizing this conveyance.

Default occurred as set forth in a Notice of Default and Election to Sell which was recorded in the Office of the Recorder of said County, and such default still existed at the time of sale.

All requirements of law regarding the mailing of copies of notices or the publication of a copy of the Notice of Default or the personal delivery of the copy of the Notice of Default and the posting and publication of copies of the Notice of a Sale have been complied with.

Trustee, in compliance with said Notice of Trustee's Sale and in exercise of its powers under said Deed of Trust, sold the herein described property at public auction on 05/07/2008. Grantee, being the highest bidder at said sale, became the purchaser of said property for the amount bid being \$388,000.01 in lawful money of the United States, or by credit bid if the Grantee was the beneficiary of said Deed of Trust at the time of said Trustee's Sale.

DATE: 05/09/2008

CALIFORNIA RECONVEYANCE COMPANY, as Trustee



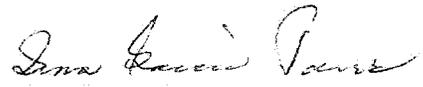
Karime Arias, Assistant Secretary

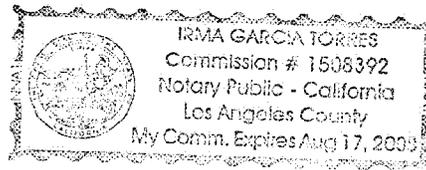
STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

On May 09, 2008 before me, IRMA GARCIA TORRES, "Notary Public" personally appeared KARIME ARIAS, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature  (Seal)



From: Chiu, Huey-Jen
Sent: Thursday, May 22, 2008 11:38:43 AM
To: Battaglia, Paul J.
Subject: RE: Richardson 

Attachments: Document.pdf

REDACTED



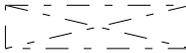
Document.pdf
(1 MB)

Huey-Jen Chiu, Vice President
Department Manager
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Subject: RE: Richardson 

REDACTED

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First Vice President and Senior Counsel
Washington Mutual Bank
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Subject: RE: Richardson 

REDACTED

<< File: Document.pdf >>

REDACTED

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To: Chiu, Huey-Jen
Subject: Richardson

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Cap

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- 5) Said property is in SACRAMENTO

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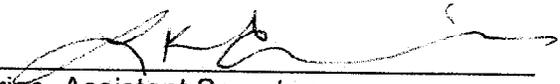
Default occurred as set forth in a Notice of Default and Election to Sell which was recorded in the Office of the Recorder of said County, and such default still existed at the time of sale.

All requirements of law regarding the mailing of copies of notices or the publication of a copy of the Notice of Default or the personal delivery of the copy of the Notice of Default and the posting and publication of copies of the Notice of a Sale have been complied with.

Trustee, in compliance with said Notice of Trustee's Sale and in exercise of its powers under said Deed of Trust, sold the herein described property at public auction on 05/07/2008. Grantee, being the highest bidder at said sale, became the purchaser of said property for the amount bid being \$388,000.01 in lawful money of the United States, or by credit bid if the Grantee was the beneficiary of said Deed of Trust at the time of said Trustee's Sale.

DATE: 05/09/2008

CALIFORNIA RECONVEYANCE COMPANY, as Trustee



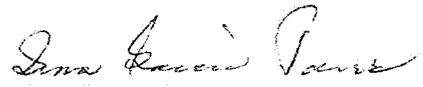
Karime Arias, Assistant Secretary

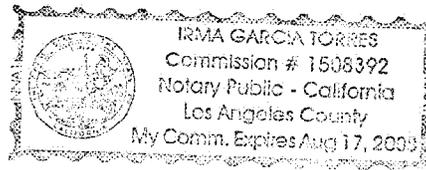
STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

On May 09, 2008 before me, IRMA GARCIA TORRES, "Notary Public" personally appeared KARIME ARIAS, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature  (Seal)



From: Gaugl, Sara C.
Sent: Wednesday, May 21, 2008 10:10:22 PM
To: Battaglia, Paul J.
Subject: Draft Message to DS

REDACTED

Foreclosure tale shows that nobody is immune from crisis – *Capitol Weekly*

By Anthony York
Tuesday, May 20, 2008

As the real estate market softened in 2007, the new owner of a three-bedroom, 1,600-square-foot house in Sacramento's Curtis Park neighborhood ran into trouble. The house that was purchased for \$535,000 in January had lost equity. The owner fell behind in her payments, and eventually, the bank seized the home.

What makes this story different from the thousands like it is that the owner of this house was a member of Congress.

The story of the foreclosure of Long Beach Democrat Laura Richardson's Sacramento home is a tale of a real estate market gone sour. It is also an illustration of how far many candidates will go to seek elected office, even if it means quite literally mortgaging their own financial future.

While being elevated to Congress in a 2007 special election, Richardson apparently stopped making payments on her new Sacramento home, and eventually walked away from it, leaving nearly \$600,000 in unpaid loans and fees.

Richardson's decision to let the house slip into foreclosure was set in motion by an unlikely chain of events, only some of which had to do with Sacramento's crumbling real estate market. Richardson was elected to the Assembly in November 2006, and purchased her new capital home two months later. But in April 2007, Rep. Juanita Millender-McDonald succumbed to cancer, creating a Congressional vacancy in Richardson's district.

Richardson declared her candidacy for the seat, and soon found herself locked in a hotly contested, and very expensive race for Congress against state Sen. Jenny Oropeza, D-Long Beach.

While her campaign heated up, Richardson's house slipped into default. Richardson fell behind on her mortgage payments as she loaned her Congressional campaign \$60,000 – money that has begun to be paid back to Richardson personally from her campaign account, according to records from the Center for Responsive Politics.

Richardson's opponent, Oropeza, loaned herself \$115,000 for her run against Richardson. Oropeza's Congressional committee still shows nearly \$200,000 in debt.

Richardson declined to comment for this story.

But tax records at the Sacramento County assessor's office show that in January 2007, Richardson took out a mortgage for the entire sale price of the house -- \$535,000. The mortgage amount was equal to the sale price of the home, meaning she was able to buy the house without a down payment, even though the housing market was beginning to turn.

A March 19, 2008 notice of trustee's sale indicates that the unpaid balance of Richardson's loan, which is held by Washington Mutual, is more than \$578,000 –\$40,000 more than the original mortgage.

The Curtis Park house is not Richardson's primary residence. She also owns a four-bedroom house in Long Beach, in her Congressional district. Real estate records show she purchased that house in 1999 for \$135,000. An estimate from Zillow.com puts the current value of that house at \$474,000

Like many homes that have gone through foreclosure, Richardson's new residence quickly became an eyesore. With Richardson gone, upkeep on the home lapsed, and neighbors began to get angry.

"The neighbors are extremely unhappy with her," said Sharon Helmar, who sold the home to Richardson. "She didn't mow the lawn or take out the garbage while she was there. We lived there for a long time, 30 years, and we had to hide our heads whenever we came back to the neighborhood."

Helmar and her husband, Mark, sold the Curtis Park home to Richardson because Sharon's arthritis required the couple to move into a one-story house. With the area's real estate market slowing down, the house remained on the market for months, and the Helmars, who lived in the house for more than 30 years, were getting desperate to sell.

Helmar said that she has never met Richardson personally, but dealt with Richardson through her realtor. The Helmars wound up giving Richardson \$15,000 toward closing costs, she said.

And she is still angry over what happened to a home that clearly she never really wanted to leave. "It's kind of silly. You would think people who are making decisions for others would be able to make good decisions for themselves," she said. "She should have known what she could afford and not afford. In this neighborhood, you just don't do that."

While Richardson walked away from her loan, she bested Oropeza in a June special election, and moved on to Congress. As a member of Congress, Richardson has been asked to vote on legislation pertaining to the spike in foreclosures around the country.

On the biggest pieces of legislation having to do with government bailouts for people whose homes have entered foreclosure, Richardson has recused herself. She did not vote on legislation by Rep. Barney Frank, D-Mass, which would direct \$2.7 billion in government funds to help an estimated 500,000 homeowners who are at risk of foreclosure.

Richardson also did not vote on a measure by Rep. Maxine Waters, D-Los Angeles, that would give local governments \$15 billion to purchase, rehab and resell foreclosed properties.

While Richardson walked away from her bank loan, she has begun to pay herself back for the money she personally invested in her initial race. Records show that Richardson spent \$587,000 out of her Congressional campaign committee since declaring her Congressional candidacy through March of this year. Of those expenditures, Richardson has spent \$18,000 of that money to begin repaying herself for the money Richardson loaned to her campaign.

According to documents at the Sacramento County Clerk's office, Richardson first received a default notice in late 2007. By December 2007, less than a year after Richardson purchased the house, she was behind in her payments by more than \$18,000.

Three months later, on March 19, a notice was filed with the county that Richardson's property would be sold at auction.

According to the documents, the unpaid balance and other charges Richardson owed the bank was \$587,384.

CONGRESSWOMAN LAURA RICHARDSON

For Immediate Release

May 21, 2008

The story published in the Capitol Weekly regarding residential property that I own in Sacramento requires clarification.

Within a 12-month period last year (2007-2008), I was a member of Long Beach City Council, the District Director for California Lt. Gov. Cruz Bustamante, a member of the California State Legislature, and, now a member of Congress. While the transitioning has impacted me personally, the residential property in Sacramento California is *not in foreclosure and has NOT been seized by the bank.*

I have worked with my lender to complete a loan modification and have renegotiated the terms of the agreement -- with no special provisions. I fully intend to fulfill all financial obligations of this property.

On two housing bills that were cited by the Capitol Weekly, the allegation is that I recused myself from these votes. I did not. I was absent from Washington, D.C., and my duties in the House of Representatives due to the untimely death of my father and his subsequent funeral in California.

I understand that these homeownership issues are a reflection of what many Americans are going through as they fight to keep their homes and to remain financially stable.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228. cell
sara.gaugl@wamu.net

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Subject: Congresswoman Richardson Update
Location: 877-709[]passcode

Start: 5/22/2008 2:00 PM
End: 5/22/2008 3:00 PM
Show Time As: Busy

Recurrence: (none)

Meeting Status: Accepted

Required Attendees: Owen, Jan L.; Gaugl, Sara C.; Woodcock, Wendy A.; Battaglia, Paul J.; Cook, Don; Baptista, Geri Ann S.; GM QSM DTE; Kallner, Brad

Resources: 877-709[]passcode

From: Battaglia, Paul J.
Sent: Wednesday, May 21, 2008 8:14:07 PM
To: Gaugl, Sara C.
Subject: FW: Richardson ([REDACTED])

Attachments: Document.pdf

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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Sent: Wednesday, May 21, 2008 5:00 PM
To: Battaglia, Paul J.
Subject: RE: Richardson ([REDACTED])

REDACTED

Huey-Jen Chiu, Vice President
Department Manager
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From: Battaglia, Paul J.
Sent: Wednesday, May 21, 2008 4:37 PM
To: Chiu, Huey-Jen
Subject: Richardson 

REDACTED

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First Vice President and Senior Counsel
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Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

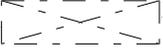
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RECORDING REQUESTED BY
CALIFORNIA RECONVEYANCE COMPANY
AND WHEN RECORDED MAIL TO
CALIFORNIA RECONVEYANCE COMPANY
9200 Oakdale Avenue
Mail Stop: N 110612
Chatsworth, CA 91311
800 892-6902
(818)775-2258 (Fax)

The following copy of the original of which was filed for record on 12/14/2007 in the office of the County Recorder of the County set forth below is sent to you in as much as an examination of the title of the trust property shows you may have an interest in the Trustee's Sale Proceedings.

CALIFORNIA RECONVEYANCE COMPANY, Trustee

Space above this line for recorder's use only

Trustee Sale No. 723397CA Loan No.  Title Order No. M721884

IMPORTANT NOTICE

NOTICE OF DEFAULT AND ELECTION TO SELL UNDER DEED OF TRUST

IF YOUR PROPERTY IS IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR PAYMENTS, IT MAY BE SOLD WITHOUT ANY COURT ACTION, and you may have the legal right to bring your account in good standing by paying all of your past due payments plus permitted costs and expenses within the time permitted by law for reinstatement of your account, which is normally five business days prior to the date set for the sale of your property. No sale date may be set until three months from the date this notice of default may be recorded (which date of recordation appears on this notice).

This amount is \$18,356.40 as of 12/13/2007 and will increase until your account becomes current.

While your property is in foreclosure, you still must pay other obligations (such as insurance and taxes) required by your note and deed of trust or mortgage. If you fail to make future payments on the loan, pay taxes on the property, provide insurance on the property, or pay other obligations as required in the note and deed of trust or mortgage, the beneficiary or mortgagee may insist that you do so in order to reinstate your account in good standing. In addition, the beneficiary or mortgagee may require as a condition to reinstatement that you provide reliable written evidence that you paid all senior liens, property taxes, and hazard insurance premiums.

Upon your written request, the beneficiary or mortgagee will give you a written itemization of the entire amount you must pay. You may not have to pay the entire unpaid portion of your account, even though full payment was demanded, but you must pay all amounts in default at the time payment is made. However, you and your beneficiary or mortgagee may mutually agree in writing prior to the time the notice of sale is posted (which may not be earlier than the end of the three-month period stated above) to, among other things, (1) provide additional time in which to cure the default by transfer of the property or otherwise; or (2) establish a schedule of payments in order to cure your default; or both (1) and (2).

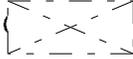
Following the expiration of the time period referred to in the above paragraph of this notice, unless the obligation being foreclosed upon or a separate written agreement between you and your creditor permits a longer period, you have only the legal right to stop the sale of property by paying the entire amount demanded by your creditor.

DECLARATION OF MAILING

Date: 12/28/2007

Type of Mailing: 10 Day

Trustee's Sale No. 723397CA

Loan No.: 

I, IMELDA SERRANO

That I am an officer, agent, or employee of CALIFORNIA RECONVEYANCE COMPANY whose business address is 9200 Oakdale Avenue N 110612 Chatsworth , CA 91311. I am over the age of eighteen years; On 12/28/2007 by 1st Class mail, enclosed in a sealed envelope with postage fully prepaid, I deposited in the United States Post Office at Chatsworth notices, a true and correct copy of which is hereunto attached and made a part hereof, address to the following:

Number of Article	Name of Addressee, Street, and Post Office Address	Postage Fee
1st Class	LAURA RICHARDSON 3622 WEST CURTIS DRIVE SACRAMENTO, CA 95818	\$ 0.41
1st Class	LAURA RICHARDSON 3622 W CURTIS DR SACRAMENTO, CA 95818	\$ 0.41
1st Class	LAURA RICHARDSON 717 E VERNON ST LONG BEACH, CA 90806	\$ 0.41
Number of pieces: 3		\$ 1.23

I certify (or Declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct

12/28/07
Date

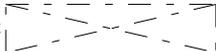
x 
(Declarant)

DECLARATION OF MAILING

Date: 12/28/2007

Type of Mailing: 10 Day

Trustee's Sale No. 723397CA

Loan No.: 

I, IMELDA SERRANO

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Number of Article	Name of Addressee, Street, and Post Office Address	Postage Fee	Cert Fee	R.R. Fee
7179 2993 5780 0290 6970 Certified	LAURA RICHARDSON 3622 WEST CURTIS DRIVE SACRAMENTO, CA 95818	\$ 0.41	\$ 2.65	
7179 2993 5780 0290 6987 Certified	LAURA RICHARDSON 3622 W CURTIS DR SACRAMENTO, CA 95818	\$ 0.41	\$ 2.65	
7179 2993 5780 0290 6994 Certified	LAURA RICHARDSON 717 E VERNON ST LONG BEACH, CA 90806	\$ 0.41	\$ 2.65	
Number of pieces: 3		\$ 1.23	\$ 7.95	

I certify (or Declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct

12/28/07
Date

X 
(Declarant)

DECLARATION OF MAILING

Date: 01/10/2008

Type of Mailing: 1 Month

Trustee's Sale No. 723397CA

Loan No.: [] [] [] [] [] [] [] []

I, LINDA YELNICKER

That I am an officer, agent, or employee of CALIFORNIA RECONVEYANCE COMPANY whose business address is 9200 Oakdale Avenue N 110612 Chatsworth , CA 91311. I am over the age of eighteen years; On 01/10/2008 by 1st Class mail, enclosed in a sealed envelope with postage fully prepaid, I deposited in the United States Post Office at Chatsworth notices, a true and correct copy of which is hereunto attached and made a part hereof, address to the following:

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1st Class	LAURA RICHARDSON 3622 W CURTIS DRIVE SACRAMENTO, CA 95818	\$ 0.41
1st Class	LAURA RICHARDSON 717 E VERNON STREET LONG BEACH, CA 90806	\$ 0.41
Number of pieces: 3		\$ 1.23

I certify (or Declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct

1/10/08
Date

X [Signature]
(Declarant)

DECLARATION OF MAILING

Date: 01/10/2008

Type of Mailing: 1 Month

Trustee's Sale No. 723397CA

Loan No.:



I, LINDA YELNICKER

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7179 2993 5780 0302 7742		\$ 0.41	\$ 2.65	
Certified	LAURA RICHARDSON 3622 WEST CURTIS DR SACRAMENTO, CA 95818 ✓			
7179 2993 5780 0302 7759		\$ 0.41	\$ 2.65	
Certified	LAURA RICHARDSON 3622 W CURTIS DRIVE ✓ SACRAMENTO, CA 95818			
7179 2993 5780 0302 7766		\$ 0.41	\$ 2.65	
Certified	LAURA RICHARDSON ✓ 717 E VERNON STREET LONG BEACH, CA 90806			
Number of pieces: 3		\$ 1.23	\$ 7.95	



I certify (or Declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct

1/10/08
Date

X [Signature]
(Declarant)

From: Chiu, Huey-Jen
Sent: Wednesday, May 21, 2008 7:59:43 PM
To: Battaglia, Paul J.
Subject: RE: Richardson [img alt="Microsoft Word icon" data-bbox="300 78 315 93"/> [img alt="Microsoft Word icon" data-bbox="318 78 333 93"/> [img alt="Microsoft Word icon" data-bbox="336 78 351 93"/> [img alt="Microsoft Word icon" data-bbox="354 78 369 93"/>

Attachments: Document.pdf

REDACTED

Huey-Jen Chiu, Vice President
Department Manager
California Reconveyance Company
Home Loans

California Reconveyance Company
9200 Oakdale Avenue, N110612
Chatsworth, CA 91311

818-775-2340 direct
huey-jen.chiu@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Battaglia, Paul J.
Sent: Wednesday, May 21, 2008 4:37 PM
To: Chiu, Huey-Jen
Subject: Richardson [img alt="Microsoft Word icon" data-bbox="210 598 225 613"/> [img alt="Microsoft Word icon" data-bbox="228 598 243 613"/> [img alt="Microsoft Word icon" data-bbox="246 598 261 613"/> [img alt="Microsoft Word icon" data-bbox="264 598 279 613"/>

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

JPMC - 002421
CONFIDENTIAL
CSOC.RICH.003910

RECORDING REQUESTED BY
CALIFORNIA RECONVEYANCE COMPANY
AND WHEN RECORDED MAIL TO
CALIFORNIA RECONVEYANCE COMPANY
9200 Oakdale Avenue
Mail Stop: N 110612
Chatsworth, CA 91311
800 892-6902
(818)775-2258 (Fax)

The following copy of the original of which was filed for record on 12/14/2007 in the office of the County Recorder of the County set forth below is sent to you in as much as an examination of the title of the trust property shows you may have an interest in the Trustee's Sale Proceedings.

CALIFORNIA RECONVEYANCE COMPANY, Trustee

Space above this line for recorder's use only

Trustee Sale No. 723397CA Loan No.  Title Order No. M721884

IMPORTANT NOTICE

NOTICE OF DEFAULT AND ELECTION TO SELL UNDER DEED OF TRUST

IF YOUR PROPERTY IS IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR PAYMENTS, IT MAY BE SOLD WITHOUT ANY COURT ACTION, and you may have the legal right to bring your account in good standing by paying all of your past due payments plus permitted costs and expenses within the time permitted by law for reinstatement of your account, which is normally five business days prior to the date set for the sale of your property. No sale date may be set until three months from the date this notice of default may be recorded (which date of recordation appears on this notice).

This amount is \$18,356.40 as of 12/13/2007 and will increase until your account becomes current.

While your property is in foreclosure, you still must pay other obligations (such as insurance and taxes) required by your note and deed of trust or mortgage. If you fail to make future payments on the loan, pay taxes on the property, provide insurance on the property, or pay other obligations as required in the note and deed of trust or mortgage, the beneficiary or mortgagee may insist that you do so in order to reinstate your account in good standing. In addition, the beneficiary or mortgagee may require as a condition to reinstatement that you provide reliable written evidence that you paid all senior liens, property taxes, and hazard insurance premiums.

Upon your written request, the beneficiary or mortgagee will give you a written itemization of the entire amount you must pay. You may not have to pay the entire unpaid portion of your account, even though full payment was demanded, but you must pay all amounts in default at the time payment is made. However, you and your beneficiary or mortgagee may mutually agree in writing prior to the time the notice of sale is posted (which may not be earlier than the end of the three-month period stated above) to, among other things, (1) provide additional time in which to cure the default by transfer of the property or otherwise; or (2) establish a schedule of payments in order to cure your default; or both (1) and (2).

Following the expiration of the time period referred to in the above paragraph of this notice, unless the obligation being foreclosed upon or a separate written agreement between you and your creditor permits a longer period, you have only the legal right to stop the sale of property by paying the entire amount demanded by your creditor.

Trustee Sale No. [] Loan No. [] Title Order No. []

To find out the amount you must pay, to arrange for payment to stop the foreclosure, or if your property is in foreclosure for any other reason, contact: WASHINGTON MUTUAL BANK, FA at 7301 BAYMEADOWS WAY JACKSONVILLE FL 32256 (877) 926-8937.

If you have any questions, you should contact a lawyer or the governmental agency which may have insured your loan. Notwithstanding the fact that your property is in foreclosure, you may offer your property for sale, provided the sale is concluded prior to the conclusion of the foreclosure.

REMEMBER, YOU MAY LOSE LEGAL RIGHTS IF YOU DO NOT TAKE PROMPT ACTION. NOTICE IS HEREBY GIVEN THAT: CALIFORNIA RECONVEYANCE COMPANY is the duly appointed Trustee under a Deed of Trust dated 01/04/2007, executed by LAURA RICHARDSON, AN UNMARRIED WOMAN, as trustor, to secure obligations in favor of WASHINGTON MUTUAL BANK, as Beneficiary Recorded 01/10/2007, Book 20070110, Page 1818, Instrument of official records in the Office of the Recorder of SACRAMENTO County, California, as more fully described on said Deed of Trust. APN: [] Situs: 3622 WEST CURTIS DRIVE, , SACRAMENTO, CA 95818 Including the note(s) for the sum of \$535,001.00 that the beneficial interest under said Deed of Trust and the obligations secured thereby are presently held by the beneficiary; that a breach of, and default in, the obligations for which said Deed of Trust is security has occurred in that the payment has not been made of: THE 08/01/2007 INSTALLMENT OF PRINCIPAL AND INTEREST AND ALL SUBSEQUENT MONTHLY INSTALLMENTS OF PRINCIPAL AND INTEREST; PLUS ANY ADDITIONAL ACCRUED AND UNPAID AMOUNTS INCLUDING, BUT NOT LIMITED TO, LATE CHARGES, ADVANCES, IMPOUNDS, TAXES, HAZARD INSURANCE, ADMINISTRATIVE FEES, INSUFFICIENT AND PARTIAL RETURN CHECK FEES, STATEMENT FEES, AND OBLIGATIONS SECURED BY PRIOR ENCUMBRANCES.

That by reason thereof, the present beneficiary under such Deed of Trust, has executed and delivered to said Trustee, a written Declaration and Demand for Sale, and has deposited with said duly appointed Trustee, such Deed of Trust and all documents evidencing the obligations secured thereby, and has declared and does hereby declare all sums secured thereby immediately due and payable and has elected and does hereby elect to cause the trust property to be sold to satisfy the obligations secured thereby.

DATE: 12/13/2007

CALIFORNIA RECONVEYANCE COMPANY, as authorized agent for Washington Mutual Bank,
Beneficiary,
By: FIDELITY NATIONAL TITLE COMPANY, authorized agent of CRC

CALIFORNIA RECONVEYANCE COMPANY IS A DEBT COLLECTOR ATTEMPTING TO COLLECT A DEBT. ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.

DECLARATION OF MAILING

Date: 12/28/2007

Type of Mailing: 10 Day

Trustee's Sale No. 723397CA

Loan No.: []

I, IMELDA SERRANO

That I am an officer, agent, or employee of CALIFORNIA RECONVEYANCE COMPANY whose business address is 9200 Oakdale Avenue N 110612 Chatsworth , CA 91311. I am over the age of eighteen years; On 12/28/2007 by 1st Class mail, enclosed in a sealed envelope with postage fully prepaid, I deposited in the United States Post Office at Chatsworth notices, a true and correct copy of which is hereunto attached and made a part hereof, address to the following:

Number of Article	Name of Addressee, Street, and Post Office Address	Postage Fee
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1st Class	LAURA RICHARDSON 3622 W CURTIS DR SACRAMENTO, CA 95818	\$ 0.41
1st Class	LAURA RICHARDSON 717 E VERNON ST LONG BEACH, CA 90806	\$ 0.41
Number of pieces: 3		\$ 1.23

I certify (or Declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct

12/28/07
Date

x [Signature]
(Declarant)

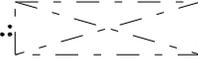
DECLARATION OF MAILING

Date: 12/28/2007

Type of Mailing: 10 Day

Trustee's Sale No. 723397CA

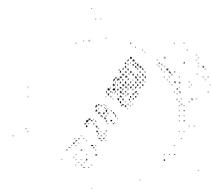
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7179 2993 5780 0290 6970		\$ 0.41	\$ 2.65	
Certified	LAURA RICHARDSON 3622 WEST CURTIS DRIVE SACRAMENTO, CA 95818			
7179 2993 5780 0290 6987		\$ 0.41	\$ 2.65	
Certified	LAURA RICHARDSON 3622 W CURTIS DR SACRAMENTO, CA 95818			
7179 2993 5780 0290 6994		\$ 0.41	\$ 2.65	
Certified	LAURA RICHARDSON 717 E VERNON ST LONG BEACH, CA 90806			
Number of pieces: 3		\$ 1.23	\$ 7.95	



I certify (or Declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct

12/28/07
Date

X ISS
(Declarant)

DECLARATION OF MAILING

Date: 01/10/2008

Type of Mailing: 1 Month

Trustee's Sale No. 723397CA

Loan No.: []

I, LINDA YELNICKER

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1/10/08
Date

X [Signature]
(Declarant)

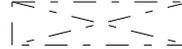
DECLARATION OF MAILING

Date: 01/10/2008

Type of Mailing: 1 Month

Trustee's Sale No. 723397CA

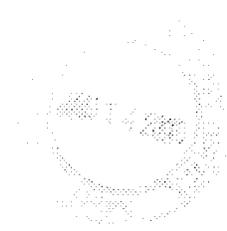
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Certified	LAURA RICHARDSON 3622 WEST CURTIS DR SACRAMENTO, CA 95818 ✓			
7179 2993 5780 0302 7759		\$ 0.41	\$ 2.65	
Certified	LAURA RICHARDSON 3622 W CURTIS DRIVE ✓ SACRAMENTO, CA 95818			
7179 2993 5780 0302 7766		\$ 0.41	\$ 2.65	
Certified	LAURA RICHARDSON ✓ 717 E VERNON STREET LONG BEACH, CA 90806			
Number of pieces: 3		\$ 1.23	\$ 7.95	



I certify (or Declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct

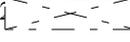
1/10/08
Date

X [Signature]
(Declarant)

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Wednesday, May 21, 2008 4:14 PM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>
Subject: FW: Research Needed: Congresswoman Richardson/Foreclosure

REDACTED

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct |  cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----

From: Gaugl, Sara C.
Sent: Wednesday, May 21, 2008 12:34 PM
To: Cook, Don
Subject: FW: Research Needed: Congresswoman Richardson/Foreclosure

REDACTED

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct |  cell
sara.gaugl@wamu.net

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-----Original Message-----

From: Gaugl, Sara C.
Sent: Wednesday, May 21, 2008 10:24 AM
To: Kallner, Brad
Cc: Champney, Steven D.; Berens, John; Owen, Jan L.; Elias, Alan
Subject: Research Needed: Congresswoman Richardson/Foreclosure
Importance: High

Brad -

Please see the article embedded below for more detail, but long story short, Congresswoman Laura Richardson appears to have defaulted on her WaMu loan (second home) and on March 19, a notice was filed with the county that her property would be sold at

auction.

Congresswoman Richardson initially declined to comment, however, Jan Owen has learned from the Congresswoman that she plans to communicate to The Washington Post that she has established a repayment plan with WaMu.

Would you please look into Congresswoman Richardson's situation as soon as possible so that we understand the facts? Her loan number is [REDACTED]

Many thanks,

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | [REDACTED] | cell
sara.gaugl@wamu.net

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-----Original Message-----

From: Owen, Jan L.
Sent: Wednesday, May 21, 2008 8:36 AM
To: Riley, Olivia; Gaugl, Sara C.; Gaspard, Scott; Watson, Alison
Subject: Fw: Capitol Weekly -- "Foreclosure tale shows that nobody is immune from crisis"

Here we go. I am in meeting and will call in a minute.

----- Original Message -----

From: Kevin Gould <KGould@CalBankers.com>
To: FSIR Meeting Group <FSIRMeetingGroup@CalBankers.com>
Sent: Wed May 21 08:01:35 2008
Subject: Capitol Weekly -- "Foreclosure tale shows that nobody is immune from crisis"

Foreclosure tale shows that nobody is immune from crisis

By Anthony York (published Tuesday, May 20, 2008)

As the real estate market softened in 2007, the new owner of a three-bedroom, 1,600-square-foot house in Sacramento's Curtis Park neighborhood ran into trouble. The house that was purchased for \$535,000 in January had lost equity. The owner fell behind in her payments, and eventually, the bank seized the home.

What makes this story different from the thousands like it is that the owner of this house was a member of Congress.

The story of the foreclosure of Long Beach Democrat Laura Richardson's Sacramento home is a tale of a real estate market gone sour. It is also an illustration of how far many candidates will go to seek elected office, even if it means quite literally mortgaging their own financial future.

While being elevated to Congress in a 2007 special election, Richardson apparently stopped making payments on her new Sacramento home, and eventually walked away from it, leaving nearly \$600,000 in unpaid loans and fees.

Richardson's decision to let the house slip into foreclosure was set in motion by an unlikely chain of events, only some of which had to do with Sacramento's crumbling real estate market. Richardson was elected to the Assembly in November 2006, and purchased her new capital home two months later. But in April 2007, Rep. Juanita Millender-McDonald succumbed to cancer, creating a Congressional vacancy in Richardson's district.

Richardson declared her candidacy for the seat, and soon found herself locked in a hotly contested, and very expensive race for Congress against state Sen. Jenny Oropeza, D-Long Beach.

While her campaign heated up, Richardson's house slipped into default. Richardson fell behind on her mortgage payments as she loaned her Congressional campaign \$60,000 – money that has begun to be paid back to Richardson personally from her campaign account, according to records from the Center for Responsive Politics.

Richardson's opponent, Oropeza, loaned herself \$115,000 for her run against Richardson. Oropeza's Congressional committee still shows nearly \$200,000 in debt.

Richardson declined to comment for this story.

But tax records at the Sacramento County assessor's office show that in January 2007, Richardson took out a mortgage for the entire sale price of the house -- \$535,000. The mortgage amount was equal to the sale price of the home, meaning she was able to buy the house without a down payment, even though the housing market was beginning to turn.

A March 19, 2008 notice of trustee's sale indicates that the unpaid balance of Richardson's loan, which is held by Washington Mutual, is more than \$578,000 –\$40,000 more than the original mortgage.

The Curtis Park house is not Richardson's primary residence. She also owns a four-bedroom house in Long Beach, in her Congressional district. Real estate records show she purchased that house in 1999 for \$135,000. An estimate from Zillow.com puts the current value of that house at \$474,000

Like many homes that have gone through foreclosure, Richardson's new residence quickly became an eyesore. With Richardson gone, upkeep on the home lapsed, and neighbors began to get angry.

"The neighbors are extremely unhappy with her," said Sharon Helmar, who sold the home to Richardson. "She didn't mow the lawn or take out the garbage while she was there. We lived there for a long time, 30 years, and we had to hide our heads whenever we came back to the neighborhood."

Helmar and her husband, Mark, sold the Curtis Park home to Richardson because Sharon's arthritis required the couple to move into a one-story house. With the area's real estate market slowing down, the house remained on the market for months, and the Helmars, who lived in the house for more than 30 years, were getting desperate to sell.

Helmar said that she has never met Richardson personally, but dealt with Richardson through her realtor. The Helmars wound up giving Richardson \$15,000 toward closing costs, she said.

And she is still angry over what happened to a home that clearly she never really wanted to leave. "It's kind of silly. You would think people who are making decisions for others would be able to make good decisions for themselves," she said. "She should have known what she could afford and not afford. In this neighborhood, you just don't do that."

While Richardson walked away from her loan, she bested Oropeza in a June special election, and moved on to Congress. As a member of Congress, Richardson has been asked to vote on legislation pertaining to the spike in foreclosures around the country.

On the biggest pieces of legislation having to do with government bailouts for people whose homes have entered foreclosure, Richardson has recused herself. She did not vote on legislation by Rep. Barney Frank, D-Mass, which would direct \$2.7 billion in government funds to help an estimated 500,000 homeowners who are at risk of foreclosure.

Richardson also did not vote on a measure by Rep. Maxine Waters, D-Los Angeles, that would give local governments \$15 billion to purchase, rehab and resell foreclosed properties.

While Richardson walked away from her bank loan, she has begun to pay herself back for the money she personally invested in her initial race. Records show that Richardson spent \$587,000 out of her Congressional campaign committee since declaring her Congressional candidacy through March of this year. Of those expenditures, Richardson has spent \$18,000 of that money to begin

repaying herself for the money Richardson loaned to her campaign.

According to documents at the Sacramento County Clerk's office , Richardson first received a default notice in late 2007. By December 2007, less than a year after Richardson purchased the house, she was behind in her payments by more than \$18,000.

Three months later, on March 19, a notice was filed with the county that Richardson's property would be sold at auction. According to the documents, the unpaid balance and other charges Richardson owed the bank was \$587,384.

Subject: Laura Richardson - Counteroffer from foreclosure purchaser
Location: Dial in at 1-866-736- Participant passcode is

Start: 6/16/2008 3:30 PM
End: 6/16/2008 4:00 PM
Show Time As: Busy

Recurrence: (none)

Meeting Status: Organizer

Required Attendees: Battaglia, Paul J.; Berens, John; Champney, Steven D.; Cook, Don; Stevens, Lawrence W.;
Klein, Jason C.; Parker, Gary L.

Optional Attendees: Thorn, Ann

REDACTED

Dial in Number: 866-736-
Participant Code: |

Seattle Participants meet in small conference room on 34.

Subject: Updated: Richardson Update
Location: 877-709[] passcode: []

Start: 6/5/2008 7:00 PM
End: 6/5/2008 8:00 PM
Show Time As: Busy

Recurrence: (none)

Meeting Status: Accepted

Required Attendees: Owen, Jan L.; Gaugl, Sara C.; Cook, Don; Battaglia, Paul J.; Thorn, Ann; Woodcock, Wendy A.;
GM QSM DTE

Resources: 877-709[] passcode: []

From: Battaglia, Paul J.
Sent: Wednesday, May 28, 2008 11:57:01 AM
To: Baptista, Geri Ann S.; Gaugl, Sara C.; Owen, Jan L.
Subject: RE: York on his litigation position

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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From: Baptista, Geri Ann S.
Sent: Wednesday, May 28, 2008 8:56 AM
To: Battaglia, Paul J.; Gaugl, Sara C.; Owen, Jan L.
Subject: York on his litigation position

REDACTED

http://www.presstelegram.com/news/ci_9396230

Odds against Richardson reclaiming house

LAW: Congresswoman faces battle to get back home sold at auction, attorneys say.

By Gene Maddaus, Staff Writer

Article Launched: 05/27/2008 10:48:49 PM PDT

Rep. Laura Richardson will face an uphill fight as she tries to reclaim her Sacramento house, which was sold in a foreclosure auction three weeks ago.

Richardson, a first-year Democrat, said last week that she is working with her lender to try to rescind the auction on the grounds that it was held in error.

A real estate broker, James York, bought the house May 7 for \$388,000. Richardson argues that she had previously made an agreement with her lender, Washington Mutual, to reinstate her loan, which should make the auction invalid.

But several attorneys said Tuesday that the law in such cases is stacked in favor of the buyer at a foreclosure auction. Only in rare cases can an auction be overturned.

"It's gonna be very, very hard - even if the sale itself was improper - to get the sale reversed," said Richard Timan, an attorney who has handled similar cases. "People who don't make payments are not beloved by judges."

York said Tuesday that he plans on hanging on to the house and would be surprised if Washington Mutual sues to get it back.

"I'm not too worried about it," he said. "Once you get the deed, it's pretty much a done deal."

In California, two appellate decisions from 2005 deal with such cases.

In *Melendrez v. D&I Investment Inc.*, the court held that a foreclosure sale was valid, even though the Melendrez family, of Watsonville, believed it had agreed to a repayment plan and had begun making payments.

"The Melendrez family had the same claim as the congresswoman does," said Timan, the plaintiff's attorney on the case,

"which is that they had actually worked out a deal with the bank, and the bank hadn't documented it properly."

But all that mattered to the appellate court in that case was that D&I Investment was a "bona fide purchaser" - meaning, essentially, that the company bought the house in a fair auction, without committing fraud. The auction was upheld.

The other case, Bank of America v. La Jolla Group II, offers a ray of hope for Richardson. In that case, the Selesia family of Fresno fell behind on a loan with Bank of America. Before an auction was held, the family paid the entire arrearage on the loan. But the auction was erroneously held anyway, and the La Jolla Group II purchased the property.

The court voided the auction.

"Now it opens up the door for almost any sale to be challenged," said Susan Moore, who argued the case for the La Jolla Group II. "The trend seems to be moving more towards favoring the homeowner."

Richardson - who has also defaulted on her two other homes in Long Beach and San Pedro - described her agreement with Washington Mutual as a loan modification, and she said she had begun making payments on it.

Glenn Wechsler, who argued for Bank of America, noted that his case was limited to a reinstatement in which the entire arrearage was paid. He said he was unaware of a precedent that dealt directly with Richardson's circumstances.

gene.maddaus@dailybreeze.com <<mailto:gene.maddaus@dailybreeze.com>>

Gerri Ann S. Baptista - VP, WaMu Corporate Communications
206.500.2875 direct | 206.612. cell | 206.377.2023 fax | geriann.baptista@wamu.net

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From: Baptista, Geri Ann S.
Sent: Wednesday, May 28, 2008 11:56:09 AM
To: Battaglia, Paul J.; Gaugl, Sara C.; Owen, Jan L.
Subject: York on his litigation position

REDACTED

http://www.pressetelegram.com/news/cj_9396230

Odds against Richardson reclaiming house

LAW: Congresswoman faces battle to get back home sold at auction, attorneys say.

By Gene Maddaus, Staff Writer

Article Launched: 05/27/2008 10:48:49 PM PDT

Rep. Laura Richardson will face an uphill fight as she tries to reclaim her Sacramento house, which was sold in a foreclosure auction three weeks ago.

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A real estate broker, James York, bought the house May 7 for \$388,000. Richardson argues that she had previously made an agreement with her lender, Washington Mutual, to reinstate her loan, which should make the auction invalid.

But several attorneys said Tuesday that the law in such cases is stacked in favor of the buyer at a foreclosure auction. Only in rare cases can an auction be overturned.

"It's gonna be very, very hard - even if the sale itself was improper - to get the sale reversed," said Richard Timan, an attorney who has handled similar cases. "People who don't make payments are not beloved by judges."

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"The Melendrez family had the same claim as the congresswoman does," said Timan, the plaintiff's attorney on the case, "which is that they had actually worked out a deal with the bank, and the bank hadn't documented it properly."

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The other case, *Bank of America v. La Jolla Group II*, offers a ray of hope for Richardson. In that case, the Selesia family of Fresno fell behind on a loan with Bank of America. Before an auction was held, the family paid the entire arrearage on the loan. But the auction was erroneously held anyway, and the La Jolla Group II purchased the property.

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Richardson - who has also defaulted on her two other homes in Long Beach and San Pedro - described her agreement with Washington Mutual as a loan modification, and she said she had begun making payments on it.

Glenn Wechsler, who argued for Bank of America, noted that his case was limited to a reinstatement in which the entire arrearage was paid. He said he was unaware of a precedent that dealt directly with Richardson's circumstances.

gene.maddaus@dailybreeze.com <<mailto:gene.maddaus@dailybreeze.com>>

Geri Ann S. Baptista - VP, WaMu Corporate Communications
206.500.2875 direct | 206.612- cell | 206.377.2023 fax | geriann.baptista@wamu.net

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From: Battaglia, Paul J.
Sent: Tuesday, May 27, 2008 12:23:10 PM
To: 'Beth Ward'
Subject: RE: Consent

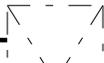
Here it is.

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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From: Beth Ward [mailto:beth.ward@wm.com]
Sent: Tuesday, May 27, 2008 9:16 AM
To: Battaglia, Paul J.
Subject: FW: Consent

Good morning, Paul. Is it possible you can resend this in Adobe. The letter is coming out landscaped and I cannot tweak it to portrait. Thanks very much.

Beth Ward
Paralegal to Martin T. McGuinn
& Kenneth C. Noorigian
Kirby & McGuinn, A P.C.
600 B Street, Suite 1950
San Diego, CA 92101
Direct Line: (619) 398-
Direct Fax: (619) 398-

In Compliance with the Fair Debt Collection Practices Act, 15 U.S.C. § 1692e(11):
THIS MESSAGE IS FROM A DEBT COLLECTOR.
ANY INFORMATION OBTAINED MAY BE USED FOR THAT PURPOSE.

This electronic message contains privileged or confidential information which is solely intended for the use of the addressee(s) listed as recipient(s). If you are not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any disclosure, dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this transmission in error, please immediately notify us by telephone at (619) 525-1659 or (619) 685-4000, and return the original message to Kirby & McGuinn, A P.C., 600 B Street, Ste. 1950, San Diego, CA 92101.

From: Battaglia, Paul J. [mailto:paul.battaglia@wamu.net]
Sent: Tuesday, May 27, 2008 7:45 AM
To: Martin T. McGuinn
Subject: FW: Consent

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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From: Thorn, Ann
Sent: Saturday, May 24, 2008 6:17 AM
To: Battaglia, Paul J.; Gaugl, Sara C.; Owen, Jan L.; Baptista, Geri Ann S.
Subject: FW: Consent

Here is the consent form for the April 17th letter.

From: RichardsonMC, Laura [mailto:laura.richardsonmc@mail.house.gov]

Sent: Fri 05/23/2008 09:48 PM

To: Thorn, Ann

Cc: Woodcock, Wendy A.; RichardsonMC, Laura; Hernandez, Rosa (Rep. Richardson)

Subject: RE: Consent

Ann,

Well... Attached you will find my scanned authorization to release the "attached April 17, 2008" letter to the third party purchaser to facilitate rescission of the sale on May 7, 2008. Please advise me at your earliest convenience what next steps are required of me to resolve this situation.

I can be reached at anytime on my cell at 562-7061 

Thank you,

Laura Richardson

-----Original Message-----

From: Thorn, Ann [<mailto:ann.thorn@wamu.net>]

Sent: Thursday, May 22, 2008 3:01 PM

To: RichardsonMC, Laura

Cc: Woodcock, Wendy A.

Subject: Consent

Congresswoman Richardson, per our conversation, attached is the consent form needed to be signed by you in order to release the attached letter to the third party purchaser to facilitate the rescission of foreclosure sale. If you can please sign and scan back to my attention, I would appreciate it.

Thank you,

Ann Thorn

Ann Thorn, FVP

Washington Mutual

National Asset Recovery Manager

904-886-5644

For Internal Use Only

Attachments:

20080527091544140.pdf (132321 Bytes)

From: Battaglia, Paul J.
Sent: Tuesday, May 27, 2008 10:45:24 AM
To: 'Martin T. McGuinn'
Subject: FW: Consent

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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From: Thorn, Ann
Sent: Saturday, May 24, 2008 6:17 AM
To: Battaglia, Paul J.; Gaugl, Sara C.; Owen, Jan L.; Baptista, Geri Ann S.
Subject: FW: Consent

Here is the consent form for the April 17th letter.

From: RichardsonMC, Laura
Sent: Fri 05/23/2008 09:48 PM
To: Thorn, Ann
Cc: Woodcock, Wendy A.; RichardsonMC, Laura; Hernandez, Rosa (Rep. Richardson)
Subject: RE: Consent

Ann,
Well... Attached you will find my scanned authorization to release the "attached April 17, 2008" letter to the third party purchaser to facilitate rescission of the sale on May 7, 2008. Please advise me at your earliest convenience what next steps are required of me to resolve this situation.

I can be reached at anytime on my cell at 562-706 

Thank you,
Laura Richardson

-----Original Message-----

From: Thorn, Ann |<mailto:ann.thorn@wamu.net>|
Sent: Thursday, May 22, 2008 3:01 PM
To: RichardsonMC, Laura
Cc: Woodcock, Wendy A.
Subject: Consent

Congresswoman Richardson, per our conversation, attached is the consent form needed to be signed by you in order to release the attached letter to the third party purchaser to facilitate the rescission of foreclosure sale. If you can please sign and scan back to my attention, I would appreciate it.

Thank you,

Ann Thorn

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

Attachments:

LR Auth Consent.jpg (57335 Bytes)

From: Battaglia, Paul J. <paul.battaglia@wamu.net>
Sent: Thursday, June 12, 2008 1:48 PM
To: Cook, Don <don.cook@wamu.net>
Subject: FW: Loss Mit

FYI. Laura Richardson says she will work on the loss mit materials this weekend.

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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From: Thorn, Ann
Sent: Thursday, June 12, 2008 10:07 AM
To: Battaglia, Paul J.; Gaugl, Sara C.; Owen, Jan L.
Subject: FW: Loss Mit

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644*

For Internal Use Only

From: Mathis, Julie A.
Sent: Thursday, June 12, 2008 1:05 PM
To: Thorn, Ann; Woodcock, Wendy A.
Subject: FW: Loss Mit

Please see below.

Thanks,

Julie

From: Laura Richardson [mailto:laurarichardson@wamu.net]
Sent: Thursday, June 12, 2008 10:20 AM
To: Mathis, Julie A.
Subject: Re: Loss Mit

Please advise Ann Thorne that I will work on this during the weekend. I apologize for the delay I did not recognize your email / name. I was looking for something from Ann or Ms. Woodcock, so I missed it.

I will be in touch.

Laura

----- Original Message -----

From: "Mathis, Julie A." <julie.mathis@wamu.net>
To: laurarichardson [mailto:laurarichardson@wamu.net]
Cc: "Thorn, Ann" <ann.thorn@wamu.net>; "Woodcock, Wendy A." <wendy.woodcock@wamu.net>
Sent: Friday, June 6, 2008 12:10:05 PM
Subject: Loss Mit

<<Borrower Assistance Form 5.08.pdf>>

Thank you,

Julie

Julie Mathis, VP
Department Manager
Homeownership Preservation
Washington Mutual
904 886-1305
904 886-1325 fax

From: Baptista, Geri Ann S.
Sent: Monday, June 02, 2008 4:27:58 PM
To: Battaglia, Paul J.; Gaugl, Sara C.; Cook, Don; Elias, Alan; Owen, Jan L.
CC: Thorn, Ann
Subject: RE: Final Review: Richardson Response

REDACTED

Gerri Ann S. Baptista – VP, WaMu Corporate Communications
206.500.2875 direct | 206.612. cell | 206.377.2023 fax | geriann.baptista@wamu.net

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From: Battaglia, Paul J.
Sent: Monday, June 02, 2008 12:45 PM
To: Gaugl, Sara C.; Cook, Don; Elias, Alan; Owen, Jan L.; Baptista, Geri Ann S.
Cc: Thorn, Ann
Subject: RE: Final Review: Richardson Response

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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From: Gaugl, Sara C.
Sent: Monday, June 02, 2008 12:37 PM
To: Cook, Don; Battaglia, Paul J.; Elias, Alan; Owen, Jan L.; Baptista, Geri Ann S.
Cc: Thorn, Ann
Subject: Final Review: Richardson Response

REDACTED

REDACTED

Questions:

- Has Ms. Richardson allowed WaMu to discuss her case publicly? Without violating Congresswoman Laura Richardson's privacy rights, can WaMu state unequivocally that Ms. Richardson has received no preferential treatment in the handling of her loan, and will not receive any preferential treatment in the future?
- Is WaMu aware of situations in which WaMu loans have been foreclosed improperly, either because a loan modification was signed prior to the auction or for some other reason, and if so, what steps is WaMu taking to correct that problem? Would a borrower in that situation be entitled to a refund of any payments made on the loan modification?
- If WaMu determines that a WaMu loan was foreclosed improperly, will WaMu, as a general practice, sue to overturn the foreclosure? Has that ever happened and if so what was the outcome?

- Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228.1211 cell
sara.gaugl@wamu.net

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From: Thorn, Ann <ann.thorn@wamu.net>
Sent: Friday, May 30, 2008 4:22 PM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>; Boulton, Elizabeth A. <elizabeth.boulton@wamu.net>
Cc: Chiu, Huey-Jen <huey-jen.chiu@wamu.net>; Brignac, Deborah P. <deborah.brignac@wamu.net>; MMcguinn@kirbymac.com; Graves, Tracy A. <tracy.graves@wamu.net>; Hawk, Amanda L. <amanda.hawk@wamu.net>; Cook, Don <don.cook@wamu.net>
Subject: Re: Laura Richardson Foreclosure Rescission [REDACTED]

U guys are the best. Thank u. Sorry I have been sitting by the pool all day without you!!!

Sent from my BlackBerry Wireless Handheld

----- Original Message -----

From: Battaglia, Paul J.
To: Thorn, Ann; Boulton, Elizabeth A.
Cc: Chiu, Huey-Jen; Brignac, Deborah P.; 'MMcguinn@kirbymac.com' <MMcguinn@kirbymac.com>; Graves, Tracy A.; Hawk, Amanda L.; Cook, Don

Sent: Fri May 30 12:50:25 2008

Subject: RE: Laura Richardson Foreclosure Rescission [REDACTED]

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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-----Original Message-----

From: Thorn, Ann
Sent: Friday, May 30, 2008 12:39 PM
To: Battaglia, Paul J.; Boulton, Elizabeth A.
Cc: Chiu, Huey-Jen; Brignac, Deborah P.; 'MMcguinn@kirbymac.com' <MMcguinn@kirbymac.com>; Graves, Tracy A.
Subject: Re: Laura Richardson Foreclosure Rescission [REDACTED]

Beth get with amanda hawk or guy to get this cut today.

Sent from my BlackBerry Wireless Handheld

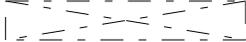
----- Original Message -----

From: Battaglia, Paul J.

To: Thorn, Ann; Boulton, Elizabeth A.

Cc: Chiu, Huey-Jen; Brignac, Deborah P.; 'Martin T. McGuinn' <MMcguinn@kirbymac.com>

Sent: Fri May 30 12:17:19 2008

Subject: Laura Richardson Foreclosure Rescission | 

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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From: Thorn, Ann
Sent: Friday, May 30, 2008 4:26 AM
To: Chiu, Huey-Jen
Cc: Battaglia, Paul J.
Subject: Recission

REDACTED

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Thursday, May 29, 2008 7:50 PM
To: Cook, Don <don.cook@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>
Subject: FW: follow-up

REDACTED

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC401 | Seattle WA 98101
206.500.2822 direct | 206.228.1111 cell
sara.gaugl@wamu.net

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-----Original Message-----

From: Gene Maddaus [mailto:gmaddaus@wamu.net]
Sent: Thursday, May 29, 2008 4:47 PM
To: Gaugl, Sara C.
Subject: follow-up

Please call for some follow-up questions on general policies that may relate to the Laura Richardson situation, but do not require you to divulge her personal information.

Gene Maddaus
Daily Breeze
310 543 [x]

From: Cook, Don
Sent: Wednesday, May 28, 2008 9:44:40 PM
To: Battaglia, Paul J.
Subject: FW: Richardson/CNN

Paul, for your information.

From: Gaugl, Sara C.
Sent: Wednesday, May 28, 2008 6:42 PM
To: Schneider, David C.; Berens, John; Champney, Steven D.
Cc: Cook, Don; Adams, Carolyn; Owen, Jan L.; Elias, Alan
Subject: Richardson/CNN

All:

So you are aware, I just received a call from a producer with CNN re: Congresswoman Richardson's "debacle." Apparently, CNN's Campbell Brown plans to discuss the Congresswoman's situation during tomorrow's 8 p.m Eastern broadcast.

The producer said she's been tasked with cross-checking the accuracy of Ms. Richardson's statements with WaMu, at which point I informed her that we have not received consent from Ms. Richardson that would allow us to discuss her loan situation.

At that point, she informed me that CNN has talked with a forensic accountant. Based on his/her analysis of Ms. Richardson's financial situation, the accountant has "determined" that the Congresswoman probably shouldn't have qualified for the (WaMu) loan in the first place.

I'll keep you informed as I learn more. I expect to receive an update from CNN tomorrow.

Best,

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228- cell
sara.gaugl@wamu.net

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Subject: Update on Congresswoman Richardson
Location: 877-709[] passcode:[]

Start: 5/23/2008 2:30 PM
End: 5/23/2008 3:30 PM
Show Time As: Busy

Recurrence: (none)

Meeting Status: Accepted

Required Attendees: Owen, Jan L.; Gaugl, Sara C.; Battaglia, Paul J.; Cook, Don; Thorn, Ann; Woodcock, Wendy A.;
Baptista, Geri Ann S.

Resources: 877-709[] passcode[]

From: Gaugl, Sara C.
Sent: Wednesday, May 21, 2008 8:43:20 PM
To: Battaglia, Paul J.; Kallner, Brad; Cook, Don; Woodcock, Wendy A.
Subject: RE: (866) 723-PC

Embedded below is Congresswoman Laura Richardson's statement to the media for your reference.

CONGRESSWOMAN LAURA RICHARDSON

For Immediate Release
May 21, 2008

The story published in the Capitol Weekly regarding residential property that I own in Sacramento requires clarification.

Within a 12-month period last year (2007-2008), I was a member of Long Beach City Council, the District Director for California Lt. Gov. Cruz Bustamante, a member of the California State Legislature, and, now a member of Congress. While the transitioning has impacted me personally, the residential property in Sacramento California is *not in foreclosure and has NOT been seized by the bank.*

I have worked with my lender to complete a loan modification and have renegotiated the terms of the agreement -- with no special provisions. I fully intend to fulfill all financial obligations of this property.

On two housing bills that were cited by the Capitol Weekly, the allegation is that I recused myself from these votes. I did not. I was absent from Washington, D.C., and my duties in the House of Representatives due to the untimely death of my father and his subsequent funeral in California.

I understand that these homeownership issues are a reflection of what many Americans are going through as they fight to keep their homes and to remain financially stable.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228- cell
sara.gaugl@wamu.net

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From: Parker, Gary L. <gary.parker@wamu.net>
Sent: Monday, August 18, 2008 2:08 PM
To: Cook, Don <don.cook@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>
Subject: FW: SFGate: Calif. congresswoman's house a public nuisance

Fyi--

Gary Parker
Legal Department
Washington Mutual
1301 Second Ave.
Seattle, WA 98101
206.500.4355 direct, 206.377.2840 fax
gary.parker@wamu.net

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-----Original Message-----

From: Sledd, Charley
Sent: Monday, August 18, 2008 11:06 AM
To: Gaspard, Scott; Parker, Gary L.
Subject: SFGate: Calif. congresswoman's house a public nuisance

This may interest you, if you haven't already seen it. Charley

This article was sent to you by someone who found it on SFGate.
The original article can be found on SFGate.com here:
<http://www.sfgate.com/cgi-bin/article.cgi?file=/n/a/2008/08/15/state/n104012D91.DTL>

Friday, August 15, 2008 (AP)
Calif. congresswoman's house a public nuisance

(08-15) 16:26 PDT Sacramento, CA (AP) --

Sacramento city officials have declared a home owned by U.S. Rep. Laura Richardson a public nuisance and are threatening fines up to \$5,000 a month if she doesn't fix it up.

The Long Beach Democrat previously faced foreclosure on the home.
Washington Mutual sold it at auction in May, but reversed the sale after Richardson complained she hadn't received proper notice.

The city's code enforcement department reported finding junk in the driveway and rotting fruit in the back yard that attracts rodents.

Inspectors came after calls to police about a suspicious person there.

A spokesman for Richardson, William Marshall Jr., says the city sent the notice to the man who previously bought the house from the bank, not Richardson. He says Richardson will maintain the property once "full possession has been returned" to her. -----

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From: Gaugl, Sara C.
Sent: Monday, June 30, 2008 1:39:14 PM
To: Owen, Jan L.; Battaglia, Paul J.; Thorn, Ann
Subject: Latest media coverage on Richardson

FYI, only. Gene Maddaus is at it again.

Rep's got expensive wheels
By Gene Maddaus, Staff Writer
Article Launched: 06/29/2008

Taxpayers pay for Rep. Laura Richardson's car lease.

When she arrived in Congress last fall, Rep. Laura Richardson sought out a vehicle that would match her newfound status.

She settled on a 2007 Lincoln Town Car - the choice of many representatives who lease their vehicles at taxpayers' expense. But hers was distinct: at \$1,300 a month, it was the most expensive car in the House of Representatives.

Richardson, a Democrat who represents Carson, has since become known for defaulting on two home loans and losing a third house - in an upscale neighborhood in Sacramento - at a foreclosure auction.

But her history with vehicles has been similarly fraught. When she was a councilwoman in Long Beach, she crashed her BMW, abandoned it at a body shop, failed to pay a prior repair bill, and then racked up 30,000 miles on a city-owned hybrid in one year - apparently violating a policy against personal use of city cars.

In her brief stint in the Assembly, she leased a 2002 Lincoln LS for \$304 a month - all but \$36 of it paid for by the state. So Richardson was already well versed in the use of government vehicles when she got to Washington.

A protege of Rep. Maxine Waters - she calls Waters "Big Mama" and herself "Little Mama" - Richardson has worked to cultivate an image of success since arriving in Congress last fall. That effort evidently included a major upgrade of her publicly funded car.

About 130 representatives leased cars last year, according to a report compiled earlier this year by Taxpayers for Common Sense. Most were in the range of \$400 to \$800 per month.

Richardson's 2007 lease costs show up on a more recent congressional spending report, because she did not pay the bill until February. According to the report, her first bill was for \$1,299, and covered a one-month period from mid-October to mid-November. She then paid a prorated amount of \$2,035 for the 45-day period from mid-November to the end of the year.

That makes her lease \$300 more expensive than the costliest car in the Taxpayers for Common Sense report. As of last winter, the newest member of Congress had far and away the most expensive car in the House of Representatives.

"A \$1,300 lease is a gold-plated lease," said Keith Ashdown, chief investigator for the watchdog group. "Because it's federal money and not their personal money, they're not looking for the best value."

Rep. Diane Watson, D-Los Angeles, also leases a 2007 Lincoln Town Car, but she pays only \$686 per month for it.

According to a former staff member, Richardson insisted that her Lincoln be specially customized, which may explain the high cost.

Richardson's spokesman, William Marshall, initially stated that Richardson is paying only \$940 per month for her Town Car, but gave no documentation of that. After he was presented with the expense report showing the \$1,300 lease amount, he declined to answer further questions.

"No comment," he said.

Richardson got the car from a local Enterprise Rent-a-Car office for her use when she needed to travel around her congressional district. The cost would not have been affected by her personal credit history, because it was paid for by the federal government. The price tag also did not include insurance, which Richardson agreed to pay for on her own.

At 8:30 p.m. April 3, a staff member was driving the car on the San Diego (405) Freeway, when he got into a crash. According to a California Highway Patrol report, the staffer, Henry Rogers, reported being struck in the rear by a white sport utility vehicle. The impact caused him to spin out and hit the center median and left major damage to the left rear of the Town Car.

The CHP report gives no information about the insurance on the car, other than to say that it was a "rental." But Richardson's subsequent actions suggest that Rogers may not have been listed as an eligible driver on her insurance policy.

According to the former staffer, after the crash Richardson required her district employees to buy additional insurance so they could legally drive the Lincoln. The former staff member did not want to be identified out of fear of jeopardizing future

employment prospects.

Another former staffer said Rogers was not forced to pay for the damage to the car, but did not know how the issue was resolved.

Rogers referred questions about the crash to Richardson's spokesman, who did not return a call about the crash on Friday.

Richardson did not report the crash to Enterprise, but it is not clear that she was required to, given that she was self-insured.

Records also indicate that Richardson owes \$83 for illegally parking the Town Car in Long Beach. The ticket was issued Jan. 23, in the amount of \$40, but has since doubled because it was not paid on time.

Richardson also owes \$9,000 in property taxes on the Sacramento home, which she is trying to get back. The new owner of the home has sued her and her lender, Washington Mutual, after the bank moved to rescind the foreclosure sale.

"She's got bigger problems than what she's leasing," said Ashdown of the Taxpayers for Common Sense.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228.1111 toll free
sara.gaugl@wamu.net

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From: Gaugl, Sara C.
Sent: Tuesday, June 24, 2008 12:33:38 PM
To: Baptista, Geri Ann S.; Owen, Jan L.
CC: Battaglia, Paul J.
Subject: RE: Richardson

Hi – I understand that Ms. Richardson qualified for and agreed to a loan modification, but we're awaiting signed paperwork.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228. cell
sara.gaugl@wamu.net

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From: Baptista, Geri Ann S.
Sent: Tuesday, June 24, 2008 9:05 AM
To: Gaugl, Sara C.; Owen, Jan L.
Subject: Richardson
Sensitivity: Confidential

FYI Re: A fundraiser for Richardson.
Any update on the loan matter?

Geri Ann

A House Seat Won, a House Lost, and a House Leader Divided

By Jeffrey H. Birnbaum
Tuesday, June 24, 2008; A15

http://www.washingtonpost.com/wp-dyn/content/article/2008/06/23/AR2008062301797_pf.html?nav=rss_opinion/columns

Every once in a while, events move fast in the nation's capital.

Last week, <http://www.washingtonpost.com/ac2/related/topic/Steny+Hoyer?tid=informline>, through a spokeswoman, said it might be a good idea for the ethics committee to look into some financial missteps by Rep. *Laura Richardson* (D-Calif.) that have been highlighted in the press.

This week -- tomorrow, in fact -- Hoyer is scheduled to host a fundraising reception for Richardson to help pay her campaign's substantial debt.

Whoa!

Richardson was elected to the House last August in a special election to replace the late Democratic Rep.

<http://www.washingtonpost.com/ac2/related/topic/Juanita+Millender-McDonald?tid=informline>.

Subsequently, Richardson lost her Sacramento home to foreclosure after failing to make payments. She also reportedly owed <http://www.washingtonpost.com/ac2/related/topic/Sacramento+County?tid=informline> about \$9,000 in property taxes and defaulted on loans six times on two other California homes.

On top of that, according to the Long Beach Press-Telegram, Richardson failed to pay an auto mechanic for hundreds of dollars' worth of car repairs and then abandoned the car at another body shop.

None of this was detailed -- as some of it probably should have been, according to critics -- on Richardson's legally mandated financial disclosure forms.

The liberal watchdog group

<http://www.washingtonpost.com/ac2/related/topic/Citizens+for+Responsibility+and+Ethics+in+Washington?tid=informline> (CREW) dubbed Richardson a "deadbeat congresswoman" and filed a complaint. Both Hoyer and <http://www.washingtonpost.com/ac2/related/topic/John+Boehner?tid=informline> said that Richardson's woes might merit an ethics inquiry.

"Mr. Hoyer has always said the ethics committee should look at anything that's raised in the public sphere," Hoyer spokeswoman *Stacey Farnen Bernards* said last week. "That gives people the confidence that the House is policing itself."

But Hoyer's policy didn't deter him from going ahead with the fundraiser to help his beleaguered colleague pay off the \$330,000 she owed as of last month. The event is scheduled from 5:30 to 7 tomorrow evening, in rented space at a private residence on <http://www.washingtonpost.com/ac2/related/topic/Capitol+Hill?tid=informline>. Hoyer's invitation seeks contributions of between \$1,000 and \$5,000 from political action committees, which are pools of money filled by individuals and used by corporations, industries and labor unions to donate to the coffers of lawmakers they wish to assist.

Probably a lot of PACs will pay up. Pleasing the House's majority leader is something political action committees are usually eager to do.

But help for Richardson?

CREW's executive director, <http://www.washingtonpost.com/ac2/related/topic/Melanie+Sloan?tid=informline>, thinks Hoyer's effort takes him in the wrong direction. "I'd prefer to see a member file an ethics complaint against Richardson rather than help retire her campaign debt," Sloan said in an e-mail.

Richardson's office did not return a telephone call seeking comment. Hoyer is not deterred and defends his decision to help Richardson. "There is no allegation of wrongdoing," Bernards said. "Mr. Hoyer feels comfortable supporting Representative Richardson as a fellow House Democrat."

Geri Ann S. Baptista, VP
Corporate Communications

Washington Mutual
1301 Second Avenue, WMC2103
Seattle, WA 98101

206.500.2875 direct, 206.377.2023 fax
geriann.baptista@wamu.net

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From: Battaglia, Paul J. <paul.battaglia@wamu.net>
Sent: Friday, June 20, 2008 5:02 PM
To: Mathis, Julie A. <julie.mathis@wamu.net>; Thorn, Ann <ann.thorn@wamu.net>; Gaugl, Sara C. <sara.gaugl@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>
Cc: Cook, Don <don.cook@wamu.net>
Subject: RE: Follow-up on Loss Mit

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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From: Mathis, Julie A.
Sent: Friday, June 20, 2008 1:32 PM
To: Battaglia, Paul J.; Thorn, Ann; Gaugl, Sara C.; Owen, Jan L.
Cc: Cook, Don
Subject: RE: Follow-up on Loss Mit

REDACTED

From: Battaglia, Paul J.
Sent: Friday, June 20, 2008 10:25 AM
To: Thorn, Ann; Mathis, Julie A.; Gaugl, Sara C.; Owen, Jan L.
Cc: Cook, Don
Subject: RE: Follow-up on Loss Mit

REDACTED

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From: Thorn, Ann
Sent: Thursday, June 19, 2008 5:41 PM
To: Mathis, Julie A.; Battaglia, Paul J.; Gaugl, Sara C.; Owen, Jan L.
Subject: RE: Follow-up on Loss Mit

REDACTED

From: Laura Richardson [redacted]
Sent: Thu 06/19/2008 06:38 PM
To: Mathis, Julie A.
Cc: Thorn, Ann
Subject: Fw: Follow-up on Loss Mit

FYI... I am faxing you the document as well with pending clarifying questions and hope to hear from someone tomorrow.
Again, I can be reached at 202-225-7924 or cell 562-706-[redacted].
Thanks, Laura

----- Forwarded Message -----
From: Laura Richardson [redacted]
To: "Thorn, Ann" <ann.thorn@wamu.net>
Sent: Thursday, June 19, 2008 7:36:01 PM
Subject: Re: Follow-up on Loss Mit

Ann,
I just sent the WaMu borrower assistance form via fax to 904-886-[redacted]. I sent three emails to you yesterday and none of them were replied to. Please contact me at your earliest convenience to discuss a few open items. Further, I have a couple questions regarding the assistance form but

I wanted to complete it as best as I could today to meet your requested deadline just advised of yesterday for Friday. I look forward to your call tomorrow at either 202-225-7924 or 562-706-

Thanks,
Laura

----- Original Message -----

From: "Thorn, Ann" <ann.thorn@wamu.net>

To: Laura Richardson <h>

Sent: Tuesday, June 17, 2008 3:14:14 PM

Subject: Follow-up on Loss Mit

Congresswoman,

Please see attached.

Thank you,

Ann Thorn

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Mathis, Julie A. <julie.mathis@wamu.net>
Sent: Friday, June 20, 2008 4:32 PM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>; Thorn, Ann <ann.thorn@wamu.net>;
Gaugl, Sara C. <sara.gaugl@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>
Cc: Cook, Don <don.cook@wamu.net>
Subject: RE: Follow-up on Loss Mit

REDACTED

From: Battaglia, Paul J.
Sent: Friday, June 20, 2008 10:25 AM
To: Thorn, Ann; Mathis, Julie A.; Gaugl, Sara C.; Owen, Jan L.
Cc: Cook, Don
Subject: RE: Follow-up on Loss Mit

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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To: Laura Richardson
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Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Thorn, Ann <ann.thorn@wamu.net>
Sent: Friday, June 20, 2008 2:58 PM
To: Mathis, Julie A. <julie.mathis@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>; Gaugl, Sara C. <sara.gaugl@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>
Subject: RE: Follow-up on Loss Mit

REDACTED

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644*

For Internal Use Only

From: Thorn, Ann
Sent: Thursday, June 19, 2008 8:41 PM
To: Mathis, Julie A.; Battaglia, Paul J.; Gaugl, Sara C.; Owen, Jan L.
Subject: RE: Follow-up on Loss Mit

REDACTED

From: Laura Richardson [mailto:laurarichardson55assembly@yahoo.com]
Sent: Thu 06/19/2008 06:38 PM
To: Mathis, Julie A.
Cc: Thorn, Ann
Subject: Fw: Follow-up on Loss Mit

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904-886-5644

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Sent: Friday, June 20, 2008 10:25 AM
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Cc: Cook, Don <don.cook@wamu.net>
Subject: RE: Follow-up on Loss Mit

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Phone: 206-500-4261
Fax: 206-377-2784

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From: Thorn, Ann
Sent: Thursday, June 19, 2008 5:41 PM
To: Mathis, Julie A.; Battaglia, Paul J.; Gaugl, Sara C.; Owen, Jan L.
Subject: RE: Follow-up on Loss Mit

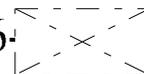
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Sent: Thursday, June 19, 2008 7:36:01 PM
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Laura

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From: "Thorn, Ann" <ann.thorn@wamu.net>
To: Laura Richardson <[redacted]>
Sent: Tuesday, June 17, 2008 3:14:14 PM
Subject: Follow-up on Loss Mit

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Please see attached.

Thank you,

Ann Thorn

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Thorn, Ann <ann.thorn@wamu.net>
Sent: Thursday, June 19, 2008 8:41 PM
To: Mathis, Julie A. <julie.mathis@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>; Gaugl, Sara C. <sara.gaugl@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>
Subject: RE: Follow-up on Loss Mit

REDACTED

From: Laura Richardson [mailto:laura.richardson@wamu.net]
Sent: Thu 06/19/2008 06:38 PM
To: Mathis, Julie A.
Cc: Thorn, Ann
Subject: Fw: Follow-up on Loss Mit

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Thanks, Laura

----- Forwarded Message -----
From: Laura Richardson [mailto:laura.richardson@wamu.net]
To: "Thorn, Ann" <ann.thorn@wamu.net>
Sent: Thursday, June 19, 2008 7:36:01 PM
Subject: Re: Follow-up on Loss Mit

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----- Original Message -----

From: "Thorn, Ann" <ann.thorn@wamu.net>

To: Laura Richardson <[REDACTED]>

Sent: Tuesday, June 17, 2008 3:14:14 PM

Subject: Follow-up on Loss Mit

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Please see attached.

Thank you,

Ann Thorn

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Thorn, Ann <ann.thorn@wamu.net>
Sent: Thursday, June 19, 2008 7:36 AM
To: Baptista, Geri Ann S. <geriann.baptista@wamu.net>; Gaugl, Sara C. <sara.gaugl@wamu.net>; Elias, Alan <alan.elias@wamu.net>; Cook, Don <don.cook@wamu.net>; Potashnick, Barbara A. <barbara.potashnick@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>
Subject: RE: Richardson Update

I will only be available for the first 15 minutes or so.....Fitch is here today

From: Baptista, Geri Ann S.
Sent: Wed 06/18/2008 07:10 PM
To: Gaugl, Sara C.; Elias, Alan; Cook, Don; Potashnick, Barbara A.; Battaglia, Paul J.; Thorn, Ann; Owen, Jan L.
Subject: Richardson Update

When: Thursday, June 19, 2008 9:00 AM-9:30 AM (GMT-08:00) Pacific Time (US & Canada); Tijuana.
Where: 888-595-1234 pc | 1234

~~*~*~*~*~*~*~*~*

From: Thorn, Ann <ann.thorn@wamu.net>
Sent: Wednesday, June 18, 2008 7:41 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>;
Cook, Don <don.cook@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>
Subject: FW: Notice of Pendency of Action

I also got this

From: Laura Richardson [mailto:laura.richardson@jpmc.com]
Sent: Wed 06/18/2008 06:34 PM
To: Thorn, Ann
Subject: Notice of Pendency of Action

Ann,

Late yesterday, Red Rock Mortgage, sent a certified letter to my district office in Torrance where my office staff unknowingly signed for which included "Notice of Pendency of Action" papers.

Who in your operation/office should I follow-up with? Please advise at your earliest convenience.

Laura Richardson

From: Thorn, Ann <ann.thorn@wamu.net>
Sent: Wednesday, June 18, 2008 10:40 AM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>; Cook, Don <don.cook@wamu.net>; Gaugl, Sara C. <sara.gaugl@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>
Subject: RE: Richardson ([REDACTED])

REDACTED

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644*

For Internal Use Only

From: Battaglia, Paul J.
Sent: Wednesday, June 18, 2008 10:33 AM
To: Thorn, Ann; Cook, Don; Gaugl, Sara C.; Owen, Jan L.
Subject: Richardson ([REDACTED])

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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From: Thorn, Ann
Sent: Wednesday, June 18, 2008 7:30 AM
To: Battaglia, Paul J.; Cook, Don; Gaugl, Sara C.; Owen, Jan L.
Subject: FW: Loss Mit

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644*

For Internal Use Only

From: Laura Richardson [mailto:laurarichardson@wamu.net]
Sent: Wednesday, June 18, 2008 10:28 AM
To: Thorn, Ann
Subject: Re: Loss Mit

FYI---

My notice of delay AND NO REFERENCE TO TIME DEADLINES.
Laura Richardson

----- Original Message -----

From: "Mathis, Julie A." <julie.mathis@wamu.net>
To: Laura Richardson <laurarichardson@wamu.net>
Sent: Thursday, June 12, 2008 1:05:34 PM
Subject: RE: Loss Mit

Thanks, I will let them both know.

Julie

Julie Mathis, VP
Department Manager
Homeownership Preservation
Washington Mutual
904 886-1305
904 886-1325 fax

From: Laura Richardson [mailto:laurarichardson@wamu.net]
Sent: Thursday, June 12, 2008 10:20 AM
To: Mathis, Julie A.
Subject: Re: Loss Mit

Please advise Ann Thorne that I will work on this during the weekend. I apologize for the delay I did not recognize your email / name. I was looking for something from Ann or Ms. Woodcock, so I missed it.

I will be in touch.

Laura

----- Original Message -----

From: "Mathis, Julie A." <julie.mathis@wamu.net>
To: laurarichardson [mailto:laurarichardson@wamu.net]
Cc: "Thorn, Ann" <ann.thorn@wamu.net>; "Woodcock, Wendy A." <wendy.woodcock@wamu.net>
Sent: Friday, June 6, 2008 12:10:05 PM
Subject: Loss Mit

<<Borrower Assistance Form 5.08.pdf>>

Thank you,

Julie

Julie Mathis, VP
Department Manager
Homeownership Preservation
Washington Mutual
904 886-1305
904 886-1325 fax

From: Owen, Jan L. <jan.owen@wamu.net>
Sent: Wednesday, June 18, 2008 10:34 AM
To: Thorn, Ann <ann.thorn@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>;
Cook, Don <don.cook@wamu.net>; Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: Re: Loss Mit

I will schedule a call this week. Thanks, J

----- Original Message -----

From: Thorn, Ann
To: Battaglia, Paul J.; Cook, Don; Gaugl, Sara C.; Owen, Jan L.
Sent: Wed Jun 18 07:30:45 2008
Subject: FW: Loss Mit

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Laura Richardson [mailto:laurarichardson@wamu.net]
Sent: Wednesday, June 18, 2008 10:30 AM
To: Thorn, Ann
Subject: Fw: Loss Mit

Ann,
FYI---
NO REFERENCE TO TIME DEADLINES.
Laura Richardson

----- Forwarded Message ----

From: "Mathis, Julie A." <julie.mathis@wamu.net>
To: laurarichardson [mailto:laurarichardson@wamu.net]
Cc: "Thorn, Ann" <ann.thorn@wamu.net>; "Woodcock, Wendy A." <wendy.woodcock@wamu.net>
Sent: Friday, June 6, 2008 12:10:05 PM
Subject: Loss Mit

<<Borrower Assistance Form 5.08.pdf>>

Thank you,

Julie

Julie Mathis, VP
Department Manager
Homeworkership Preservation
Washington Mutual
904 886-1305
904 886-1325 fax

From: Battaglia, Paul J. <paul.battaglia@wamu.net>
Sent: Wednesday, June 18, 2008 10:33 AM
To: Thorn, Ann <ann.thorn@wamu.net>; Cook, Don <don.cook@wamu.net>; Gaugl, Sara C. <sara.gaugl@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>
Subject: Richardson [REDACTED]

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Thorn, Ann
Sent: Wednesday, June 18, 2008 7:30 AM
To: Battaglia, Paul J.; Cook, Don; Gaugl, Sara C.; Owen, Jan L.
Subject: FW: Loss Mit

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644*

For Internal Use Only

From: Laura Richardson [REDACTED]
Sent: Wednesday, June 18, 2008 10:28 AM
To: Thorn, Ann
Subject: Re: Loss Mit

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Laura Richardson

----- Original Message -----

From: "Mathis, Julie A." <julie.mathis@wamu.net>
To: Laura Richardson <[REDACTED]>

Sent: Thursday, June 12, 2008 1:05:34 PM
Subject: RE: Loss Mit

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Washington Mutual
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904 886-1325 fax

From: Laura Richardson [mailto:laurarichardson@wamu.net]
Sent: Thursday, June 12, 2008 10:20 AM
To: Mathis, Julie A.
Subject: Re: Loss Mit

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I will be in touch.

Laura

----- Original Message -----

From: "Mathis, Julie A." <julie.mathis@wamu.net>
To: laurarichardson@wamu.net
Cc: "Thorn, Ann" <ann.thorn@wamu.net>; "Woodcock, Wendy A." <wendy.woodcock@wamu.net>
Sent: Friday, June 6, 2008 12:10:05 PM
Subject: Loss Mit

<<Borrower Assistance Form 5.08.pdf>>

Thank you,

Julie

Julie Mathis, VP
Department Manager
Homeownership Preservation
Washington Mutual
904 886-1305
904 886-1325 fax

From: Thorn, Ann <ann.thorn@wamu.net>
Sent: Wednesday, June 18, 2008 10:31 AM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>; Cook, Don <don.cook@wamu.net>;
Gaugl, Sara C. <sara.gaugl@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>
Subject: FW: Loss Mit
Attach: Borrower Assistance Form 5.08.pdf

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644*

For Internal Use Only

From: Laura Richardson [mailto:laurarichardson@wamu.net]
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Subject: Fw: Loss Mit

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NO REFERENCE TO TIME DEADLINES.
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----- Forwarded Message -----

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To: laurarichardson [mailto:laurarichardson@wamu.net]
Cc: "Thorn, Ann" <ann.thorn@wamu.net>; "Woodcock, Wendy A." <wendy.woodcock@wamu.net>
Sent: Friday, June 6, 2008 12:10:05 PM
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Thank you,

Julie

Julie Mathis, VP
Department Manager
Homeownership Preservation
Washington Mutual
904 886-1305
904 886-1325 fax

14. Have you already spoken to a debt counseling service?

Yes No

15. How many cars do you own?

1 2 3 4 or more

16. Please enter how much you pay for the items below each month, and total them in the last row.

EXPENSE	BORROWER	CO-BORROWER
Other Home Loans, Rent & Liens	\$	\$
Auto Loan(s)	\$	\$
Auto Insurance & Other Expenses	\$	\$
Credit Cards & Installment Loans	\$	\$
Health Insurance	\$	\$
Medical Expenses	\$	\$
Child Care, Child Support & Alimony	\$	\$
Food & Miscellaneous Spending Money	\$	\$
Utilities	\$	\$
Other _____	\$	\$
Other _____	\$	\$
TOTAL	\$	0 \$ 0

17. Please enter your income details below and total them in the last row.

INCOME	BORROWER	CO-BORROWER
Gross Wages	\$	\$
Other Income (unemployment, child support, etc.)	\$	\$
Other _____	\$	\$
Other _____	\$	\$
TOTAL	\$	0 \$ 0

18. Please enter how much money you have in the assets below, and total them in the last row.

ASSET	BORROWER	CO-BORROWER
Checking Account(s)	\$	\$
Savings & Money Market Account(s)	\$	\$
Stocks, Bonds & CDs	\$	\$
Retirement Account(s)	\$	\$
Home Equity	\$	\$
Other Real Estate Equity	\$	\$
Cars (with no loan payments)	\$	\$
Other _____	\$	\$
TOTAL	\$	0 \$ 0

I (we) agree that the financial information provided is an accurate statement of my (our) financial status. I (we) understand and acknowledge that any action taken by the lender of my (our) home loan on my (our) behalf will be made in strict reliance on the financial information provided. My (our) signature(s) below grants the holder of my (our) home loan the authority to confirm the information I (we) have disclosed in this financial statement, to verify that it is accurate by ordering a credit report and to contact my (our) real estate agent and or credit counseling representative (if applicable). By signing below, I (we) advise you that if I (we) should hereafter agree to a repayment plan for my (our) home loan, reinstate my (our) home loan, or pay off my (our) home loan in full, then by doing so and without the necessity of any further action on my (our) part, I (we) hereby expressly withdraw this request for a loan workout. In that event, I (we) hereby direct you to take no further action to process this request for a workout.

X

Borrower

X

Date

Co-borrower

Date

WaMu Cares

Borrower Assistance Checklist

Thank you for taking steps to resolve your home loan issues.

We'll contact you soon!

DON'T FORGET! DID YOU...

- Fully complete all questions?
Remember: If you have a co-borrower, we need his or her information, too.
- Sign and date this form?
- Include copies of your:
 - Checking account statement(s)
 - Savings account statement(s)
 - Income history:
 - If you are self-employed—your past six months' profit-and-loss statements and most recent Federal tax return
 - If you receive regular paychecks—your two most recent pay stubs
- Copy the completed form for yourself?

GREAT!

Now, either fax or mail your information to WaMu.

- * **Fax:** 904-886-1328 or 904-886-1329
- * **Mail:** WaMu Home Ownership Preservation,
7255 Baymeadows Way, JAXA2000, Jacksonville, FL 32256

From: Thorn, Ann <ann.thorn@wamu.net>
Sent: Wednesday, June 18, 2008 10:30 AM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>; Cook, Don <don.cook@wamu.net>;
Gaugl, Sara C. <sara.gaugl@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>
Subject: FW: Loss Mit

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644*

For Internal Use Only

From: Laura Richardson [mailto:laura.richardson@wamu.net]
Sent: Wednesday, June 18, 2008 10:28 AM
To: Thorn, Ann
Subject: Re: Loss Mit

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Laura Richardson

----- Original Message -----

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To: Laura Richardson [mailto:laura.richardson@wamu.net]
Sent: Thursday, June 12, 2008 1:05:34 PM
Subject: RE: Loss Mit

Thanks, I will let them both know.

Julie

Julie Mathis, VP
Department Manager
Homeownership Preservation
Washington Mutual
904 886-1305
904 886-1325 fax

From: Laura Richardson [mailto:laura.richardson@wamu.net]
Sent: Thursday, June 12, 2008 10:20 AM
To: Mathis, Julie A.
Subject: Re: Loss Mit

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I will be in touch.

Laura

----- Original Message -----

From: "Mathis, Julie A." <julie.mathis@wamu.net>

To: laurarichardson [mailto:laurarichardson@wamu.net]

Cc: "Thorn, Ann" <ann.thorn@wamu.net>; "Woodcock, Wendy A." <wendy.woodcock@wamu.net>

Sent: Friday, June 6, 2008 12:10:05 PM

Subject: Loss Mit

<<Borrower Assistance Form 5.08.pdf>>

Thank you,

Julie

Julie Mathis, VP

Department Manager

Homeownership Preservation

Washington Mutual

904 886-1305

904 886-1325 fax

From: Thorn, Ann <ann.thorn@wamu.net>
Sent: Wednesday, June 18, 2008 10:26 AM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>; Cook, Don <don.cook@wamu.net>;
Gaugl, Sara C. <sara.gaugl@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>
Subject: FW: Follow-up on Loss Mit

Here is her response to the letter.

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644*

For Internal Use Only

From: Laura Richardson [mailto:laura.richardson@wamu.net]
Sent: Wednesday, June 18, 2008 10:24 AM
To: Thorn, Ann
Subject: Re: Follow-up on Loss Mit

Ms. Thorn,
Due to the numerous issues that have surrounded my agreement and the improper sale of my property, I am working with my original broker to complete the application accurately. I am limited to his availability therefore it is taking longer than I expected. I advised Ms. Mathis of my delay via email and was told you would be notified.

I was quite surprised with your attached letter that requires submittal by Friday which I do not believe was expressed before. If you recall, it was I, that suggested we begin the process prior to the completion of the recession not WAMU.

I will meet your deadline; however, in the future clear indications of time deadlines is needed.

Laura Richardson

----- Original Message -----

From: "Thorn, Ann" <ann.thorn@wamu.net>
To: Laura Richardson [mailto:laura.richardson@wamu.net]
Sent: Tuesday, June 17, 2008 3:14:14 PM
Subject: Follow-up on Loss Mit

Congresswoman,

Please see attached.

Thank you,

Ann Thorn

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Gaugl, Sara C.
Sent: Tuesday, June 17, 2008 8:52:24 PM
To: Elias, Alan; Thorn, Ann; Battaglia, Paul J.; Cook, Don; Owen, Jan L.
Subject: LA Times Blog: Richardson

This should be interesting....

<http://latimesblogs.latimes.com/laland/2008/06/ask-the-congres.html>

Ask the congresswoman: Your questions for U.S. Rep. Laura Richardson

I'm overdue for a session of "Ask the blogger," so here goes. Today, something completely different: Instead of your questions for me, I'd like to hear your questions for U.S. Rep. Laura Richardson, the triple-default Democrat from Long Beach.

I sent her office a list of questions in late May (you can see my questions by clicking at the bottom of this post) and haven't heard back, so I'm giving up and turning to you: submit your best (serious) questions for U.S. Rep. Laura Richardson, I'll sort through them and send them along to her congressional office. Fire away.

(Sent by e-mail on June 10 to Kimberly Parker, chief of staff to U.S. Rep. Laura Richardson)

Kimberly: I'm still interested in answers to the questions below, which I first submitted to the congresswoman's office on May 22:

Questions from Peter Viles at the Los Angeles Times:

What kind of mortgage did the congresswoman take on the Sacramento home? (Adjustable Rate Mortgage, Option ARM, 30-year-fixed, etc.)

What was the amount of the loan and the interest rate?

Who was the original lender?

Did she take out one loan or more than one loan?

Did she make a down payment? If so, how much?

A published report quotes the seller of the house saying that Ms. Richardson received \$15,000 from the seller for closing costs. Is this accurate?

What were her monthly payments on the mortgage?

How many payments did she make on the mortgage?

When did she begin missing payments on the mortgage, and why?

When and how did she contact the lender to discuss a loan modification?

Did she contact the lender herself, or did a member of her staff contact the lender?

Documents indicate the amount she owed on the loan was eventually greater than the initial value of the loan itself. Can you explain why the amount she owed increased?

When did she and the lender agree to a loan modification? And what is the exact nature of the loan modification? What is the new interest rate, the new principal amount, and the new monthly payment?

How many payments has the congresswoman made on the loan modification?

Thanks.

Peter Viles

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228.2222 cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Thorn, Ann <ann.thorn@wamu.net>
Sent: Tuesday, June 17, 2008 3:15 PM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>; Gaugl, Sara C. <sara.gaugl@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>
Subject: FW: Follow-up on Loss Mit
Attach: Scan001.PDF

Paul, per our conversation.

Sara/Jan, fyi

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

-----Original Message-----

From: Thorn, Ann
Sent: Tuesday, June 17, 2008 3:14 PM
To: 'Laura Richardson'
Subject: Follow-up on Loss Mit

Congresswoman,

Please see attached.

Thank you,

Ann Thorn

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only



Washington Mutual

HOME LOANS

7255 Baymeadows Way
Jacksonville, FL 32256
Phone 1-904-886-5644
Fax (904) 886-1627

June 17, 2008

Re: Washington Mutual Loan Number: [REDACTED]
Property Address: 3622 West Curtis Drive, Sacramento, CA 95818

Dear Ms. Richardson:

Your e-mail to Julie Mathis dated June 12, 2008 was forwarded to me. You indicated in your e-mail that you would be working on your Homeownership Preservation package over the June 14-15 weekend. I therefore expected to receive your updated financial information sometime on Monday. It is now Tuesday, and I still have not received anything from you, nor have you called to explain your delay.

As you know, in April, 2008, you contacted WaMu asking for the amount necessary to reinstate your loan. We sent you the reinstatement figures on April 17, 2008, along with a cover letter stating that we would postpone the foreclosure proceedings to June 4, 2008. Your property then went to foreclosure sale on May 7, 2008, where it was sold to the high bidder Red Rock Mortgage, Inc. At the time of the foreclosure sale, you were in default on your loan and there was not any loan workout or modification agreement in place between you and WaMu, as your prior request for a loan modification was denied.

Due in part to your comments to me that you fully intended to pay your obligation to WaMu, we honored our commitment to postpone the foreclosure sale by instructing the foreclosure trustee to record a Notice of Rescission of the foreclosure sale, thereby restoring legal title to the Property in your name.

Following the Notice of Rescission, we've had several telephone conversations where you reiterated your desire to fulfill your loan obligation. On May 28, 2008, Wendy Woodcock and I had a telephone conversation with you where we told you that you would have to send in updated financial information for review. We sent you the required forms on June 6, 2008, but they have not yet been completed and returned for our review.

Based on your most recent assurance that you would be working on providing the financial information over the June 14-15 weekend, we expect to have all of the information that we've requested by the end of the day on Friday, June 20, 2008. If we do not have all of the information requested, we will reschedule the foreclosure sale of your property.

Sincerely,

Ann Thorn

From: Owen, Jan L. <jan.owen@wamu.net>
Sent: Monday, June 16, 2008 5:04 PM
To: Baptista, Geri Ann S. <geriann.baptista@wamu.net>; Gaugl, Sara C. <sara.gaugl@wamu.net>; Cook, Don <don.cook@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>; Thorn, Ann <ann.thorn@wamu.net>
Subject: RE: Richardson Disclosure

So, do we think having our calls again are in order? I can set them up- let me know. Thanks, Jan

Jan Lynn Owen
First Vice President
State and Local Government and Industry Relations Manager
801 K Street Suite 110
Sacramento, CA 95814
916-553-4961
916-325-4717 fax
jan.owen@wamu.net

From: Baptista, Geri Ann S.
Sent: Monday, June 16, 2008 1:56 PM
To: Strom, Erik E.; Owen, Jan L.
Cc: Gaugl, Sara C.
Subject: Richardson Disclosure
Sensitivity: Confidential

June 16, 2008, 3:34 pm

Disclosure Offers No Insight on Lawmaker's Home Woes

Sarah Lueck reports on Congress.

Trackback URL: <http://blogs.wsj.com/washwire/2008/06/16/disclosure-offers-no-insight-on-lawmakers-home-woes/trackback/>

House members' annual financial-disclosure forms were released Monday, but the one submitted by California Democratic Rep. **Laura Richardson** provided no information about her recent mortgage woes. Multiple accounts have been **reported recently** on Richardson's financial troubles, which includes a foreclosure on one of her California homes and defaults on two others.

On the section labeled "Liabilities," Richardson's form says only "N/A." There's no mention of the balance of \$578,384 that Richardson reportedly owes on a Sacramento home she purchased in January 2007. It recently was sold at auction to a mortgage lender for \$388,000, according to the Associated Press.

Members of Congress are not required to report mortgages on their residences, unless the property is the source of rental or investment income. They are, however, required to disclose a mortgage debt or other type of loan when it exceeds the purchase price of the item.

Richardson's form is dated May 19 and covers calendar year 2007. She is among dozens of lawmakers who requested extra time to file information on their assets, debts, travel and income—possibly a sign that more details are on the way. Her new deadline is Monday, June 16. A spokesman didn't immediately return calls for comment.

Richardson told the AP in a May interview that her financial trouble was partly the result of using her own money for her recent run for her House seat. She said she renegotiated her loan and will pay it off, along with nearly \$9,000 in delinquent property taxes. "I'm a single woman who had four employment changes in less than four months," Richardson told the AP. "I had to figure out just like every other American how I could restructure the obligations that I had with the income I had."

Geri Ann S. Baptista - VP, WaMu Corporate Communications
206.500.2875 direct | 206.612.2222 cell | 206.377.2023 fax | geriann.baptista@wamu.net

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From: Gaugl, Sara C.
Sent: Saturday, June 14, 2008 4:30 PM
To: Baptista, Geri Ann S.; Strom, Erik E.; Owen, Jan L.; Battaglia, Paul J.; Elias, Alan; Cook, Don; Thorn, Ann; Potashnick, Barbara A.
Subject: Coverage on Richardson Loan Terms
Sensitivity: Confidential

FYI.

Richardson's loan was subprime - Press Telegram (Long Beach)
By Gene Maddaus, Staff Writer

Rep. Laura Richardson took out a subprime loan to buy her Sacramento house, suggesting she probably was a poor credit risk even before her recent string of loan defaults.

Richardson, D-Long Beach, has defaulted on all three of her homes, and lost the one in Sacramento in a foreclosure auction. She is now engaged in a legal battle with the new owner of the home, after her lender, Washington Mutual Bank, filed to rescind the sale.

James York, owner of Red Rock Mortgage Inc., filed a lawsuit on Thursday against Richardson and Washington Mutual, contesting the foreclosure rescission.

Included in the suit was Richardson's deed of trust, which contains the terms of her home loan. The no-money-down loan was issued for \$535,000 in January 2007. It was adjustable after two years, with an introductory rate of 8.8 percent.

"That's a subprime loan," said Jon Nastro, a real estate broker in nearby Elk Grove. "Those are the ones we're taking back now."

Richardson previously declined to disclose her loan terms.

The average prime mortgage rate at the time was 6.22 percent, according to Freddie Mac.

Without further information, it is difficult to tell whether Richardson's subprime loan terms were the result of a poor credit history, lack of income documentation, or both.

Richardson was an assemblywoman at the time the loan was issued, with an annual salary of \$113,000. She also collected \$28,365 in per diem for living expenses in Sacramento during the nine months she served in the Legislature. She now earns \$169,300 as a member of Congress and rents an apartment in Washington, D.C.

Before her election in 2006, Richardson earned \$80,000 as a legislative director for Lt. Gov. Cruz Bustamante and \$28,000 as a Long Beach city councilwoman, according to a congressional financial disclosure form.

Richardson also owns two homes in San Pedro and Long Beach. In 2006, she took out an equity loan against the Long Beach home to finance her run for the Legislature.

Richardson has defaulted at least eight times on the three properties since 2004 - six times in the last 14 months. She had also failed to pay smaller debts to a mechanic and a printing shop until reporters began inquiring about them.

Richardson's staffers were unavailable for comment on Friday.

From: Baptista, Geri Ann S.
Sent: Sat 06/14/2008 2:22 PM
To: Gaugl, Sara C.; Strom, Erik E.; Owen, Jan L.; Battaglia, Paul J.; Elias, Alan; Cook, Don; Thorn, Ann; Potashnick, Barbara A.

JPMC - 002489
CONFIDENTIAL
CSOC.RICH.003978

Subject: Coverage on Richardson Lawsuit

San Jose Mercury News and AP stories (AP story picked up by some online syndication outlets).

http://www.mercurynews.com/breakingnews/ci_9579869?nclick_check=1

Buyer sues Calif. congresswoman over foreclosure

By JULIET WILLIAMS Associated Press Writer
Article Launched: 06/13/2008 05:40:18 PM PDT

SACRAMENTO—A Sacramento investor who bought the foreclosed home of Rep. Laura Richardson has filed a lawsuit against the congresswoman and her bank for rescinding the sale.

James York claims Richardson used her influence as a congresswoman to force Washington Mutual Inc. and a subsidiary to back out of the sale.

York, who operates Red Rock Mortgage Inc., bought the foreclosed home in an upper-middle class Sacramento neighborhood at auction in May for \$388,000 after Richardson failed to make her mortgage payments.

In the lawsuit filed in Sacramento County Superior Court, York is seeking to have the house returned to him, as well as punitive damages and costs. He also claims the bank acted with malice after the legitimate sale of the house.

The Associated Press obtained a copy of his lawsuit on Friday, the day the defendants were served.

Richardson, a Democrat from Long Beach, previously told the AP that the house was sold without her knowledge and after the bank agreed to hold off on any action until at least June.

She bought the house in January 2007 for \$535,000, a few months after she was elected to the state Assembly. She took out an adjustable-rate mortgage with an interest rate that could vary between 8.8 percent and 14 percent, according to documents filed with York's lawsuit.

Richardson's spokesman, William Marshall, said the congresswoman had not been notified of the lawsuit. He declined further comment.

In an interview Friday with the AP, York said he believes Washington Mutual's trustee rescinded the sale solely because Richardson is a member of Congress. He said the savings and loan would not have done that for an average person.

York said he tried to negotiate a settlement but was rebuffed.

"They rescinded the notice of trustee sale and put it back in her name before even telling me," he said. "It's not a difficult case. It's a valid sale."

A spokeswoman for Washington Mutual, Sara Gaugl, said the company would have no comment because Richardson had not authorized it to speak about her case.

Richardson, 46, was a member of the Long Beach City Council when she won the Assembly seat in November 2006, months before she bought the three-bedroom, 1 1/2-bath Sacramento home. She won the congressional seat the next year in a special election to replace the late Juanita Millender-McDonald.

Richardson has acknowledged turmoil in her life during the short time she went from the city council to the state Assembly to Congress. She said she used her own money to finance her campaigns and fell behind in mortgage and property tax payments.

A default notice sent in March put her unpaid balance on the 1,600-square-foot home at \$578,384.

Richardson's financial troubles appear to run deeper, however. The Long Beach Press-Telegram has reported that Richardson has two other homes in San Pedro and Long Beach that have fallen into default six times. Five of the defaults, totaling nearly \$71,000, occurred in the last 13 months.

The newspaper also reported that Richardson has a history of not paying other bills, including failure to pay for car repairs and campaign fliers.

The congresswoman told the AP she believed she had worked out a deal with Washington Mutual to renegotiate her loan on the Sacramento home and pay it off. She also said she intended to pay the nearly \$9,000 in delinquent property taxes.

In the notice of rescission filed as an exhibit in York's lawsuit, the trustee company acknowledges it "had previously agreed to postpone the foreclosure sale until June 4, 2008."

Meanwhile, York said in the lawsuit that he has already started making repairs to the house, including painting, restoring the floors, landscaping and general clean-up that have **"significantly increased its value."**

He argues it would be unfair to give the house back to Richardson in better condition than she lost it. The amount of money he has spent on the repairs was not specified.

Richardson makes nearly \$170,000 as a member of Congress and was paid \$113,000 during the eight months she served in the state Assembly in 2007 before her election to Congress. She also received a per diem total of \$20,000 from California, according to a financial disclosure form she filed with the House of Representatives clerk.

The home, built in 1926, is in Sacramento's Curtis Park, a desirable, upper middle-class neighborhood near downtown that sits under a canopy of decades-old trees.

Not long after getting to Congress, Richardson voted in favor of the Mortgage Forgiveness Debt Relief Act of 2007, which subsequently became law. It allows homeowners to escape paying income taxes on debts forgiven by a lender, as happens in foreclosure. She has said she would like to testify before Congress as someone victimized by the nation's mortgage crisis.

York notes in his lawsuit that the house now has a cloud over it—making it more difficult to sell if it is eventually returned to him.

"If I had known it was this congresswoman's house, I probably never would have bought it," York said in the telephone interview.

Associated Press Writer Erica Werner in Washington, D.C., contributed to this report.

http://ap.google.com/article/ALeqM5gjl2vKwhu_mgDQ86mfxohh6oU2gQD919J2OG0

Buyer sues Calif. congresswoman over foreclosure

By JULIET WILLIAMS – 18 hours ago

SACRAMENTO, Calif. (AP) — An investor who bought a congresswoman's foreclosed home filed a lawsuit against the legislator and her bank for rescinding the sale.

James York had purchased the home at auction in May for \$388,000 after Rep. Laura Richardson failed to make her mortgage payments. He claims Richardson used her influence as a congresswoman to force Washington Mutual Inc. and a subsidiary to later back out of the sale.

"They rescinded the notice of trustee sale and put it back in her name before even telling me," York said. "It's not a difficult case. It's a valid sale."

His lawsuit in Sacramento County Superior Court seeks to have the house returned to him, as well as punitive damages and costs.

Richardson, a Democrat from Long Beach, bought the house in January 2007 for \$535,000. She previously told The Associated Press that it was sold without her knowledge and after the bank agreed to delay action.

The lawsuit was served to the defendants Friday.

Richardson's spokesman, William Marshall, said the congresswoman had not seen it and declined to comment. A spokeswoman for Washington Mutual, Sara Gaugl, said the company would have no comment because Richardson had not authorized it to speak about her case.

From: Baptista, Geri Ann S.

Sent: Fri 06/13/2008 10:13 AM

To: Gaugl, Sara C.; Strom, Erik E.; Owen, Jan L.; Battaglia, Paul J.; Elias, Alan; Cook, Don; Thorn, Ann

Subject: Richardson liability report and comment to senior Democrat

<http://thehill.com/leading-the-news/richardson-mum-in-the-face-of-mounting-pressure-2008-06-13.html>

Richardson mum in the face of mounting pressure

By Jared Allen

Posted: 06/13/08 11:50 AM [ET]

Embattled Rep. Laura Richardson (D-Calif.) remained mum on Friday following more news about her personal housing crisis and a warning from House Speaker Nancy Pelosi (D-Calif.) to put her fiscal house back in order.

Richardson, who has dodged repeated calls for information regarding her multiple defaults on three home mortgages and her financial disclosure reports, failed to report a heavily indebted mortgage on her initial 2007 financial statement.

Official financial reports for House members will be released on Monday, and it remains to be seen if Richardson's official report will have been amended from the one she previously filed.

However, Pelosi issued a warning to Richardson on Thursday that she risks whatever repercussions may come from failing to disclose her assets and liabilities to the letter of the law.

"Every member of Congress is responsible for living up to the highest ethical standard, to having the fullest disclosure of his or her assets, as is required by law," Pelosi said at her weekly news conference. "And many people in our country are caught in a foreclosure crisis. Members of Congress maybe are as well."

After falling too far behind on mortgage payments on a home she purchased in Sacramento in January 2007, Richardson was forced to watch the home sold at auction last month.

In the aftermath, it was revealed that Richardson has defaulted on mortgages for three California homes since 1999.

According to records pulled from Los Angeles and Sacramento counties, Richardson has defaulted five separate times on her primary residence in Long Beach, a home she purchased in 1999 and refinanced in the summer of 2006 for a new \$446,250 mortgage.

The prior summer, Richardson took out a loan from Wells Fargo, in the amount of \$359,000, to purchase a second home in San Pedro.

After defaulting twice — in September 2007 and again in January — and owing \$367,436 on an original loan of \$359,000, Richardson received notice from her lender in April that her San Pedro home was going to be sold at auction. According to reports, that auction is scheduled for July 14.

But it is Richardson's Sacramento home that has garnered the most attention, and places her in the most immediate risk as a member of Congress who is bound by federal law to disclose certain assets and liabilities.

According to Richardson's 2007 financial disclosure statement — which she filed in February — she failed to report her Sacramento home mortgage as a liability even though she owed \$40,000 more than she paid for the home, which was purchased in January of that year.

By the end of 2007 – which marks the end of the 2007 financial disclosure reporting period – Richardson had accumulated \$575,000 in total debt after failing to make payments on her original \$535,000 mortgage, according to Sacramento County records.

Financial disclosure laws require members of Congress to report home mortgages as liabilities if indebtedness exceeds the purchase prices of the item, and congressional ethics and finance experts have said that, on a plain reading of the law, Richardson was required to disclose such an indebted mortgage as a liability.

Under the section of the report for liabilities, Richardson simply lists, “N/A.”

A senior House Democrat close to leadership on Thursday afternoon said he had spoken to Richardson about the matter and she had assured him that, with regard to her Sacramento home, the “bank screwed up.”

On Wednesday the *Los Angeles Times* reported that James York, the real estate investor who bought Richardson’s Sacramento home at a May 7 auction for \$388,000, is now claiming that Richardson’s lender, Washington Mutual, reclaimed the property on behalf of Richardson.

York had recorded the deed on May 19 and had begun renovations, the *Times* reported.

“They took the property back, and they didn’t even send back the money,” York was quoted in the *Times*. “It’s clear what’s happening is Ms. Richardson is abusing her political power and using it for her own political needs.”

Geri Ann S. Baptista – VP, WaMu Corporate Communications

206.500.2875 direct | 206.612[redacted]cell | 206.377.2023 fax | geriann.baptista@wamu.net

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Subject: RE: Pelosi comments on Laura Richardson defaults
Sensitivity: Confidential

Thanks for forwarding, Geri Ann.

Team, FYI below.

Sara Gaugl

Home Loans Public Relations

WaMu

1301 Second Avenue | WMC40 | Seattle WA 98101

206.500.2822 direct | 206.228[redacted]cell

sara.gaugl@wamu.net

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Pelosi comments on Laura Richardson defaults

By Erica Werner The Associated Press

http://www.dailybreeze.com/cj_9564107

WASHINGTON - House Speaker Nancy Pelosi, asked Thursday about fellow California Democratic Rep. Laura Richardson's multiple home defaults, said that "every member of Congress is responsible for living up to the highest ethical standards."

Pelosi said she was not familiar with the details of the controversy surrounding Richardson, who won a special election last year to replace the late Rep. Juanita Millender-McDonald in the 37th Congressional District in Long Beach.

But every lawmaker must make "the fullest disclosure of his or her assets as is required by law," Pelosi said.

"Many people in our country are caught in the foreclosure crisis. Members of Congress maybe are as well," she added.

Late last month reports emerged that Richardson, a former state Assemblywoman and member of the Long Beach City Council, had lost her Sacramento home to foreclosure and has two other homes in Southern California that have fallen into default six times.

Last week the Long Beach Press-Telegram reported that Richardson had also left car repair bills unpaid.

Richardson easily won her Democratic primary June 3 and is running unopposed in the November general election, although at least one of her Democratic primary opponents is making plans to challenge her as a write-in candidate.

Richardson defended herself after the first reports of the foreclosure on her Sacramento home, saying it never should have happened and she'd worked out a deal with her lender to buy it back. However the purchaser of the property, James York of Red Rock Mortgage in Sacramento, complained in published reports this week that Richardson had been given favorable terms because she's a congresswoman and that he planned to sue over the issue.

Richardson's spokesman, William Marshall, had no immediate comment Thursday.

California Assembly Speaker Karen Bass, D-Los Angeles, also addressed the Richardson situation Thursday during a visit to Washington. Bass and other Assembly leaders had endorsed Richardson's congressional bid but Bass told reporters she'd had no idea about Richardson's financial issues.

Richardson had a quick rise in politics, moving from the Long Beach City Council to a state Assembly seat in 2006 and to Congress the next year.

"Given the rapid pace of all of that I can understand the financial difficulties, but now more is coming out," Bass said. She said she'd hoped while in Washington to talk to Richardson about the situation but hadn't had

the opportunity.

Geri Ann S. Baptista, VP
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Seattle, WA 98101

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To: Baptista, Geri Ann S. <geriann.baptista@wamu.net>; Strom, Erik E. <erik.strom@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>; Elias, Alan <alan.elias@wamu.net>; Cook, Don <don.cook@wamu.net>; Thorn, Ann <ann.thorn@wamu.net>; Potashnick, Barbara A. <barbara.potashnick@wamu.net>
Subject: Coverage on Richardson Loan Terms

FYI.

Richardson's loan was subprime – *Press Telegram* (Long Beach)
By Gene Maddaus, Staff Writer

Rep. Laura Richardson took out a subprime loan to buy her Sacramento house, suggesting she probably was a poor credit risk even before her recent string of loan defaults.

Richardson, D-Long Beach, has defaulted on all three of her homes, and lost the one in Sacramento in a foreclosure auction. She is now engaged in a legal battle with the new owner of the home, after her lender, Washington Mutual Bank, filed to rescind the sale.

James York, owner of Red Rock Mortgage Inc., filed a lawsuit on Thursday against Richardson and Washington Mutual, contesting the foreclosure rescission.

Included in the suit was Richardson's deed of trust, which contains the terms of her home loan. The no-money-down loan was issued for \$535,000 in January 2007. It was adjustable after two years, with an introductory rate of 8.8 percent.

"That's a subprime loan," said Jon Nastro, a real estate broker in nearby Elk Grove. "Those are the ones we're taking back now."

Richardson previously declined to disclose her loan terms.

The average prime mortgage rate at the time was 6.22 percent, according to Freddie Mac.

Without further information, it is difficult to tell whether Richardson's subprime loan terms were the result of a poor credit history, lack of income documentation, or both.

Richardson was an assemblywoman at the time the loan was issued, with an annual salary of \$113,000. She also collected \$28,365 in per diem for living expenses in Sacramento during the nine months she served in the Legislature. She now earns \$169,300 as a member of Congress and rents an apartment in Washington, D.C.

Before her election in 2006, Richardson earned \$80,000 as a legislative director for Lt. Gov. Cruz Bustamante and \$28,000 as a Long Beach city councilwoman, according to a congressional financial disclosure form.

Richardson also owns two homes in San Pedro and Long Beach. In 2006, she took out an equity loan against the Long Beach home to finance her run for the Legislature.

Richardson has defaulted at least eight times on the three properties since 2004 - six times in the last 14 months. She had also failed to pay smaller debts to a mechanic and a printing shop until reporters began inquiring about them.

Richardson's staffers were unavailable for comment on Friday.

From: Baptista, Geri Ann S.
Sent: Sat 06/14/2008 2:22 PM
To: Gaugl, Sara C.; Strom, Erik E.; Owen, Jan L.; Battaglia, Paul J.; Elias, Alan; Cook, Don; Thorn, Ann; Potashnick, Barbara A.
Subject: Coverage on Richardson Lawsuit

San Jose Mercury News and AP stories (AP story picked up by some online syndication outlets).

http://www.mercurynews.com/breakingnews/ci_9579869?nclick_check=1

Buyer sues Calif. congresswoman over foreclosure

By JULIET WILLIAMS Associated Press Writer
Article Launched: 06/13/2008 05:40:18 PM PDT

SACRAMENTO—A Sacramento investor who bought the foreclosed home of Rep. Laura Richardson has filed a lawsuit against the congresswoman and her bank for rescinding the sale.

James York claims Richardson used her influence as a congresswoman to force Washington Mutual Inc. and a subsidiary to back out of the sale.

York, who operates Red Rock Mortgage Inc., bought the foreclosed home in an upper-middle class Sacramento neighborhood at auction in May for \$388,000 after Richardson failed to make her mortgage payments.

In the lawsuit filed in Sacramento County Superior Court, York is seeking to have the house returned to him, as well as punitive damages and costs. He also claims the bank acted with malice after the legitimate sale of the house.

The Associated Press obtained a copy of his lawsuit on Friday, the day the defendants were served.

Richardson, a Democrat from Long Beach, previously told the AP that the house was sold without her knowledge and after the bank agreed to hold off on any action until at least June.

She bought the house in January 2007 for \$535,000, a few months after she was elected to the state Assembly. She took out an adjustable-rate mortgage with an interest rate that could vary between 8.8 percent and 14 percent, according to documents filed with York's lawsuit.

Richardson's spokesman, William Marshall, said the congresswoman had not been notified of the lawsuit. He declined further comment.

In an interview Friday with the AP, York said he believes Washington Mutual's trustee rescinded the sale solely because Richardson is a member of Congress. He said the savings and loan would not have done that for an average person.

York said he tried to negotiate a settlement but was rebuffed.

"They rescinded the notice of trustee sale and put it back in her name before even telling me," he said. "It's not a difficult case. It's a valid sale."

A spokeswoman for Washington Mutual, Sara Gaugl, said the company would have no comment because Richardson had not authorized it to speak about her case.

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Richardson has acknowledged turmoil in her life during the short time she went from the city council to the state Assembly to Congress. She said she used her own money to finance her campaigns and fell behind in mortgage and property tax payments.

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By Erica Werner The Associated Press

http://www.dailybreeze.com/cj_9564107

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Pelosi said she was not familiar with the details of the controversy surrounding Richardson, who won a special election last year to replace the late Rep. Juanita Millender-McDonald in the 37th Congressional District in Long Beach.

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Subject: Coverage on Richardson Lawsuit

San Jose Mercury News and AP stories (AP story picked up by some online syndication outlets).

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York said he tried to negotiate a settlement but was rebuffed.

"They rescinded the notice of trustee sale and put it back in her name before even telling me," he said. "It's not a difficult case. It's a valid sale."

A spokeswoman for Washington Mutual, Sara Gaugl, said the company would have no comment because Richardson had not authorized it to speak about her case.

Richardson, 46, was a member of the Long Beach City Council when she won the Assembly seat in November 2006, months before she bought the three-bedroom, 1 1/2-bath Sacramento home. She won the congressional seat the next year in a special election to replace the late Juanita Millender-McDonald.

Richardson has acknowledged turmoil in her life during the short time she went from the city council to the state Assembly to Congress. She said she used her own money to finance her campaigns and fell behind in mortgage and property tax payments.

A default notice sent in March put her unpaid balance on the 1,600-square-foot home at \$578,384.

Richardson's financial troubles appear to run deeper, however. The Long Beach Press-Telegram has reported that Richardson has two other homes in San Pedro and Long Beach that have fallen into default six times. Five of the defaults, totaling nearly \$71,000, occurred in the last 13 months.

The newspaper also reported that Richardson has a history of not paying other bills, including failure to pay for car repairs and campaign fliers.

The congresswoman told the AP she believed she had worked out a deal with Washington Mutual to renegotiate her loan on the Sacramento home and pay it off. She also said she intended to pay the nearly \$9,000 in delinquent property taxes.

In the notice of rescission filed as an exhibit in York's lawsuit, the trustee company acknowledges it "had previously agreed to postpone the foreclosure sale until June 4, 2008."

Meanwhile, York said in the lawsuit that he has already started making repairs to the house, including painting, restoring the floors, landscaping and general clean-up that have "**significantly increased its value.**"

He argues it would be unfair to give the house back to Richardson in better condition than she lost it. The amount of money he has spent on the repairs was not specified.

Richardson makes nearly \$170,000 as a member of Congress and was paid \$113,000 during the eight months she served in the state Assembly in 2007 before her election to Congress. She also received a per diem total of \$20,000 from California, according to a financial disclosure form she filed with the House of Representatives clerk.

The home, built in 1926, is in Sacramento's Curtis Park, a desirable, upper middle-class neighborhood near downtown that sits under a canopy of decades-old trees.

Not long after getting to Congress, Richardson voted in favor of the Mortgage Forgiveness Debt Relief Act of 2007, which subsequently became law. It allows homeowners to escape paying income taxes on debts forgiven by a lender, as happens in foreclosure. She has said she would like to testify before Congress as someone victimized by the nation's mortgage crisis.

York notes in his lawsuit that the house now has a cloud over it—making it more difficult to sell if it is eventually returned to him.

"If I had known it was this congresswoman's house, I probably never would have bought it," York said in the telephone interview.

Associated Press Writer Erica Werner in Washington, D.C., contributed to this report.

http://ap.google.com/article/ALeqM5gjl2vKwhu_mgDQ86mfxohh6oU2gQD919J2OG0

Buyer sues Calif. congresswoman over foreclosure

By JULIET WILLIAMS – 18 hours ago

SACRAMENTO, Calif. (AP) — An investor who bought a congresswoman's foreclosed home filed a lawsuit against the legislator and her bank for rescinding the sale.

James York had purchased the home at auction in May for \$388,000 after Rep. Laura Richardson failed to make her mortgage payments. He claims Richardson used her influence as a congresswoman to force Washington Mutual Inc. and a subsidiary to later back out of the sale.

"They rescinded the notice of trustee sale and put it back in her name before even telling me," York said. "It's not a difficult case. It's a valid sale."

His lawsuit in Sacramento County Superior Court seeks to have the house returned to him, as well as punitive damages and costs.

Richardson, a Democrat from Long Beach, bought the house in January 2007 for \$535,000. She previously told The Associated Press that it was sold without her knowledge and after the bank agreed to delay action.

The lawsuit was served to the defendants Friday.

Richardson's spokesman, William Marshall, said the congresswoman had not seen it and declined to comment. A spokeswoman for Washington Mutual, Sara Gaugl, said the company would have no comment because Richardson had not authorized it to speak about her case.

From: Baptista, Geri Ann S.

Sent: Fri 06/13/2008 10:13 AM

To: Gaugl, Sara C.; Strom, Erik E.; Owen, Jan L.; Battaglia, Paul J.; Elias, Alan; Cook, Don; Thorn, Ann

Subject: Richardson liability report and comment to senior Democrat

<http://thehill.com/leading-the-news/richardson-mum-in-the-face-of-mounting-pressure-2008-06-13.html>

Richardson mum in the face of mounting pressure

By Jared Allen

Posted: 06/13/08 11:50 AM [ET]

Embattled Rep. Laura Richardson (D-Calif.) remained mum on Friday following more news about her personal housing crisis and a warning from House Speaker Nancy Pelosi (D-Calif.) to put her fiscal house back in order.

Richardson, who has dodged repeated calls for information regarding her multiple defaults on three home mortgages and her financial disclosure reports, failed to report a heavily indebted mortgage on her initial 2007 financial statement.

Official financial reports for House members will be released on Monday, and it remains to be seen if Richardson's official report will have been amended from the one she previously filed.

However, Pelosi issued a warning to Richardson on Thursday that she risks whatever repercussions may come from failing to disclose her assets and liabilities to the letter of the law.

"Every member of Congress is responsible for living up to the highest ethical standard, to having the fullest disclosure of his or her assets, as is required by law," Pelosi said at her weekly news conference. "And many people in our country are caught in a foreclosure crisis. Members of Congress maybe are as well."

After falling too far behind on mortgage payments on a home she purchased in Sacramento in January 2007, Richardson was forced to watch the home sold at auction last month.

In the aftermath, it was revealed that Richardson has defaulted on mortgages for three California homes since 1999.

According to records pulled from Los Angeles and Sacramento counties, Richardson has defaulted five separate times on her primary residence in Long Beach, a home she purchased in 1999 and refinanced in the summer of 2006 for a new \$446,250 mortgage.

The prior summer, Richardson took out a loan from Wells Fargo, in the amount of \$359,000, to purchase a second home in San Pedro.

After defaulting twice — in September 2007 and again in January — and owing \$367,436 on an original loan of \$359,000, Richardson received notice from her lender in April that her San Pedro home was going to be sold at auction. According to

reports, that auction is scheduled for July 14.

But it is Richardson's Sacramento home that has garnered the most attention, and places her in the most immediate risk as a member of Congress who is bound by federal law to disclose certain assets and liabilities.

According to Richardson's 2007 financial disclosure statement — which she filed in February — she failed to report her Sacramento home mortgage as a liability even though she owed \$40,000 more than she paid for the home, which was purchased in January of that year.

By the end of 2007 — which marks the end of the 2007 financial disclosure reporting period — Richardson had accumulated \$575,000 in total debt after failing to make payments on her original \$535,000 mortgage, according to Sacramento County records.

Financial disclosure laws require members of Congress to report home mortgages as liabilities if indebtedness exceeds the purchase prices of the item, and congressional ethics and finance experts have said that, on a plain reading of the law, Richardson was required to disclose such an indebted mortgage as a liability.

Under the section of the report for liabilities, Richardson simply lists, "N/A."

A senior House Democrat close to leadership on Thursday afternoon said he had spoken to Richardson about the matter and she had assured him that, with regard to her Sacramento home, the "bank screwed up."

On Wednesday the *Los Angeles Times* reported that James York, the real estate investor who bought Richardson's Sacramento home at a May 7 auction for \$388,000, is now claiming that Richardson's lender, Washington Mutual, reclaimed the property on behalf of Richardson.

York had recorded the deed on May 19 and had begun renovations, the *Times* reported.

"They took the property back, and they didn't even send back the money," York was quoted in the *Times*. "It's clear what's happening is Ms. Richardson is abusing her political power and using it for her own political needs."

Gerri Ann S. Baptista - VP, WaMu Corporate Communications

206.500.2875 direct | 206.612.2111 cell | 206.377.2023 fax | geriann.baptista@wamu.net

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From: Gaugl, Sara C.

Sent: Thursday, June 12, 2008 2:15 PM

To: Baptista, Geri Ann S.; Strom, Erik E.; Owen, Jan L.; Battaglia, Paul J.; Elias, Alan; Cook, Don; Thorn, Ann

Subject: RE: Pelosi comments on Laura Richardson defaults

Sensitivity: Confidential

Thanks for forwarding, Geri Ann.

Team, FYI below.

Sara Gaugl

Home Loans Public Relations

WaMu

1301 Second Avenue | WMC40 | Seattle WA 98101

206.500.2822 direct | 206.228.2111 cell

sara.gaugl@wamu.net

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By Erica Werner The Associated Press

http://www.dailybreeze.com/ci_9564107

WASHINGTON - House Speaker Nancy Pelosi, asked Thursday about fellow California Democratic Rep. Laura Richardson's multiple home defaults, said that "every member of Congress is responsible for living up to the highest ethical standards."

Pelosi said she was not familiar with the details of the controversy surrounding Richardson, who won a special election last year to replace the late Rep. Juanita Millender-McDonald in the 37th Congressional District in Long Beach.

But every lawmaker must make "the fullest disclosure of his or her assets as is required by law," Pelosi said.

"Many people in our country are caught in the foreclosure crisis. Members of Congress maybe are as well," she added.

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Last week the Long Beach Press-Telegram reported that Richardson had also left car repair bills unpaid.

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California Assembly Speaker Karen Bass, D-Los Angeles, also addressed the Richardson situation Thursday during a visit to Washington. Bass and other Assembly leaders had endorsed Richardson's congressional bid but Bass told reporters she'd had no idea about Richardson's financial issues.

Richardson had a quick rise in politics, moving from the Long Beach City Council to a state Assembly seat in 2006 and to Congress the next year.

"Given the rapid pace of all of that I can understand the financial difficulties, but now more is coming out," Bass said. She said she'd hoped while in Washington to talk to Richardson about the situation but hadn't had the opportunity.

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Seattle, WA 98101

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Sent: Friday, June 13, 2008 1:13:52 PM
To: Gaugl, Sara C.; Strom, Erik E.; Owen, Jan L.; Battaglia, Paul J.; Elias, Alan; Cook, Don; Thorn, Ann
Subject: Richardson liability report and comment to senior Democrat

<http://thehill.com/leading-the-news/richardson-mum-in-the-face-of-mounting-pressure-2008-06-13.html>

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Sent: Thursday, June 12, 2008 2:15 PM
To: Baptista, Geri Ann S.; Strom, Erik E.; Owen, Jan L.; Battaglia, Paul J.; Elias, Alan; Cook, Don; Thorn, Ann
Subject: RE: Pelosi comments on Laura Richardson defaults
Sensitivity: Confidential

Thanks for forwarding, Geri Ann.

Team, FYI below.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
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By Erica Werner The Associated Press
http://www.dailybreeze.com/ci_9564107

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Washington Mutual
1301 Second Avenue, WMC2103
Seattle, WA 98101

206.500.2875 direct, 206.377.2023 fax
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From: Gaugl, Sara C.
Sent: Thursday, June 12, 2008 5:14:30 PM
To: Baptista, Geri Ann S.; Strom, Erik E.; Owen, Jan L.; Battaglia, Paul J.; Elias, Alan; Cook, Don; Thorn, Ann
Subject: RE: Pelosi comments on Laura Richardson defaults

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From: Thorn, Ann <ann.thorn@wamu.net>
Sent: Thursday, June 12, 2008 5:12 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>; Cook, Don <don.cook@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>
Cc: Elias, Alan <alan.elias@wamu.net>
Subject: RE: Congresswoman's Financial Report: This Won't Be Pretty.

i was on a project for Steve all day and just picked up my messages.

Congresswoman left me a message that she has not been home for two weeks and she is going home this weekend and will be turning in her financials to me some time early next week.

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644*

For Internal Use Only

From: Gaugl, Sara C.
Sent: Thursday, June 12, 2008 11:30 AM
To: Cook, Don; Battaglia, Paul J.; Thorn, Ann; Owen, Jan L.
Cc: Elias, Alan
Subject: Congresswoman's Financial Report: This Won't Be Pretty.

FYI, below. It appears that the House members' annual financial reports are scheduled to be released on Monday, which may include specific information about Ms. Richardson's home loan issues.

Just so you are aware, I communicated to Mary Ann that I couldn't discuss Ms. Richardson's loan situation (not foreclosure sale).

I'll let you know if I receive any media calls today.

Congresswoman's Financial Report: This Won't Be Pretty.
Mary Ann Akers And Paul Kane
12 June 2008
The Washington Post

We may learn more about Rep. Laura Richardson's (D-Calif.) home foreclosure problems Monday, when House members' annual financial reports are scheduled to be released.

Richardson filed her report on time rather than seeking an extension, her spokesman, William Marshall, tells On the Hill. But Marshall says he can "neither confirm nor deny" whether the disclosure report will reflect the full extent of the beleaguered congresswoman's financial woes, which include foreclosure on one home and loan defaults on two others.

Marshall declined to answer questions about how Richardson, who won a special election last August, wound up in such dire straits. She lost her Sacramento home to foreclosure after failing to make payments, at the same time that she reportedly owed Sacramento County some \$9,000 in property taxes and defaulted on loans six times on two other California homes.

In the meantime, however, Richardson rose in one year from Long Beach councilwoman to state assemblywoman to a member of the U.S. Congress.

According to the Long Beach Press-Telegram, Richardson also failed to pay hundreds of dollars worth of car repairs to one mechanic, then ultimately abandoned the car at another auto body shop.

Yesterday, the story took a new twist. The Los Angeles Times reported that the home Richardson lost in foreclosure could be returned to her, because the lender, **Washington Mutual**, filed a letter of rescission of the foreclosure sale and asked the new owner for the keys back.

"They took the property back, and they didn't even send back the money," the new owner, real estate investor James York, told the Times. "It's clear what's happening is Ms. Richardson is abusing her political power and using it for her own political needs," he said. "You don't have to be smart to understand what's happening."

Richardson isn't saying anything. Referring to the congresswoman's lender, her spokesman told us, "This is about **Washington Mutual**." He urged us to call **Washington Mutual** for comment. But a **Washington Mutual** spokeswoman told us she couldn't comment on the foreclosure sale because Congresswoman Richardson "has not provided us with authorization to publicly discuss her loan."

The left-leaning watchdog group Citizens for Responsibility and Ethics in Washington calls Richardson a "deadbeat congresswoman."

Sara Gaugl
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Sent: Thursday, June 12, 2008 1:07 PM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>; Gaugl, Sara C. <sara.gaugl@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>
Subject: FW: Loss Mit

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644*

For Internal Use Only

From: Mathis, Julie A.
Sent: Thursday, June 12, 2008 1:05 PM
To: Thorn, Ann; Woodcock, Wendy A.
Subject: FW: Loss Mit

Please see below.

Thanks,

Julie

From: Laura Richardson [mailto:laurarichardson55@yahoo.com]
Sent: Thursday, June 12, 2008 10:20 AM
To: Mathis, Julie A.
Subject: Re: Loss Mit

Please advise Ann Thorne that I will work on this during the weekend. I apologize for the delay I did not recognize your email / name. I was looking for something from Ann or Ms. Woodcock, so I missed it.

I will be in touch.

Laura

----- Original Message -----

From: "Mathis, Julie A." <julie.mathis@wamu.net>
To: laurarichardson55assembly@yahoo.com
Cc: "Thorn, Ann" <ann.thorn@wamu.net>; "Woodcock, Wendy A." <wendy.woodcock@wamu.net>
Sent: Friday, June 6, 2008 12:10:05 PM
Subject: Loss Mit

<<Borrower Assistance Form 5.08.pdf>>

Thank you,

Julie

Julie Mathis, VP
Department Manager
Homeownership Preservation
Washington Mutual
904 886-1305
904 886-1325 fax

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
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According to the Long Beach Press-Telegram, Richardson also failed to pay hundreds of dollars worth of car repairs to one mechanic, then ultimately abandoned the car at another auto body shop.

Yesterday, the story took a new twist. The Los Angeles Times reported that the home Richardson lost in foreclosure could be returned to her, because the lender, **Washington Mutual**, filed a letter of rescission of the foreclosure sale and asked the new owner for the keys back.

"They took the property back, and they didn't even send back the money," the new owner, real estate investor James York, told the Times. "It's clear what's happening is Ms. Richardson is abusing her political power and using it for her own political needs," he said. "You don't have to be smart to understand what's happening."

Richardson isn't saying anything. Referring to the congresswoman's lender, her spokesman told us, "This is about **Washington Mutual**." He urged us to call **Washington Mutual** for comment. But a **Washington Mutual** spokeswoman told us she couldn't comment on the foreclosure sale because Congresswoman Richardson "has not provided us with authorization to publicly discuss her loan."

The left-leaning watchdog group Citizens for Responsibility and Ethics in Washington calls Richardson a "deadbeat congresswoman."

Sara Gaugl
Home Loans Public Relations

WaMu

1301 Second Avenue | WMC40 | Seattle WA 98101

206.500.2822 direct | 206.228-cell

sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gaugl, Sara C.
Sent: Tuesday, June 10, 2008 9:52:24 PM
To: Thorn, Ann; Battaglia, Paul J.; Cook, Don; Owen, Jan L.
Subject: Richardson Media Update

All:
In advance of Ann's discussion tomorrow with Ms. Richardson, I wanted to make you aware of the blog posting embedded below (thanks for forwarding, Paul). Unfortunately, some reporters are jumping to the conclusion that Ms. Richardson was able to secure a loan modification agreement with WaMu, despite her current financial standing.

Ann, please let us know how things go tomorrow (if you two are able to connect), and whether Ms. Richardson is expected to qualify for a workout based on the financial information provided. If we hear from Ms. Richardson, I will schedule a call tomorrow mid-day so that we can quickly touch base and discuss next steps.

Best,

Sara

Richardson Update: This Workout Smells – Calculated Risk (Blog)

by Tanta

June 10, 2008

<http://calculatedrisk.blogspot.com/>

Our soberer readers (I know we have them) will remember California Congresswoman Laura Richardson (D-Speculator), who is facing foreclosure proceedings on three homes. The uproar began with the foreclosure of sale her unoccupied "second home" in Sacramento, which Richardson claimed was an "error" on WaMu's part, since (she claimed) she had worked out a last-minute modification agreement with WaMu the week before the sale.

According to the Daily Breeze, WaMu has filed paperwork to rescind the foreclosure sale, and the man who bought the home is not happy:

The real estate broker who bought Rep. Laura Richardson's house at a foreclosure sale last month is accusing her of receiving preferential treatment because her lender has issued a notice to rescind the sale.

James York, owner of Red Rock Mortgage, said he would file a lawsuit against Richardson and her lender, Washington Mutual, by the end of the week, and has every intention of keeping the house.

"I'm just amazed they've done this," York said. "They never would have done this for anybody else."

York bought the Sacramento home at a foreclosure auction on May 7 for \$388,000. Richardson had not been making payments on the property for nearly a year, and had also gone into default on her two other houses in Long Beach and San Pedro.

Richardson, D-Long Beach, has said that the auction should never have been held, because she had worked out a loan modification agreement with her lender beforehand and had begun making payments.

Richardson continues to refuse to authorize WaMu to release any information on her case, although frankly I'm not sure if I were WaMu I'd want to talk about it. This smells terrible, indeed. Perhaps reporters could simply ask some general questions of WaMu about its foreclosure workout policies. Like:

- How often are modifications or repayment plans offered to owners of vacant investment properties with no or negative equity that have never been listed or rented?
- How often are modifications offered to borrowers with two other properties currently in foreclosure?
- How often are modifications arranged in the week before the scheduled trustee's sale, following nearly a year of no contact?
- Does WaMu's policy on modifications make any reference to requiring a "commitment to homeownership" on the borrower's part? How, normally, is that established?
- Does WaMu's policy on modifications make any reference to establishing that the borrower does not display a "disregard for debt obligations"? How, normally, is that established?

If, for instance, we had some evidence that stiffing creditors and getting the taxpayers to subsidize her financial imprudence was, like, a pattern of Richardson's long before the house payments went into default, would that, like, indicate that her mortgage problems may not have much to do with "extenuating circumstances"?

WaMu may not be able to read a credit report, but the Press-Telegram ferreted this out:
In 2005, when she was still on the Long Beach City Council, she left one mechanic in a lurch with an unpaid bill, then later had her badly damaged BMW towed to an auto body shop but didn't pay for any work and abandoned the car there, owners of the businesses said this week.

The next day, Richardson began using a city-owned vehicle - putting almost 31,000 miles on it in about a year - and continued driving the car five days after she had left the council to serve in the state Assembly, city records show. . . .

Labreche said he spent months leaving messages on Richardson's cell phone voice mail, then he got a collection agency involved, but still the bill went unpaid. . . .

In December 2005, Lillegard filed for a mechanic's lien on Richardson's car to pay the towing, storage and administrative costs, he said. Lillegard said the lien was finalized in February 2006 and he sold the car to a junkyard, though a few days later - too late - Richardson sent him money to put toward the bill.

So in January of 2007, WaMu gave Richardson a 100% loan to purchase a second home, when her credit report would have shown recent derogatories related to the car repair bills, plus the payments on two other homes, on a State Assembly salary that I can't quite see being equal to her existing debts, let alone a new house payment. In other words, she got your basic subprime loan that relied on nothing other than a fervent belief in endless house price appreciation—in January of 2007. Or else she got a loan because she's a VIP.

I continue to want to know why WaMu is bailing out a deadbeat and a speculator at the expense of a good-faith buyer of a foreclosure property, and wasting operational capacity on a deal like this instead of working with struggling owner-occupants who might actually pay back the modified loan. I will leave it to the citizens of California to explain why you want this woman anywhere near fiscal, budgetary, or housing policy power.

(Hat tip to Brian!)

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228. cell
sara.gaugl@wamu.net

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From: Battaglia, Paul J.
Sent: Tuesday, June 10, 2008 4:31:57 PM
To: Gaugl, Sara C.; Cook, Don; Owen, Jan L.; Thorn, Ann
Subject: Laura Richardson

<http://calculatedrisk.blogspot.com/>

FYI regarding the Calculated Risk blog and Laura Richardson

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Tuesday, June 10, 2008 10:42 AM
To: Thorn, Ann <ann.thorn@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>; Cook, Don <don.cook@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>; Champney, Steven D. <steven.champney@wamu.net>; Berens, John <john.berens@wamu.net>; Elias, Alan <alan.elias@wamu.net>
Subject: Richardson / Long Beach Press-Telegram

Good morning,

Embedded below is the article we were expecting from Gene Maddaus. York claims that we've given Ms. Richardson preferential treatment and as reported in the article, plans to file a lawsuit against Richardson and WaMu by the end of the week.

Broker alleges loan favoritism – Press-Telegram (Long Beach)

By Gene Maddaus Staff Writer

June 9, 2008

The real estate broker who bought Rep. Laura Richardson's house at a foreclosure sale last month is accusing her of receiving preferential treatment because her lender has issued a notice to rescind the sale.

James York, owner of Red Rock Mortgage, said he would file a lawsuit against Richardson and her lender, Washington Mutual, by the end of the week, and has every intention of keeping the house.

"I'm just amazed they've done this," York said. "They never would have done this for anybody else."

York bought the Sacramento home at a foreclosure auction on May 7 for \$388,000.

Richardson had not been making payments on the property for nearly a year, and had also gone into default on her two other houses in Long Beach and San Pedro.

Richardson, D-Long Beach, has said that the auction should never have been held, because she had worked out a loan modification agreement with her lender beforehand and had begun making payments.

Richardson left nearly \$9,000 in unpaid property taxes on the home, which she bought in January 2007 for \$535,000, shortly after being elected to the Assembly.

Washington Mutual has declined to comment on the specifics of Richardson's case, because she has not waived her privacy rights.

In a statement, spokeswoman Sara Gaugl said the company is "committed to treating all of our customers with the same level of consideration and fairness."

Washington Mutual filed a notice of rescission of the foreclosure sale on June 2.

That puts the bank squarely at odds with York, who has already put money into cleaning up the house and preparing it for resale.

"They owe me the property," York said. "The sale was a good sale."

York said an ordinary person would be unlikely to get the kind of consideration that Richardson has received from her bank.

"They wouldn't even get a phone call back," he said. "They would laugh at somebody who would call and say, 'We had some kind of agreement.' They wouldn't give you 10 cents worth of time."

Leo Nordine, a Hermosa Beach real estate broker who specializes in foreclosed homes, agreed that the rescission was out of the ordinary.

"It's extremely unusual," he said.

"Unless (the borrower) filed bankruptcy beforehand, they'd never do it."

Richardson's staff did not return a call on Monday.

Dustin Hobbs, a spokesman for the California Mortgage Bankers Association, said that while foreclosure rescissions are rarely publicized, they are becoming more common as the rate of foreclosures increases.

"Generally it is going to result in a legal battle," he said.

"Basically you're saying, 'We're willing to fight for our borrower.'"

Hobbs said a lender would be unlikely to go to bat for a borrower who has shown no ability to make future payments.

But if the foreclosure was the result of a temporary hardship or a paperwork mix-up, the lender has every incentive to restore the loan.

"Lenders are concerned about keeping borrowers in homes no matter who they are," he said.

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WaMu
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From: Thorn, Ann <ann.thorn@wamu.net>
Sent: Monday, June 9, 2008 8:35 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>; Cook, Don <don.cook@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>
Subject: RE: Richardson / Long Beach Press-Telegram

Oh my.....how is she still in office?

From: Gaugl, Sara C.
Sent: Mon 06/09/2008 07:00 PM
To: Battaglia, Paul J.; Thorn, Ann; Cook, Don; Owen, Jan L.
Subject: Richardson / Long Beach Press-Telegram

FYI, below. The latest Richardson update.....

37th District Rep. Laura Richardson left car bills unpaid – Long Beach Press-Telegram

By Paul Eakins, Staff Writer

LONG BEACH - Car trouble takes on a new meaning when it comes to financially distressed Congresswoman Laura Richardson.

In 2005, when she was still on the Long Beach City Council, she left one mechanic in a lurch with an unpaid bill, then later had her badly damaged BMW towed to an auto body shop but didn't pay for any work and abandoned the car there, owners of the businesses said this week.

The next day, Richardson began using a city-owned vehicle - putting almost 31,000 miles on it in about a year - and continued driving the car five days after she had left the council to serve in the state Assembly, city records show.

Richardson, 46, didn't return phone calls seeking comment this week.

These are just the newest revelations of Richardson's ongoing financial problems and instances of her unpaid debts.

Last month, it was reported that Richardson's Sacramento home, where she had lived during her brief Assembly stint before moving on to Congress, had fallen into foreclosure and been sold at auction. Further investigation revealed she had defaulted on that house and two others in Long Beach and San Pedro a total of eight times since 2004.

Meanwhile, Richardson was lending money to her campaigns as she embarked on an unprecedented rise to power from council to Assembly to Congress in one year. On Tuesday, she won the Democratic nomination to serve her first full, two-year term in Congress, and she is unchallenged in the November general election.

Unpaid and abandoned

Richardson's car problems all started with a shimmy.

In October 2005, her 1999 four-door 740iL BMW had an odd vibration in the front, so she took it to Signal Hill Foreign Auto Service, according to Leo Labreche, the shop owner.

Mechanics there fixed the car and replaced some worn parts, but when Richardson picked up her vehicle, she said she didn't have the money to pay the \$735 bill, Labreche said. Because Richardson was a council member, Labreche let her take the car, assuming that she was good for the money, he said.

"She had picked the car up and was going to come back and pay the bill, and she never did," Labreche said.

Labreche said he spent months leaving messages on Richardson's cell phone voice mail, then he got a collection agency involved, but still the bill went unpaid.

"I couldn't get through to her, and then when the collection agency couldn't do anything, I thought, 'There's nothing I'm going to be able to do,'" Labreche said.

But on Tuesday, after the Press-Telegram requested an interview with Richardson to discuss the 2 1/2-year-old unpaid bill, she went to the auto shop and paid Labreche, he said.

Similarly, Richardson last week paid off a \$150 printing bill owed to a local company following published reports about the debt.

Richardson also settled a bill Tuesday with another mechanic, Alvin's Auto Body in Signal Hill, only this time she came out ahead, in a sense.

About one month after Richardson had taken her BMW to Labreche for work, she got into a car accident that tore up the front left corner of her car, leaving it undriveable.

She initially had it towed back to Labreche for repairs, even though she still owed him money. But Labreche doesn't do auto body work.

So the car was sent to Alvin's Auto Body, which received the BMW on Nov. 17, 2005, according to owner Bob Lillegard.

But Lillegard never heard from Richardson or her insurance company, he said.

"I'd call her office, and they'd say she was too busy," Lillegard said. "I couldn't get through to her."

The BMW's extensive damage would have cost about \$9,000 to repair, Lillegard said, which he suggested might have been more than the car was worth. The "Kelley Blue Book" Web site says a 1999 740iL BMW with standard options and 100,000 miles has a retail value of about \$15,000 today.

In December 2005, Lillegard filed for a mechanic's lien on Richardson's car to pay the towing, storage and administrative costs, he said. Lillegard said the lien was finalized in February 2006 and he sold the car to a junkyard, though a few days later - too late - Richardson sent him money to put toward the bill.

The junkyard bought the BMW for \$3,500, so Lillegard took the \$2,100 he said was owed him, and when Richardson went to the body shop on Tuesday, he paid her the difference, he said.

A city ride

After the accident that led to Richardson abandoning her car, she apparently was without transportation.

So, on Nov. 18, one day after her BMW was towed to Lillegard's shop, she checked out a city-owned Toyota Prius to use for her council business, according to city Fleet Services Bureau records cited by city spokeswoman Meredith Reynolds.

Reynolds said that the Prius was issued to Richardson that day, and that it was returned more than a year later, a few days after Richardson had ended her council tenure.

In a letter acquired by the Press-Telegram from then-City Manager Jerry Miller to Richardson dated Dec. 5, 2006, Miller asks Richardson to return her city vehicle, identified as a Prius.

According to the letter, Richardson's last day as a council member was Dec. 3, 2006. She was sworn into the Assembly the following day.

City Fleet Services records show that Richardson turned in the car on Dec. 8, 2006, Reynolds said.

During the one year and almost three weeks that Richardson had the Prius, she drove it 30,920 miles, Reynolds said. That amounts to an average of more than 80 miles per day, or about 2,400 miles per month, for Richardson's part-time council job in a 50-square-mile city.

By comparison, the only other two council members who used city vehicles during part or all of the same time period averaged 900 miles per month in one case and less than 400 miles per month in the other, according to figures provided by Reynolds.

Council members can either use their own vehicles for council business and receive a monthly car allowance from the city, or they may use city vehicles. However, city policy doesn't allow city vehicles to be used for personal use.

Richardson has never been shy about using city cars.

In 2001 and 2002, she had the highest vehicle expenses of any council member, in part by putting nearly 7,000 personal miles on her car in 2002. At the time, she and other council members told the Press-Telegram that they hadn't been aware of the no-personal-use rule.

In 2003, Richardson had been using a gas-guzzling Ford Expedition owned by the city, but switched to a Toyota Solara to save money. She told the Press-Telegram then that she soon would stop using a city vehicle altogether and would switch to a monthly car allowance.

She scrapped that effort in 2005 when she left her BMW at the auto body shop and again got behind the wheel of a city car.

Sara Gaugl

Home Loans Public Relations

WaMu

1301 Second Avenue | WMC40 | Seattle WA 98101

206.500.2822 direct | 206.228-- cell

sara.gaugl@wamu.net

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From: Gaugl, Sara C.
Sent: Monday, June 09, 2008 8:00:19 PM
To: Battaglia, Paul J.; Thorn, Ann; Cook, Don; Owen, Jan L.
Subject: Richardson / Long Beach Press-Telegram

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37th District Rep. Laura Richardson left car bills unpaid – Long Beach Press-Telegram

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Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228.2626 cell
sara.gaugl@wamu.net

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From: Thorn, Ann
Sent: Friday, June 06, 2008 12:27:38 PM
To: Gaugl, Sara C.; Owen, Jan L.; Battaglia, Paul J.; Cook, Don
Subject: Richardson

She was not prepared to discuss financials today. We sent her the financial package via email and she said she will have it done by Tuesday or Wednesday.

Moving onto Evander.....

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644*

For Internal Use Only

From: Gaugl, Sara C.
Sent: Thursday, June 05, 2008 7:26:18 PM
To: Thorn, Ann; Woodcock, Wendy A.; Cook, Don; Owen, Jan L.; Battaglia, Paul J.
Subject: Richardson Coverage: Wells Fargo

FYI, below re: Wells Fargo loan.

http://www.presstelegram.com/ci_9366009

Richardson, D-Long Beach, was able to bring her payments up to date on the Long Beach home relatively quickly, but the San Pedro property lingered in the foreclosure process for almost eight months, and still has a pending auction date. County records indicate that the San Pedro home went into default in September 2007, at which point Richardson was behind on her payments by \$12,410.71, and had made no payments since June.

A notice of trustee sale was issued on April 17, and an auction was scheduled for May 14 on the courthouse steps in Norwalk. The outstanding loan balance was \$367,436, on an original 2005 loan of \$359,000.

However, the auction was put on hold.

Richardson produced records from Wells Fargo Bank, which holds the note on her San Pedro home. That document, dated March 21, indicated that Richardson had qualified for a loan modification that would prevent the foreclosure from going forward.

Cal Western Reconveyance Corp., which was responsible for collecting the debt, confirmed that a hold had been placed on the auction, and the auction date had been postponed to July 14, pending a workout of the loan.

<http://thehill.com/leading-the-news/mortgage-non-disclosure-is-trouble-for-richardson-2008-06-02.html>

In September of that year, Richardson also let her San Pedro home slip into default when she fell \$12,410 behind on her payments.

In January 2008 Richardson defaulted on the San Pedro home a second time, and in April — with Richardson owing \$367,436 on an original loan of \$359,000 — Wells Fargo Bank issued a notice of trustee sale of the home. Records indicate that the home is still scheduled to be sold at a July 14 auction.

Sara Gaugl
Home Loans Public Relations

WaMu
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206.500.2822 direct | 206.228. cell
sara.gaugl@wamu.net

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Subject: Updated: Richardson Update
Location: 877-709 passcode:

Start: 6/5/2008 7:00 PM
End: 6/5/2008 8:00 PM
Show Time As: Tentative

Recurrence: (none)

Meeting Status: Not yet responded

Required Attendees: Owen, Jan L.; Gaugl, Sara C.; Cook, Don; Battaglia, Paul J.; Thorn, Ann; Woodcock, Wendy A.;

Resources: GM QSM DTE
877-709 passcode:

When: Thursday, June 05, 2008 4:00 PM-5:00 PM (GMT-08:00) Pacific Time (US & Canada); Tijuana.

Where: 877-709 passcode:

~~*~*~*~*~*~*~*~*

From: Thorn, Ann
Sent: Wednesday, June 04, 2008 5:41:39 PM
To: Owen, Jan L.; Battaglia, Paul J.; Gaugl, Sara C.
Subject: FW: [redacted]

Attachments: [redacted].xls

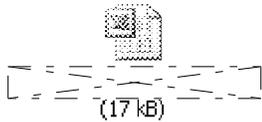
Fyi

Did we hear from 3rd party today. I have not had a chance to call Richardson, but will first thing in the morning

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644*

For Internal Use Only

From: Boulton, Elizabeth A.
Sent: Wednesday, June 04, 2008 5:31 PM
To: Thorn, Ann
Cc: Mena, Angie G.
Subject: [redacted].xls
Importance: High



Ann, here is the Richardson reinstatement which includes CRC's \$9.00 outstanding costs.

	A	B	C	D	E	F	G	H
1								
2								
3								
4								
5								
6								
7	RE:	Loan Number:						
8		Borrower:		LAURA RICHARDSON				
9		Property Address:		3632 W CURTIS DR SACRAMENTO, CA 95818				
10				Reinstatement Quote				
11		Quote Type:						
12		Good Through:		6/15/2008				
13		Loan Type:		Conventional-Uninsured				
14		Foreclosure Sale Date:		12:00:00 AM				
15		Next Due Date will be:		7/8/2008				
16		Date Prepared:		6/4/2008				
17								
18		months at \$	4,227.94					\$
19		months at \$						\$
20		months at \$						\$
21		months at \$						\$
22		months at \$						\$
23		months at \$						\$
24		months at \$						\$
25		months at \$						\$
26								
27							Subtotal of Payments Due	\$
28								
29	Inspection Fees							\$
30	Appraisal Fees							\$
31	NSF Charges							\$
32	Late Charges							\$
33	Property Preservation							\$
34	Suspense Balance							(\$
35	Restricted Escrow							(\$
36	Corporate Advance Balance							\$
37	Liens							\$
38								\$
39	Other Fees							\$
40	Outstanding Fees & Costs**							\$
41								\$
42								
43	Total for Reinstatement							\$
44								
45								
46								

	I	J
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17		
18	46,507.78	
19		
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21		
22		
23		
24		
25		
26		
27	46,507.78	
28		
29	0.00	
30	0.00	
31	0.00	
32	253.68	
33		
34	0.00)
35)
36	3,338,76	
37		
38		
39	46.46	
40	3.00	
41		
42		
43	50,166.02	
44		
45		
46		

	A	B	C	D	E	F	G	H
47								
48								

		I	J
47			
48			

From: Owen, Jan L. <jan.owen@wamu.net>
Sent: Wednesday, June 4, 2008 10:00 AM
To: Thorn, Ann <ann.thorn@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>; Gaugl, Sara C. <sara.gaugl@wamu.net>; Cook, Don <don.cook@wamu.net>; Elias, Alan <alan.elias@wamu.net>; Baptista, Geri Ann S. <geriann.baptista@wamu.net>; Woodcock, Wendy A. <wendy.woodcock@wamu.net>
Cc: MMcguinn [mailto:MMcguinn@wamu.net]
Subject: Re: Richardson Update.

Congresswoman Richardson won her re-election bid yesterday.

----- Original Message -----

From: Thorn, Ann
To: Owen, Jan L.; Battaglia, Paul J.; Gaugl, Sara C.; Cook, Don; Elias, Alan; Baptista, Geri Ann S.; Woodcock, Wendy A.
Cc: 'MMcguinn' [mailto:MMcguinn@wamu.net]
Sent: Wed Jun 04 03:39:43 2008
Subject: RE: Richardson Update.

Over the phone is how we do it a lot as well as getting it via a financial package with all the other info that is needed to close the deal. Let me get with Loss Mit today and we can get back to everyone.

From: Owen, Jan L.
Sent: Tue 06/03/2008 07:52 PM
To: Thorn, Ann; Battaglia, Paul J.; Gaugl, Sara C.; Cook, Don; Elias, Alan; Baptista, Geri Ann S.; Woodcock, Wendy A.
Cc: 'MMcguinn' [mailto:MMcguinn@wamu.net]
Subject: Re: Richardson Update.

If we get financials over the phone how does she verify the info we took over the phone as accurate? How do we do this normally?
Thanks, J

----- Original Message -----

From: Thorn, Ann
To: Battaglia, Paul J.; Gaugl, Sara C.; Cook, Don; Elias, Alan; Owen, Jan L.; Baptista, Geri Ann S.; Woodcock, Wendy A.
Cc: 'MMcguinn' [mailto:MMcguinn@wamu.net]
Sent: Tue Jun 03 17:49:25 2008
Subject: Re: Richardson Update.

REDACTED

REDACTED

Sent from my BlackBerry Wireless Handheld

----- Original Message -----

From: Battaglia, Paul J.

To: Gaugl, Sara C.; Cook, Don; Elias, Alan; Owen, Jan L.; Baptista, Geri Ann S.; Thorn, Ann; Woodcock, Wendy A.

Cc: 'Martin T. McGuinn' <[redacted]>

Sent: Tue Jun 03 16:54:18 2008

Subject: Richardson Update.

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Gaugl, Sara C.

Sent: Monday, June 02, 2008 12:37 PM

To: Cook, Don; Battaglia, Paul J.; Elias, Alan; Owen, Jan L.; Baptista, Geri Ann S.

Cc: Thorn, Ann

Subject: Final Review: Richardson Response

REDACTED

REDACTED

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228. cell
sara.gaugl@wamu.net

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From: Thorn, Ann <ann.thorn@wamu.net>
Sent: Wednesday, June 4, 2008 6:40 AM
To: Owen, Jan L. <jan.owen@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>; Gaugl, Sara C. <sara.gaugl@wamu.net>; Cook, Don <don.cook@wamu.net>; Elias, Alan <alan.elias@wamu.net>; Baptista, Geri Ann S. <geriann.baptista@wamu.net>; Woodcock, Wendy A. <wendy.woodcock@wamu.net>
Cc: MMcguinn [mailto:MMcguinn@wamu.net]
Subject: RE: Richardson Update.

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Sent: Tue 06/03/2008 07:52 PM
To: Thorn, Ann; Battaglia, Paul J.; Gaugl, Sara C.; Cook, Don; Elias, Alan; Baptista, Geri Ann S.; Woodcock, Wendy A.
Cc: 'MMcguinn' [mailto:MMcguinn@wamu.net]
Subject: Re: Richardson Update.

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Thanks, J

----- Original Message -----

From: Thorn, Ann
To: Battaglia, Paul J.; Gaugl, Sara C.; Cook, Don; Elias, Alan; Owen, Jan L.; Baptista, Geri Ann S.; Woodcock, Wendy A.
Cc: 'MMcguinn' [mailto:MMcguinn@wamu.net]; [mailto:MMcguinn@wamu.net]
Sent: Tue Jun 03 17:49:25 2008
Subject: Re: Richardson Update.

REDACTED

Sent from my BlackBerry Wireless Handheld

----- Original Message -----

From: Battaglia, Paul J.
To: Gaugl, Sara C.; Cook, Don; Elias, Alan; Owen, Jan L.; Baptista, Geri Ann S.; Thorn, Ann; Woodcock, Wendy A.
Cc: 'Martin T. McGuinn' [mailto:Martin.T.McGuinn@wamu.net]
Sent: Tue Jun 03 16:54:18 2008
Subject: Richardson Update.

REDACTED

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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From: Gaugl, Sara C.
Sent: Monday, June 02, 2008 12:37 PM
To: Cook, Don; Battaglia, Paul J.; Elias, Alan; Owen, Jan L.; Baptista, Geri Ann S.
Cc: Thorn, Ann
Subject: Final Review: Richardson Response

REDACTED

REDACTED

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue 1 WMC40 1 Seattle WA 98101
206.500.2822 direct 1 206.228.2111 cell
sara.gaugl@wamu.net

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From: Owen, Jan L. <jan.owen@wamu.net>
Sent: Tuesday, June 3, 2008 8:52 PM
To: Thorn, Ann <ann.thorn@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>; Gaugl, Sara C. <sara.gaugl@wamu.net>; Cook, Don <don.cook@wamu.net>; Elias, Alan <alan.elias@wamu.net>; Baptista, Geri Ann S. <geriann.baptista@wamu.net>; Woodcock, Wendy A. <wendy.woodcock@wamu.net>
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Subject: Re: Richardson Update.

REDACTED

Sent from my BlackBerry Wireless Handheld

----- Original Message -----

From: Battaglia, Paul J.
To: Gaugl, Sara C.; Cook, Don; Elias, Alan; Owen, Jan L.; Baptista, Geri Ann S.; Thorn, Ann; Woodcock, Wendy A.
Cc: 'Martin T. McGuinn' <MMcguinn'
Sent: Tue Jun 03 16:54:18 2008
Subject: Richardson Update.

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
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Sent: Monday, June 02, 2008 12:37 PM

To: Cook, Don; Battaglia, Paul J.; Elias, Alan; Owen, Jan L.; Baptista, Geri Ann S.

Cc: Thorn, Ann

Subject: Final Review: Richardson Response



REDACTED

Sara Gaugl
Home Loans Public Relations

WaMu

JPMC - 002543
CONFIDENTIAL
CSOC.RICH.004036

1301 Second Avenue | WMC40 | Seattle WA 98101

206.500.2822 direct | 206.228.2222 cell

sara.gaugl@wamu.net

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From: Battaglia, Paul J.
Sent: Tuesday, June 03, 2008 7:54:18 PM
To: Gaugl, Sara C.; Cook, Don; Elias, Alan; Owen, Jan L.; Baptista, Geri Ann S.; Thorn, Ann; Woodcock, Wendy A.
CC: Martin T. McGuinn
Subject: Richardson Update.

Attachments: Document.pdf

REDACTED



Document.pdf
(356 kB)

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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From: Gaugl, Sara C.
Sent: Monday, June 02, 2008 12:37 PM
To: Cook, Don; Battaglia, Paul J.; Elias, Alan; Owen, Jan L.; Baptista, Geri Ann S.
Cc: Thorn, Ann
Subject: Final Review: Richardson Response

REDACTED

REDACTED

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228. cell
sara.gaugl@wamu.net

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RECORDING REQUESTED BY
CALIFORNIA RECONVEYANCE COMPANY

AND WHEN RECORDED MAIL TO

CALIFORNIA RECONVEYANCE COMPANY
9200 Oakdale Avenue
Mail Stop N 11 06 12
Chatsworth, CA 91311

THIS IS TO CERTIFY THAT THIS IS A FULL,
TRUE AND CORRECT COPY OF THE ORIGINAL
RECORDED IN THE OFFICE OF THE COUNTY

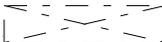
RECORDER ON: June 2, 2008

AS DOCUMENT NO: BK: 20080602 / PG: 885

BY: s/ Khundy Vy

FIDELITY NATIONAL DEFAULT SOLUTIONS

(space above this line for recorder's use only)

Trustee Sale No. 723397CA Loan No.  Title Order No. M721884

NOTICE OF RESCISSION OF TRUSTEE'S DEED UPON SALE

This Notice of Rescission is made on 05/30/2008 with respect to the following facts:

1. That CALIFORNIA RECONVEYANCE COMPANY, a California Corporation as the duly appointed trustee under that certain Deed of Trust dated 01/04/2007, and Recorded 01/10/2007, Book 20070110, Page 1818, Instrument naming LAURA RICHARDSON, AN UNMARRIED WOMAN as trustor and WASHINGTON MUTUAL BANK as beneficiary, securing a Promissory Note in the amount of \$635,001.00.

2. The Deed of Trust encumbers the real property situated in the County of SACRAMENTO, State of CALIFORNIA, described as follows:

LOT 259 AS SHOWN ON THE OFFICIAL "PLAT OF SOUTH CURTIS OAKS SUBDIVISION NOV. 6", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY, FEBRUARY 10, 1927 IN BOOK 19 OF MAPS, MAP NO. 18

A.P.N. 

Site: 3622 WEST CURTIS DRIVE, SACRAMENTO, CA 95818

3. That by virtue of a Default under the terms of the Deed of Trust the Beneficiary did declare a default, as set forth in a Notice of Default and Election to Sell, which Notice was recorded in the Office of the County Recorder of SACRAMENTO, California

4. On 05/07/2008, at 01:30 PM the property was purportedly sold to RED ROCK MORTGAGE, INC., being the highest bidder at such sale who bid the amount of \$388,000.01.

5. The Trustee's Sale on 05/07/2008 is being rescinded at the request of the Beneficiary, as the Beneficiary had previously agreed to postpone the foreclosure sale to June 4, 2008. The Trustee's sale of 05/07/2008 is therefore null and void, and of no force and effect.

6. The express purpose for this Notice of Rescission is to return the priority and existence of all lien holders to the status quo ante that existed prior to the Trustee's Sale.

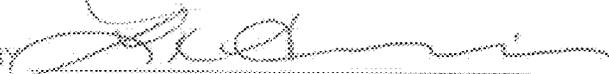
NOW, THEREFORE, THE UNDERSIGNED HEREBY RESCINDS THE TRUSTEE'S SALE AND PURPORTED TRUSTEE'S DEED UPON SALE AND HEREBY ADVISES ALL PERSONS, WHOMEVER AND WHATSOEVER LOCATED, THAT THE TRUSTEE'S DEED UPON SALE DATED 05/09/2008, FROM CALIFORNIA RECONVEYANCE COMPANY TO RED ROCK MORTGAGE, INC. AND RECORDED 05/19/2008 IN BOOK 20080519, PAGE 0487, OF OFFICIAL RECORDS OF SACRAMENTO COUNTY IS HEREBY RESCINDED AND SHALL HAVE NO FURTHER FORCE OR EFFECT WHATSOEVER.

IN WITNESS WHEREOF, CALIFORNIA RECONVEYANCE COMPANY, has caused its corporate name and seal to be hereto affixed by its authorized signature.

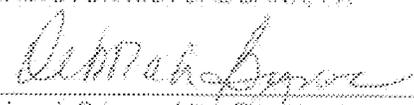
DATE: 05/29/2008

CALIFORNIA RECONVEYANCE COMPANY, as Trustee

BY 
Colleen Irby, Assistant Secretary

BY 
Karime Arias, Assistant Secretary

WASHINGTON MUTUAL BANK, FA

BY 
Deborah Brignac, Vice President

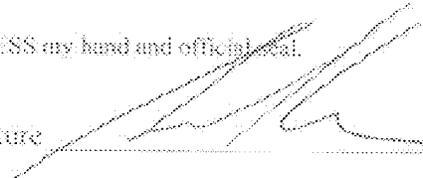
BY 
Huey-Jen Chiu, Vice President

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

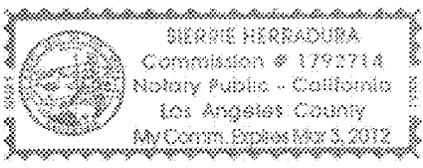
On 5/29/08 before me, SIERRIE HERRADURA, "Notary Public" personally appeared DEBORAH BRIGNAC, HUEY-JEN CHIU, COLLEEN IRBY AND KARIME ARIAS, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity (ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature  (Seal)

This document filed for recording
by Fidelity National Title Insurance and Trust
is an accommodation only. It has not been
examined as to its execution or as its effect
upon the title.



From: Owen, Jan L. <jan.owen@wamu.net>
Sent: Tuesday, June 3, 2008 4:59 PM
To: Thorn, Ann <ann.thorn@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>;
Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: RE: Richardson Rescission Notice

Thanks, Ann. I realize you are gone but appreciate the forwarded email. J

Jan Lynn Owen
First Vice President
State and Local Government and Industry Relations Manager
801 K Street Suite 110
Sacramento, CA 95814
916-553-4961
916-325-4717 fax
jan.owen@wamu.net

From: Thorn, Ann
Sent: Tuesday, June 03, 2008 1:28 PM
To: Battaglia, Paul J.; Owen, Jan L.; Gaugl, Sara C.
Subject: FW: Richardson Rescission Notice

fyi

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644*

For Internal Use Only

From: Laura Richardson
Sent: Tuesday, June 03, 2008 3:23 PM
To: Thorn, Ann
Subject: Re: Richardson Rescission Notice

Thank you for the email...today is election day and I will follow up with you tomorrow.

----- Original Message -----

From: "Thorn, Ann" <ann.thorn@wamu.net>

To: Laura Richardson

Sent: Tuesday, June 3, 2008 8:06:10 AM

Subject: FW: Richardson Rescission Notice

Congresswoman Richardson, as requested attached is the copy of the rescission notice that should be filed today or tomorrow.

Thank you

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644*

For Internal Use Only

<<Document.pdf>>

From: Thorn, Ann <ann.thorn@wamu.net>
Sent: Tuesday, June 3, 2008 4:29 PM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>;
Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: FW: Richardson Rescission Notice

fyi

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644*

For Internal Use Only

From: Laura Richardson [redacted]
Sent: Tuesday, June 03, 2008 3:23 PM
To: Thorn, Ann
Subject: Re: Richardson Rescission Notice

Thank you for the email...today is election day and I will follow up with you tomorrow.

----- Original Message -----

From: "Thorn, Ann" <ann.thorn@wamu.net>
To: Laura Richardson [redacted]
Sent: Tuesday, June 3, 2008 8:06:10 AM
Subject: FW: Richardson Rescission Notice

Congresswoman Richardson, as requested attached is the copy of the rescission notice that should be filed today or tomorrow.

Thank you

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644*

For Internal Use Only

<<Document.pdf>>

From: Thorn, Ann
Sent: Tuesday, June 03, 2008 11:08:09 AM
To: Cook, Don; Gaugl, Sara C.; Owen, Jan L.; Battaglia, Paul J.; Cook, Don
Subject: Richardson

I just wanted to let you know that I have sent a copy of the rescission to Congresswoman this morning. Once it is recorded, we will get the Loss Mit package out.

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644*

For Internal Use Only

From: Elias, Alan
Sent: Monday, June 02, 2008 3:47:30 PM
To: Gaugl, Sara C.; Cook, Don; Battaglia, Paul J.; Owen, Jan L.; Baptista, Geri Ann S.
CC: Thorn, Ann
Subject: RE: Final Review: Richardson Response

Looks fine to me, Sara.

AE

From: Gaugl, Sara C.
Sent: Monday, June 02, 2008 12:37 PM
To: Cook, Don; Battaglia, Paul J.; Elias, Alan; Owen, Jan L.; Baptista, Geri Ann S.
Cc: Thorn, Ann
Subject: Final Review: Richardson Response

All:

REDACTED

Questions:

- Has Ms. Richardson allowed WaMu to discuss her case publicly? Without violating Congresswoman Laura Richardson's privacy rights, can WaMu state unequivocally that Ms. Richardson has received no preferential treatment in the handling of her loan, and will not receive any preferential treatment in the future?
- Is WaMu aware of situations in which WaMu loans have been foreclosed improperly, either because a loan modification was signed prior to the auction or for some other reason, and if so, what steps is WaMu taking to correct that problem? Would a borrower in that situation be entitled to a refund of any payments made on the loan modification?
- If WaMu determines that a WaMu loan was foreclosed improperly, will WaMu, as a general practice, sue to overturn the foreclosure? Has that ever happened and if so what was the outcome?

- Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228.2626 toll

JPMC - 002553
CONFIDENTIAL
CSOC.RICH.004046

sara.gaugl@wamu.net

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From: Battaglia, Paul J.
Sent: Monday, June 02, 2008 3:44:32 PM
To: Gaugl, Sara C.; Cook, Don; Elias, Alan; Owen, Jan L.; Baptista, Geri Ann S.
CC: Thorn, Ann
Subject: RE: Final Review: Richardson Response

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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From: Gaugl, Sara C.
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To: Cook, Don; Battaglia, Paul J.; Elias, Alan; Owen, Jan L.; Baptista, Geri Ann S.
Cc: Thorn, Ann
Subject: Final Review: Richardson Response

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- Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228. cell
sara.gaugl@wamu.net

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From: Gaugl, Sara C.
Sent: Monday, June 02, 2008 3:36:38 PM
To: Cook, Don; Battaglia, Paul J.; Elias, Alan; Owen, Jan L.; Baptista, Geri Ann S.
CC: Thorn, Ann
Subject: Final Review: Richardson Response

All:

REDACTED

Questions:

- Has Ms. Richardson allowed WaMu to discuss her case publicly? Without violating Congresswoman Laura Richardson's privacy rights, can WaMu state unequivocally that Ms. Richardson has received no preferential treatment in the handling of her loan, and will not receive any preferential treatment in the future?
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- Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228. cell
sara.gaugl@wamu.net

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From: Gaugl, Sara C.
Sent: Monday, June 02, 2008 1:56:05 PM
To: Owen, Jan L.
CC: Elias, Alan; Battaglia, Paul J.; Cook, Don
Subject: Additional Richardson Coverage

Jan -

As discussed on this morning's call, embedded below are links to articles that include comments made by both Mathews and Davis.

<http://latimesblogs.latimes.com/laland/2008/06/richardsons-oth.html>

<http://latimesblogs.latimes.com/laland/2008/05/richardson-oppo.html>

http://www.presstelegram.com/news/ci_9442767

<http://www.sfgate.com/cgi-bin/article.cgi?f=/n/a/2008/05/31/politics/p105208D12.DTL&type=politics>

Additionally, here are a few statements Congresswoman Richardson issued on Saturday rather than interviewing for the LA Times article:

- "As I noted in my statements earlier this week, due to multiple job changes, divorce, illness/death, and nine campaigns over the last ten years, these major life-changing moments have come at great personal expense and at challenging financial strain," Richardson said in a statement Saturday.
- "Instead of politicizing a personal housing crisis (two personal properties that are current and the third that is being challenged by my lender questioning the validity of its sale), I have been transparent with this matter and share with my constituents the anguish that the housing industry is in a severe crisis," Richardson said.
- (Other commentary) Richardson has acknowledged using her money to finance her campaigns and falling behind in mortgage payments. She claimed her Sacramento house was sold into foreclosure without her knowledge, contending she had renegotiated her loan to pay it off.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228. cell
sara.gaugl@wamu.net

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From: Battaglia, Paul J.
Sent: Monday, June 02, 2008 1:28:33 PM
To: Thorn, Ann; Gaugl, Sara C.; Owen, Jan L.
Subject: FW: Richardson Rescission Notice

Attachments: Document.pdf

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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From: Chiu, Huey-Jen
Sent: Monday, June 02, 2008 10:20 AM
To: Battaglia, Paul J.
Subject: RE: Richardson Rescission Notice

Good morning,

Per your request.



Document.pdf
(1 MB)

Huey-Jen Chiu, Vice President
Department Manager
California Reconveyance Company
Home Loans

California Reconveyance Company
9200 Oakdale Avenue, N110612
Chatsworth, CA 91311

818-775-2340 direct
huey-jen.chiu@wamu.net

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From: Battaglia, Paul J.
Sent: Monday, June 02, 2008 9:37 AM
To: Chiu, Huey-Jen
Subject: FW: Richardson Rescission Notice

Huey, can you send me a copy of the signed rescission notice that was sent to the title company for recording? Thanks.

Paul J. Battaglia

JPMC - 002559
CONFIDENTIAL
CSOC.RICH.004052

First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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From: Chiu, Huey-Jen
Sent: Friday, May 30, 2008 7:46 AM
To: Battaglia, Paul J.; Brignac, Deborah P.
Cc: Martin T. McGuinn; Cook, Don
Subject: RE: Richardson Rescission Notice

REDACTED

Huey-Jen Chiu, Vice President
Department Manager
California Reconveyance Company
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From: Battaglia, Paul J.
Sent: Thursday, May 29, 2008 5:24 PM
To: Chiu, Huey-Jen; Brignac, Deborah P.
Cc: 'Martin T. McGuinn'; Cook, Don
Subject: Richardson Rescission Notice

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261

JPMC - 002560
CONFIDENTIAL
CSOC.RICH.004053

Fax: 206-377-2784

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RECORDING REQUESTED BY
CALIFORNIA RECONVEYANCE COMPANY
AND WHEN RECORDED MAIL TO
CALIFORNIA RECONVEYANCE COMPANY
9200 Oakdale Avenue
Mail Stop: N 11 06 12
Chatsworth, CA 91311

Space above this line for recorder's use only

Trustee Sale No. 723397CA Loan No. [REDACTED] Title Order No. M721884

NOTICE OF RESCISSION OF TRUSTEE'S DEED UPON SALE

This Notice of Rescission is made on 05/30/2008 with respect to the following facts:

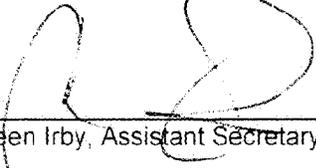
1. That CALIFORNIA RECONVEYANCE COMPANY, a California Corporation as the duly appointed trustee under that certain Deed of Trust dated 01/04/2007, and Recorded 01/10/2007, Book 20070110, Page 1818, Instrument naming LAURA RICHARDSON, AN UNMARRIED WOMAN as trustor and WASHINGTON MUTUAL BANK as beneficiary, securing a Promissory Note in the amount of \$535,001.00.
2. The Deed of Trust encumbers the real property situated in the County of SACRAMENTO, State of CALIFORNIA, described as follows:
LOT 259 AS SHOWN ON THE OFFICIAL "PLAT OF SOUTH CURTIS OAKS SUBDIVISION NOV. 6", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY, FEBRUARY 10, 1927 IN BOOK 19 OF MAPS, MAP NO. 18
A.P.N.: [REDACTED]
Situs: 3622 WEST CURTIS DRIVE, SACRAMENTO, CA 95818
3. That by virtue of a Default under the terms of the Deed of Trust the Beneficiary did declare a default, as set forth in a Notice of Default and Election to Sell, which Notice was recorded in the Office of the County Recorder of SACRAMENTO, California.
4. On 05/07/2008, at 01:30 PM the property was purportedly sold to RED ROCK MORTGAGE, INC., being the highest bidder at such sale who bid the amount of \$388,000.01.
5. The Trustee's Sale on 05/07/2008 is being rescinded at the request of the Beneficiary, as the Beneficiary had previously agreed to postpone the foreclosure sale to June 4, 2008. The Trustee's sale of 05/07/2008 is therefore null and void, and of no force and effect.
6. The express purpose for this Notice of Rescission is to return the priority and existence of all lien holders to the status quo ante that existed prior to the Trustee's Sale.

NOW, THEREFORE, THE UNDERSIGNED HEREBY RESCINDS THE TRUSTEE'S SALE AND PURPORTED TRUSTEE'S DEED UPON SALE AND HEREBY ADVISES ALL PERSONS, WHOMEVER AND WHATSOEVER LOCATED, THAT THE TRUSTEE'S DEED UPON SALE DATED 05/09/2008, FROM CALIFORNIA RECONVEYANCE COMPANY TO RED ROCK MORTGAGE, INC AND RECORDED 05/19/2008 IN BOOK 20080519, PAGE 0487, OF OFFICIAL RECORDS OF SACRAMENTO COUNTY IS HEREBY RESCINDED AND SHALL HAVE NO FURTHER FORCE OR EFFECT WHATSOEVER.

IN WITNESS WHEREOF, CALIFORNIA RECONVEYANCE COMPANY, has caused its corporate name and seal to be hereto affixed by its authorized signature.

DATE: 05/29/2008

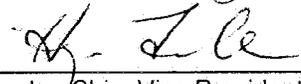
CALIFORNIA RECONVEYANCE COMPANY, as Trustee

BY 
Colleen Irby, Assistant Secretary

BY 
Karime Arias, Assistant Secretary

WASHINGTON MUTUAL BANK, FA

BY 
Deborah Brignac, Vice President

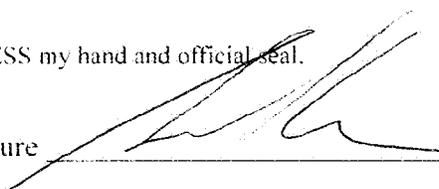
BY 
Huey-Jen Chiu, Vice President

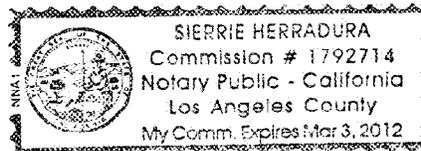
STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

On 5/29/08 before me, SIERRIE HERRADURA, "Notary Public" personally appeared DEBORAH BRIGNAC, HUEY-JEN CHIU, COLLEEN IRBY AND KARIME ARIAS, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity (ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature  (Seal)



From: Elias, Alan <alan.elias@wamu.net>
Sent: Sunday, June 1, 2008 3:35 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>; Elias, Alan <alan.elias@wamu.net>; Cook, Don <don.cook@wamu.net>
Subject: Re: Richardson Statement (Draft)

Perfect! And not a single mention of WaMu -- just the way this should be reported instead of taking the bait to try and blame us for her irresponsible behavior!

----- Original Message -----

From: Gaugl, Sara C.
To: Owen, Jan L.; Battaglia, Paul J.; Elias, Alan; Cook, Don
Sent: Sun Jun 01 11:27:31 2008
Subject: RE: Richardson Statement (Draft)

Hi, Jan.

The Los Angeles Times published the article embedded below, which includes more comments made by York. It appears that Richardson initially agreed to be interviewed for the story, but then backed out.

I will forward additional coverage to you, which mostly focuses on commentary from her opponents (mainly Mathews).

Rep. Laura Richardson's foreclosure continues a pattern of financial straits

UPS, DOWNS: Rep. Laura Richardson moved from city council to Congress in a year but also lost a home to foreclosure.

By Jeff Gottlieb, Los Angeles Times Staff Writer
May 31, 2008

When news surfaced that Rep. Laura Richardson had lost her home through foreclosure, the Long Beach Democrat blamed the problem on her year-long rocket-ship rise from city councilwoman to Assembly member to congresswoman and the crumbling real estate market.

"I understand that these homeownership issues are a reflection of what many Americans are going through as they fight to keep their homes and to remain financially stable," she said in a news release.

But while the foreclosure of the two-story Sacramento home she bought shortly after being elected to the Assembly in 2006 may have been the first time she lost a house, it was not the first time Richardson had fallen behind on her payments. It continued a pattern started eight years ago.

Since then, the homes she still owns in San Pedro, where her mother lives, and Long Beach have fallen into default six times. The amount she owed ranged from \$5,742 to almost \$20,000, according to documents on file with Los Angeles County.

"She has this habit of missing payments and then trying to catch up instead of doing it monthly," said Verla Saylor, who sold Richardson the Long Beach house and carried a second mortgage.

The defaults have come at a quick pace lately, five in the last 13 months and the most recent March 28. The five defaults totaled nearly \$71,000. During much of that time, Richardson was bankrolling her political career, lending her campaigns for Congress and

Assembly a total of \$177,500.

Although candidates sometimes use their home equity to help finance campaigns, experts couldn't remember anyone losing a house over it. "It's very surprising a member of Congress would allow it to happen," said Bob Stern, president of the nonpartisan Center for Governmental Studies in Los Angeles. "It's also very embarrassing. That's an understatement."

News of Richardson's troubles with the Sacramento house was first reported this month by Capitol Weekly.

Not only has Richardson missed house payments, but she is behind on her property taxes, a lien was placed on her Sacramento house because of an unpaid utility bill, and she angered her neighbors by not keeping up her home.

Many state legislators and members of Congress have the added expense of needing two places to live, one in their district and one in Sacramento or Washington, D.C. California lawmakers receive a per diem of \$170 to defray the costs, in addition to their salary. Legislators in both capitals often will share a house or apartment in order to keep the costs down.

Despite her payment problems, a subject that has become a favorite in the political blogosphere, Richardson has few worries about Tuesday's Democratic primary, where she faces two relative unknowns. The 37th District is so solidly Democratic -- it went 74% for John Kerry in the last presidential election -- that no Republicans are running for the seat.

"She has a couple years to let it be forgotten and settle whatever problems are still alive," said Gary Jacobson, a UC San Diego political science professor and expert on congressional elections. "And assuming she does so, she'll probably be all right."

After telling a Times reporter she would be interviewed, Richardson declined the next day and instead offered two prepared statements.

"Earlier this year, I was notified that the mortgages on properties that I own were in default," she said. "At that time, I began continuous and ongoing discussions with the lenders to reinstate and modify these loans and to reinstate my ownership of the properties. Since those discussions were initiated, I was not notified of any preemptive sales of any of the properties."

She might want to tell that to James York, owner of Red Rock Mortgage, who bought the three-bedroom, 1 1/2 -bath Sacramento house at a public auction for \$388,000 on May 7. He recorded the deed May 19 and has had a crew at the house fixing it up.

Richardson, who bought the house in early 2007 for \$535,000, owed about \$9,000 in property taxes. She owes Sacramento \$154.03 after the city utilities department put a lien on the house for an unpaid bill.

Asked about the congresswoman's statement that she knew nothing about the sale, York said that's an excuse he hears all the time: "She doesn't know what happened, but she's an educated woman who hasn't made her payments for 12 months and she doesn't know why she lost her house? That's the joke."

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"I don't care who it is, that's irresponsible to let it go like that," said Sean Padovan, a retired Sacramento police sergeant who lives three doors away. "This is our neighborhood. It becomes personal when it's a few houses down and you're junking up the neighborhood."

Padovan, 61, said that when the grass grew nearly a foot high, he knocked on her door. "I finally went down there and said, 'Would you mind if I mowed your lawn for you?' She said, 'I've been awful busy. Sure.' "

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Many blogs have pounced on the Richardson controversy. LA.cityzinc.com called it "One of the more bizarre political scandals in recent years."

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Since she has moved on to Congress, Richardson doesn't have a mortgage to worry about there. She's renting.

From: Owen, Jan L.
Sent: Sat 05/31/2008 8:14 AM
To: Gaugl, Sara C.; Battaglia, Paul J.; Elias, Alan; Cook, Don
Subject: Re: Richardson Statement (Draft)

I like it! Short and to the point! I have not seen any print media today, have any of you? Oh by the way- hi Paul! Thanks, J

----- Original Message -----
From: Gaugl, Sara C.
To: Battaglia, Paul J.; Owen, Jan L.; Elias, Alan; Cook, Don
Sent: Fri May 30 18:18:18 2008
Subject: Richardson Statement (Draft)

Good evening.

As an update to my note from earlier this morning, Gene Maddaus is in the process of writing yet another story on Ms. Richardson's financial situation. His questions are outlined below and his deadline is 5 p.m. on Monday.

Here is a first cut at a draft (and brief) response to Gene's questions. Looking forward to your thoughts/edits/revisions.

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Response:

We aren't in a position to discuss the specifics of Ms. Richardson's loan situation as we have not received any authorization from her to do so.

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As a matter of policy, we don't comment on litigation. However, as you would expect, the conditions in which a lender would seek to rescind a foreclosure sale are driven by the specific facts of each case.

Best,

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC401 Seattle WA 98101
206.500.2822 direct | 206.228.1211 cell
sara.gaugl@wamu.net

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-----Original Message-----

From: Gene Maddaus [mailto:gene.maddaus@wamu.net]
Sent: Friday, May 30, 2008 10:28 AM
To: Gaugl, Sara C.
Subject: RE: follow-up

1. Is WaMu aware of situations in which WaMu loans have been foreclosed improperly, either because a loan modification was signed prior to the auction or for some other reason, and if so, what steps is WaMu taking to correct that problem? Would a borrower in that situation be entitled to a refund of any payments made on the loan modification?
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Gene

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Sent: Sunday, June 1, 2008 2:28 PM
To: Owen, Jan L. <jan.owen@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>; Elias, Alan <alan.elias@wamu.net>; Cook, Don <don.cook@wamu.net>
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Subject: Re: Richardson Statement (Draft)

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From: Gaugl, Sara C.
To: Battaglia, Paul J.; Owen, Jan L.; Elias, Alan; Cook, Don
Sent: Fri May 30 18:18:18 2008
Subject: Richardson Statement (Draft)

Good evening.

As an update to my note from earlier this morning, Gene Maddaus is in the process of writing yet another story on Ms. Richardson's financial situation. His questions are outlined below and his deadline is 5 p.m. on Monday.

Here is a first cut at a draft (and brief) response to Gene's questions. Looking forward to your thoughts/edits/revisions.

My preference continues to be that we attempt to limit WaMu's inclusion in the coverage to the extent possible. However, given that the Notice of Rescission has been sent for recording, it is likely that we'll receive additional media inquiries related to that action on Monday or Tuesday. And at that point, I think we should be prepared to expand our current statement (as appropriate).

Response:

We aren't in a position to discuss the specifics of Ms. Richardson's loan situation as we have not received any authorization from her to do so.

More broadly, if a loan has gone to foreclosure sale in error, we will honor commitments made to the customer and take appropriate measures to rectify the situation.

As a matter of policy, we don't comment on litigation. However, as you would expect, the conditions in which a lender would seek to rescind a foreclosure sale are driven by the specific facts of each case.

Best,

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC401 Seattle WA 98101
206.500.2822 direct | 206.228.2222 cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----

From: Gene Maddaus [mailto:gmaddaus@wamu.com]
Sent: Friday, May 30, 2008 10:28 AM
To: Gaugl, Sara C.
Subject: RE: follow-up

1. Is WaMu aware of situations in which WaMu loans have been foreclosed improperly, either because a loan modification was signed prior to the auction or for some other reason, and if so, what steps is WaMu taking to correct that problem? Would a borrower in that situation be entitled to a refund of any payments made on the loan modification?
2. If WaMu determines that a WaMu loan was foreclosed improperly, will WaMu, as a general practice, sue to overturn the foreclosure? Has that ever happened and if so what was the outcome?
3. Without violating Congresswoman Laura Richardson's privacy rights, can WaMu state unequivocally that Ms. Richardson has received no preferential treatment in the handling of her loan, and will not receive any preferential treatment in the future?
4. Has Ms. Richardson allowed WaMu to discuss her case publicly? (If yes, there will be some other questions.)

Gene

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Friday, May 30, 2008 9:18 PM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>; Elias, Alan <alan.elias@wamu.net>; Cook, Don <don.cook@wamu.net>
Subject: Richardson Statement (Draft)

Good evening.

As an update to my note from earlier this morning, Gene Maddaus is in the process of writing yet another story on Ms. Richardson's financial situation. His questions are outlined below and his deadline is 5 p.m. on Monday.

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Sara

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Home Loans Public Relations

WaMu
1301 Second Avenue | WMC401 Seattle WA 98101
206.500.2822 direct | 206.228.2111 cell
sara.gaugl@wamu.net

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Sent: Friday, May 30, 2008 10:28 AM
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Gene

Subject: Accepted: Richardson Update
Location: 877-709[] passcode: []

Start: 6/2/2008 12:30 PM
End: 6/2/2008 1:00 PM
Show Time As: Busy

Recurrence: (none)

Required Attendees: Owen, Jan L.

Resources: 877-709[] passcode: []

Subject: Richardson Update
Location: 877-709-8888 passcode: 888888

Start: 6/2/2008 12:30 PM
End: 6/2/2008 1:00 PM
Show Time As: Tentative

Recurrence: (none)

Meeting Status: Not yet responded

Required Attendees: Owen, Jan L.; Gaugl, Sara C.; Cook, Don; Battaglia, Paul J.; Thorn, Ann; Woodcock, Wendy A.;

Resources: GM QSM DTE
877-709-8888 passcode: 888888

When: Monday, June 02, 2008 9:30 AM-10:00 AM (GMT-08:00) Pacific Time (US & Canada); Tijuana.

Where: 877-709-8888 passcode: 888888

~~*~*~*~*~*~*~*~*

Subject: Accepted: Updated: Richardson update

Location: 877-709- passcode

Start: 5/30/2008 3:30 PM

End: 5/30/2008 4:30 PM

Show Time As: Busy

Recurrence: (none)

Required Attendees: Owen, Jan L.

Resources: 877-709- passcode

Legal can join from 12:30 - 1:00.

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Friday, May 30, 2008 2:27 PM
To: Cook, Don <don.cook@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>; Elias, Alan <alan.elias@wamu.net>
Subject: Questions from the Daily Breeze

All:
FYI, below.

REDACTED

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue 1 WMC401 Seattle WA 98101
206.500.2822 direct 206.228. cell
sara.gaugl@wamu.net

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Gene

----- Original Message -----

From: Gene Maddaus [mailto:]
To: Gaugl, Sara C.
Sent: Thu May 29 16:47:09 2008
Subject: follow-up

Please call for some follow-up questions on general policies that may relate to the Laura Richardson situation, but do not require you to divulge her personal information.

Gene Maddaus

Daily Breeze

310 543 

Subject: Updated: Richardson update
Location: 877-709- passcode

Start: 5/30/2008 3:30 PM
End: 5/30/2008 4:30 PM
Show Time As: Tentative

Recurrence: (none)

Meeting Status: Not yet responded

Required Attendees: Owen, Jan L.; Battaglia, Paul J.; Woodcock, Wendy A.; GM QSM DTE; Baptista, Geri Ann S.;
Oakley, Susan B.; Gaugl, Sara C.; Cook, Don; Thorn, Ann; Thorn, Ann

Resources: 877-709- passcode

When: Friday, May 30, 2008 12:30 PM-1:30 PM (GMT-08:00) Pacific Time (US & Canada); Tijuana.

Where: 877-709- passcode

~~*~*~*~*~*~*~*~*

From: Gaugl, Sara C.
Sent: Thursday, May 29, 2008 8:50:16 PM
To: Owen, Jan L.; Battaglia, Paul J.; Cook, Don; Thorn, Ann
Subject: Richardson Update: Daily Breeze

All:

As an update, here's another article written by Gene Maddaus, which posted earlier today.

Gene contacted me a moment ago with follow-up questions - I'll update you after I am able to connect with him.

Best,

Sara

Representative had history of missed loan payments

By Gene Maddaus Staff Writer

Article Launched: 05/29/2008

Rep. Laura Richardson, whose housing woes have been national news for the past week, defaulted a total of eight times on three properties since 2004, a thorough review of county records indicates.

Records show she has defaulted five times on her primary residence in Long Beach - including three in the last year, as she diverted her private resources into her campaign for Congress.

Richardson's housing troubles are more extensive than previously reported, and include two defaults from 2004, when she was a Long Beach city councilwoman.

Her habit of missing payments caught up with her earlier this month, when her Sacramento home was sold at a foreclosure auction. Richardson has said she will try to reacquire that property, but the real estate broker who bought it is refusing to give it back, and the law appears to favor his position.

The newly discovered property records indicate that Richardson was already behind on her payments on her Long Beach house before Rep. Juanita Millender-McDonald died in April 2007. The veteran congresswoman's death opened up the seat for Richardson.

Richardson received a default notice on May 10, 2007, indicating she was \$12,326.78 behind on her Long Beach home. She had not made a payment since January, when she bought her Sacramento home with no money down for \$535,000.

The loan against the Long Beach property was issued the previous summer, when Richardson refinanced for a sum of \$446,250.

The original loan, issued in 1999, was for \$108,000.

Richardson took \$100,000 of the proceeds from the refinancing, and lent it to her 2006 Assembly campaign. After winning the election, she raised some money to pay back the loan, but then turned around and put \$77,500 into her congressional campaign.

Richardson made a payment on the Long Beach property in May, and the default was rescinded. But she immediately stopped making payments again and a second default notice, for \$15,101, was issued in October.

Once again, Richardson made a payment on the arrearage but stopped making further payments. The loan defaulted again in March, at which point she owed \$19,921.74.

The default notice was withdrawn again a few days later, and Richardson says she is now current on the Long Beach loan.

Richardson also defaulted twice on the original loan on the Long Beach property in 2004, in the wake of her divorce. She was \$8,376.49 behind on her payments in March 2004. She caught up, but quickly fell behind again and by September owed \$5,815.73. That arrearage was later repaid, and Richardson was able to stay current on the house until 2007.

Last summer and fall, Richardson defaulted twice on her San Pedro property. The first time, in September 2007, she owed \$12,410.71. She made a payment and was able to get that notice rescinded, but stopped making payments again, and a new default notice was issued in January.

That default led to a notice that an auction would be held on May 14. Before it got to that point, Richardson said she was able to negotiate a loan modification, and that auction has been put on hold until July.

Richardson has also stiff-armed smaller creditors.

In August 2007, she walked into Sir Speedy Printing in Signal Hill, and made a rush order for 380 invitations announcing her election to Congress.

The print shop dropped other orders and staffers put in overtime to meet the request. The order was filled on time the next day, but Richardson never paid the \$150 invoice, said the print shop's owner, Allen McLean.

McLean said he and his wife call about once a month to try to collect the debt, but are always told by staffers that Richardson doesn't have the money.

"It's just irritating," he said. "She's not just doing this to the big guys. She's doing it to the small guys, too."

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228. cell
sara.gaugl@wamu.net

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Subject: Accepted: Updated: Richardson update

Location: 877-709[] passcode[]

Start: 5/29/2008 2:00 PM

End: 5/29/2008 3:00 PM

Show Time As: Busy

Recurrence: (none)

Required Attendees: Owen, Jan L.

Resources: 877-709[] passcode[]

Subject: Updated: Richardson update
Location: 877-709- passcode

Start: 5/29/2008 2:00 PM
End: 5/29/2008 3:00 PM
Show Time As: Tentative

Recurrence: (none)

Meeting Status: Not yet responded

Required Attendees: Battaglia, Paul J.; Woodcock, Wendy A.; GM QSM DTE; Baptista, Geri Ann S.; Oakley, Susan B.; Gaugl, Sara C.; Cook, Don; Thorn, Ann; Thorn, Ann

Resources: 877-709- passcode

Subject: Accepted: Updated: Richardson update

Location: 877-709 passcode

Start: 5/29/2008 1:00 PM

End: 5/29/2008 2:00 PM

Show Time As: Busy

Recurrence: (none)

Required Attendees: Owen, Jan L.

Resources: 877-709 passcode

Subject: Updated: Richardson update
Location: 877-709 passcode

Start: 5/29/2008 1:00 PM
End: 5/29/2008 2:00 PM
Show Time As: Tentative

Recurrence: (none)

Meeting Status: Not yet responded

Required Attendees: Gaugl, Sara C.; Battaglia, Paul J.; Woodcock, Wendy A.; Cook, Don; GM QSM DTE; Baptista, Geri Ann S.; Thorn, Ann; Thorn, Ann; Oakley, Susan B.

Resources: 877-709 passcode

From: Thorn, Ann
Sent: Wednesday, May 28, 2008 1:38:15 PM
To: Owen, Jan L.; Gaugl, Sara C.; Battaglia, Paul J.
Subject: RE: Richardson

I am booked right now until 5 EST so anytime after that is fine with me.

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644*

For Internal Use Only

From: Owen, Jan L.
Sent: Wednesday, May 28, 2008 1:19 PM
To: Thorn, Ann; Gaugl, Sara C.; Battaglia, Paul J.
Subject: RE: Richardson

REDACTED

Jan Lynn Owen
First Vice President
State and Local Government and Industry Relations Manager
801 K Street Suite 110
Sacramento, CA 95814
916-553-4961
916-325-4717 fax
jan.owen@wamu.net

From: Thorn, Ann
Sent: Wednesday, May 28, 2008 10:08 AM
To: Gaugl, Sara C.; Owen, Jan L.; Battaglia, Paul J.
Subject: Richardson

REDACTED

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644*

For Internal Use Only

Subject: Accepted: Richardson Update
Location: 877-709 passcode:

Start: 5/28/2008 6:00 PM
End: 5/28/2008 7:00 PM
Show Time As: Busy

Recurrence: (none)

Required Attendees: Owen, Jan L.

Resources: 877-709 passcode:

From: Martin T. McGuinn
Sent: Wednesday, May 28, 2008 1:18 PM
To: Owen, Jan L. <jan.owen@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>
Cc: Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: FW: Washington Mutual/Laura Richardson
Attach: Donna Parkinson (.vcf)

Martin T. McGuinn
Kirby & McGuinn, A P.C.
600 B Street, Ste. 1950
San Diego, CA 92101
mmcguinn
Direct Dial: (619) 525
Direct Fax: (619) 525

In Compliance with the Fair Debt Collection Practices Act, 15 U.S.C. § 1692e(11):
THIS MESSAGE IS FROM A DEBT COLLECTOR.
ANY INFORMATION OBTAINED MAY BE USED FOR THAT PURPOSE.

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From: Donna Parkinson
Sent: Wednesday, May 28, 2008 9:58 AM
To: Beth Ward; Martin T. McGuinn
Subject: RE: Washington Mutual/Laura Richardson

Mr. York respectfully declines the offer of \$25,000 over his costs. He will accept \$80,000 over his costs at this time. This counter offer will remain open until the close of business on Friday, April 30.



Donna Parkinson
Parkinson Phinney
400 Capitol Mall, 11th Floor Sacramento, CA 95814
T 916.449.1441 F 916.449.1440 C 916.712
donna@www.parkinsonphinney.com

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=====
IF THE ABOVE RELATES TO A TAX MATTER THEN, PURSUANT TO IRS RULES, WE MUST ADVISE YOU OF THE FOLLOWING: THE ADVICE CONTAINED IN THIS COMMUNICATION WAS NOT INTENDED OR WRITTEN TO BE USED AND CANNOT BE USED FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED BY THE INTERNAL REVENUE SERVICE. Under IRS Rules, a taxpayer may rely on our advice to avoid penalties only if the

advice is reflected in a more formal tax opinion that conforms to new IRS standards.

From: Beth Ward [redacted]
Sent: Wednesday, May 28, 2008 9:09 AM
To: Donna Parkinson
Subject: Washington Mutual/Laura Richardson

Good morning, Ms. Parkinson. Attached is Mr. McGuinn's letter of today's date regarding the above matter.

Beth Ward
Paralegal to Martin T. McGuinn
& Kenneth C. Noorigian
Kirby & McGuinn, A P.C.
600 B Street, Suite 1950
San Diego, CA 92101
Direct Line: (619) 398- [redacted]
Direct Fax: (619) 398- [redacted]

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BEGIN:VCARD
VERSION:2.1
N:Parkinson;Donna
FN:Donna Parkinson
EMAIL;PREF;INTERNET:donna
REV
END:VCARD

Subject: Accepted: Richardson update
Location: 877-709 passcode

Start: 5/29/2008 1:00 PM
End: 5/29/2008 2:00 PM
Show Time As: Busy

Recurrence: (none)

Required Attendees: Owen, Jan L.
Resources: 877-709 passcode

From: Martin T. McGuinn <[redacted]>
Sent: Wednesday, May 28, 2008 12:34 PM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>
Cc: Owen, Jan L. <jan.owen@wamu.net>
Subject: FW: Washington Mutual/Laura Richardson
Attach: 001 MTM to Parkinson re rescission dtd 5-28-08.pdf

Martin T. McGuinn
Kirby & McGuinn, A P.C.
600 B Street, Ste. 1950
San Diego, CA 92101
mmcguinn@[redacted]
Direct Dial: (619) 525-[redacted]
Direct Fax: (619) 525-[redacted]

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& Kenneth C. Noorigian
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San Diego, CA 92101
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Direct Fax: (619) 398-[redacted]

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Leonard Ackerman
Dean T. Kirby, Jr.
Jana Logan
Kenneth G. Noorigian
Cheryl Edwards Tannenber

600 B Street, Suite 1950
San Diego, CA 92101
(619) 685-4000

Martin T. McGuinn
Voice: 619.525
Fax: 619.525
E-Mail: mmcguinn

May 28, 2008

VIA EMAIL ONLY donna

Donna Parkinson, Esq.
Parkinson & Phinney LLC
400 Capitol Mall, 11th Fl.
Sacramento, CA 95814

Re: *Your Clients:* *James York and Red Rocks Mortgage Inc.*
(collectively, "Red Rocks")
Our Clients: *Washington Mutual Bank ("WaMu") and California*
Reconveyance Company ("CRC")
Real Property: *3622 W. Curtis Drive, Sacramento, CA (the "Property")*
Borrower: *Laura Richardson*
Our File No.: *WAS002-93*

Dear Ms. Parkinson:

This letter is being sent to you pursuant to California Code of Procedure section 1152 and Federal Rules of Evidence, rule 408. The contents of this letter may not be used in any pleading or constitute an admission of liability on the part of our client. The facts as we understand them to be are that Red Rocks was the high bidder at a foreclosure conducted by CRC on May 7, 2008. That foreclosure sale occurred despite an agreement between WaMu and Ms. Richardson to postpone the foreclosure sale to June 4, 2008. That postponement agreement was confirmed in writing by letter dated April 17, 2008, a copy of which is attached hereto.

As you know, California law permits a trustee to rescind a foreclosure sale where the borrower and the lender had an agreement to postpone the sale. California Civil Code section 1058.5(b) permits a trustee with the consent of either the beneficiary or the successful bidder to rescind a foreclosure sale due to the filing of a bankruptcy by the owner or otherwise.

The extent of a trustee's right to rescind a foreclosure sale has been the subject of litigation in several courts of appeal. *Residential Capital LLC v. Cal Western Reconveyance Corp.* (2003) 108 Cal.App.4th 807, 822 held: "The right of the trustor to postpone the foreclosure sale by agreement with the beneficiary is as important to the protection of the trustor's property from wrongful foreclosure as are the notice requirements." The Residential Capital court enunciated two important

Donna Parkinson, Esq.
May 28, 2008
Page 2

principles: First, it reaffirmed the holding in *Little v. CFS Servicing Corp.* (1987) 188 Cal.App.3rd 1354 that the only recovery permitted to a third party bidder is the return of its capital paid at the sale, plus interest; and second, it held that the failure to postpone the sale at the request of the borrower when there was an agreement to do so was a substantial irregularity to a foreclosure sale permitting the trustee to rescind.

Although the TDUS was not delivered to the bidder prior to rescission in the Residential Capital case, later case law supported the beneficiary's and the trustee's right to rescind after the TDUS had been delivered and recorded. In *Bank of America v La Jolla Group II* (2005) 129 Cal.App.4th 706, 712 the court held: "But La Jolla has not relied on this presumption and, if it had, we would have concluded that the presumption was rebutted by the fact that the trustor and beneficiary entered into an agreement to cure the default and reinstate the loan before the foreclosure sale. In sum, the foreclosure sale was invalid." In *Bank of America*, the bidder contended that once the trustee's deed upon sale has been delivered with all the recitals of statutory compliance and the recital of authority under the power of sale "the deed cannot be 'void' as a matter of law." The court rejected that argument by noting: "We know of no authority for this proposition."

It is clear in this case that, based on the written agreement to postpone, WaMu has the right to rescind the sale. When the sale is rescinded, in addition to return of the funds paid at the sale (\$388,000.01), Red Rocks is entitled to interest on the sales proceeds, plus reimbursement of any funds expended on the Property since the sale. Reasonable interest in this case totals approximately \$2,500. As well, prior to your being retained by Red Rocks, Mr. York told me that he has expended approximately \$10,000-15,000 in repairs to the Property.

In an effort to resolve this matter amicably, WaMu is willing to offer Red Rocks a small premium on its investment and pay a total of \$25,000 to Red Rocks in exchange for a release of all right, title and interest that Red Rocks has in the Property. That amounts to an approximate \$10,000 return on a one-month investment—a return that is not legally mandated. The payment is conditioned upon the parties executing a settlement agreement releasing each other from any liability or claims arising out of or relating to the May 7, 2008 foreclosure sale, including a Civil Code section 1542 waiver, and Red Rocks will provide a W-4 to WaMu to allow it to issue the check. We are prepared to immediately document the settlement. Please advise if this offer is acceptable to Red Rocks.

Thank you in advance for your continuing professional courtesy and cooperation in this matter. Should you have any questions, or wish to discuss the case further, please do not hesitate to contact the undersigned.

Very truly yours,



Martin T. McGuinn

cc: Paul Battaglia (via email)
Jan Owen (via email)

April 17, 2008

Laura Richardson
717 East Vernon Street
Long Beach, CA 90806

RE: Washington Mutual Loan Number [REDACTED]
Property Address: 3622 West Curtis Drive, Sacramento, CA 95818

WE MAY REPORT/HAVE REPORTED INFORMATION ABOUT YOUR ACCOUNT TO CREDIT BUREAUS. LATE PAYMENTS, MISSED PAYMENTS, OR OTHER DEFAULTS ON YOUR ACCOUNT MAY BE REFLECTED IN YOUR CREDIT REPORT.

WE ARE A DEBT COLLECTOR. THIS IS AN ATTEMPT TO COLLECT A DEBT, AND ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.

Dear Ms. Richardson:

Thank you for your recent contact with our Executive Office. Please find your reinstatement figures enclosed. Please remit the exact reinstatement amount in certified funds to us at the below address:

Washington Mutual
Default Cash Processing
7255 Baymeadows Way
Jacksonville, FL 32256

We have placed a sixty day hold on all foreclosure sale or actions; the hold will expire June 4, 2008.

Should you have any further questions, please feel free to contact me at 904-732-8817.

Sincerely,

Allison Dolan
Default Specialist II – ERT
Washington Mutual Home Loans

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Tuesday, May 27, 2008 10:18 AM
To: Thorn, Ann <ann.thorn@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>;
Owen, Jan L. <jan.owen@wamu.net>
Subject: Re: Update

Good morning, Ann. From a media perspective, there has been additional coverage over the weekend (same tone as Friday). And as you are aware, the Congresswoman has chosen to not sign the media consent form that would allow us to discuss her loan situation publicly.

- Sara

Sent from my BlackBerry Wireless Handheld

----- Original Message -----

From: Thorn, Ann
To: Battaglia, Paul J.; Gaugl, Sara C.; Owen, Jan L.
Sent: Tue May 27 06:38:53 2008
Subject: Update

John Berens is looking for an update on the Richardson file this morning. Has there been anything new since the press information Friday night?

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Thorn, Ann
Sent: Tuesday, May 27, 2008 9:38:53 AM
To: Battaglia, Paul J.; Gaugl, Sara C.; Owen, Jan L.
Subject: Update

John Berens is looking for an update on the Richardson file this morning. Has there been anything new since the press information Friday night?

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644*

For Internal Use Only

From: Thorn, Ann <ann.thorn@wamu.net>
Sent: Saturday, May 24, 2008 9:17 AM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>; Gaugl, Sara C. <sara.gaugl@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>; Baptista, Geri Ann S. <geriann.baptista@wamu.net>
Subject: FW: Consent
Attach: LR Auth Consent.jpg

Here is the consent form for the April 17th letter.

From: RichardsonMC, Laura
Sent: Fri 05/23/2008 09:48 PM
To: Thorn, Ann
Cc: Woodcock, Wendy A.; RichardsonMC, Laura; Hernandez, Rosa (Rep. Richardson)
Subject: RE: Consent

Ann,
Well... Attached you will find my scanned authorization to release the "attached April 17, 2008" letter to the third party purchaser to facilitate rescission of the sale on May 7, 2008. Please advise me at your earliest convenience what next steps are required of me to resolve this situation.

I can be reached at anytime on my cell at 562-706-

Thank you,
Laura Richardson

-----Original Message-----

From: Thorn, Ann [<mailto:ann.thorn@wamu.net>]
Sent: Thursday, May 22, 2008 3:01 PM
To: RichardsonMC, Laura
Cc: Woodcock, Wendy A.
Subject: Consent

Congresswoman Richardson, per our conversation, attached is the consent form needed to be signed by you in order to release the attached letter to the third party purchaser to facilitate the rescission of foreclosure sale. If you can please sign and scan back to my attention, I would appreciate it.

Thank you,

Ann Thorn

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Friday, May 23, 2008 11:59 PM
To: Cook, Don <don.cook@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>; Elias, Alan <alan.elias@wamu.net>; Baptista, Geri Ann S. <geriann.baptista@wamu.net>; Thorn, Ann <ann.thorn@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>
Subject: Email from Richardson

I will limit my comments.....

FYI, below.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228. cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: RichardsonMC, Laura
Sent: Fri 05/23/2008 8:34 PM
To: Gaugl, Sara C.; Thorn, Ann; Woodcock, Wendy A.
Cc: RichardsonMC, Laura; Hernandez, Rosa (Rep. Richardson)
Subject: RE: WaMu Consent Form Attached

Sara,
Thank you for your response. At this point I think the communication with the media has been adequate. We covered print, ap and television outlets today. I provided the letter of April 17th and my consent to release that letter which addresses the questions we received. If any further information is needed I will contact you. If I can be of assistance or clarify any questions feel free to contact me on my cell phone @ 562-706- cell

Sincerely,
Laura Richardson

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Friday, May 23, 2008 10:08 PM
To: Baptista, Geri Ann S. <geriann.baptista@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>; Elias, Alan <alan.elias@wamu.net>; Cook, Don <don.cook@wamu.net>
Subject: AP: Laura Richardson

Hi team -
FYI, below.

From: Verdin, Tom [mailto:tom.verdin@wamu.net]
Sent: Fri 05/23/2008 7:02 PM
To: Gaugl, Sara C.
Subject: RE: Laura Richardson

Sara, here's our first take on the Laura Richardson story tonight. Subsequent versions will have greater detail. Please let me know if WaMu wants to issue an updated statement.

Tom

¶ BC-CA--Congresswoman's House
¶ URGENT
¶ AP Interview: Calif. congresswoman says home sale 'improper'
¶ AP Interview: Calif. congresswoman claims sale of her Sacramento house shouldn't have happened
¶ Eds: APNewsNow. Will be led.
¶ ewfodtfotav1
¶ By ERICA WERNER
¶ Associated Press Writer
¶ 05-23-2008 18:36
¶ WASHINGTON (AP) _ California Congresswoman Laura Richardson claims the foreclosure auction of her Sacramento house was improper and contrary to a written agreement she had with her lender.

¶ In a lengthy interview with The Associated Press on Friday, the Southern California Democrat struck back against several days of negative publicity over reports she defaulted on her mortgage. Her house was sold at auction earlier this month.

¶ Richardson said that sale never should have happened and that she has renegotiated her loan to pay it off.
¶ She insisted that she is not getting special terms because she's a congresswoman.
¶ In fact, Richardson said the experience has allowed her to relate to the thousands of other Americans _ including many in her Los Angeles-area district _ confronted with foreclosures. She even wants to testify before Congress about it.

¶

From: Verdin, Tom
Sent: Friday, May 23, 2008 6:27 PM
To: sara.gaugl@wamu.net
Subject: Laura Richardson

Sara, thank you for calling us back earlier this evening.

As it happens, our reporter in Washington who covers California's congressional delegation was on the phone with Laura Richardson while you and I were talking. In brief, Richardson is blaming WaMu. She claims she did not know her Sacramento house was being sold at auction and says WaMu told her no action would be taken on it until sometime next month.

She also claims to have documentation to support this claim but has yet to provide it to us.

We'll be moving a story based on Richardson's comments shortly.

Because AP did not have her statement when we spoke previously, I wanted to give WaMu an opportunity to respond.

We'll be sending our story in takes (individual bites will move before the final writethru), and I can send you those so you can see exactly what Richardson claims.

Regards,

Tom

Tom Verdin

Correspondent

Sacramento bureau
916-448-

<< OLE Object: Picture (Metafile) >>

The information contained in this communication is intended for the use of the designated recipients named above. If the reader of this communication is not the intended recipient, you are hereby notified that you have received this communication in error, and that any review, dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please notify The Associated Press immediately by telephone at +1-212-621-1898 and delete this email. Thank you.

[IP_US_DISC]

msk_dccc60c6d2c3a6438f0cf467d9a4938

From: Gaugl, Sara C.
Sent: Friday, May 23, 2008 6:04:08 PM
To: Battaglia, Paul J.; Cook, Don; Baptista, Geri Ann S.; Owen, Jan L.; Elias, Alan
Subject: 3:15 p.m. Call: Richardson/Media

Call-in number: (866) 723-

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228- cell
sara.gaugl@wamu.net

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Subject: Accepted: Update on Richardson
Location: 877-709[] passcode: []

Start: 5/27/2008 12:00 PM
End: 5/27/2008 1:00 PM
Show Time As: Busy

Recurrence: (none)

Required Attendees: Owen, Jan L.
Resources: 877-709[] passcode: []

Subject: Update on Richardson
Location: 877-709 passcode:

Start: 5/27/2008 12:00 PM
End: 5/27/2008 1:00 PM
Show Time As: Busy

Recurrence: (none)

Meeting Status: Organizer

Required Attendees: Owen, Jan L.; Gaugl, Sara C.; Baptista, Geri Ann S.; Thorn, Ann; Woodcock, Wendy A.; Cook, Don; Battaglia, Paul J.

Subject: Update on Richardson
Location: 877-709- passcode:

Start: 5/27/2008 12:00 PM
End: 5/27/2008 1:00 PM
Show Time As: Tentative

Recurrence: (none)

Meeting Status: Not yet responded

Required Attendees: Owen, Jan L.; Gaugl, Sara C.; Baptista, Geri Ann S.; Thorn, Ann; Woodcock, Wendy A.; Cook, Don; Battaglia, Paul J.

Resources: 877-709- passcode:

When: Tuesday, May 27, 2008 9:00 AM-10:00 AM (GMT-08:00) Pacific Time (US & Canada); Tijuana.

Where: 877-709- passcode:

~~*~*~*~*~*~*~*~*

From: Owen, Jan L. <jan.owen@wamu.net>
Sent: Friday, May 23, 2008 2:20 PM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>; Thorn, Ann <ann.thorn@wamu.net>;
Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: Re: Consent

REDACTED

----- Original Message -----

From: Battaglia, Paul J.
To: Thorn, Ann; Owen, Jan L.; Gaugl, Sara C.
Sent: Fri May 23 11:15:52 2008
Subject: RE: Consent

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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-----Original Message-----

From: Thorn, Ann
Sent: Friday, May 23, 2008 11:04 AM
To: Battaglia, Paul J.; Owen, Jan L.; Gaugl, Sara C.
Subject: RE: Consent

I know we are talking shortly, but I have not gotten a response from her. Do you think I should resend or call?

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

-----Original Message-----

From: Thorn, Ann
Sent: Thursday, May 22, 2008 6:02 PM
To: Battaglia, Paul J.; Owen, Jan L.; Gaugl, Sara C.

Subject: FW: Consent

Here is the email just sent for the letter consent

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

-----Original Message-----

From: Thorn, Ann
Sent: Thursday, May 22, 2008 6:01 PM
To: 'laura.richardson@jpmc.com';
Cc: Woodcock, Wendy A.
Subject: Consent

Congresswoman Richardson, per our conversation, attached is the consent form needed to be signed by you in order to release the attached letter to the third party purchaser to facilitate the rescission of foreclosure sale. If you can please sign and scan back to my attention, I would appreciate it.

Thank you,

Ann Thorn

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Battaglia, Paul J. <paul.battaglia@wamu.net>
Sent: Friday, May 23, 2008 2:16 PM
To: Thorn, Ann <ann.thorn@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>; Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: RE: Consent

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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-----Original Message-----

From: Thorn, Ann
Sent: Friday, May 23, 2008 11:04 AM
To: Battaglia, Paul J.; Owen, Jan L.; Gaugl, Sara C.
Subject: RE: Consent

I know we are talking shortly, but I have not gotten a response from her. Do you think I should resend or call?

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

-----Original Message-----

From: Thorn, Ann
Sent: Thursday, May 22, 2008 6:02 PM
To: Battaglia, Paul J.; Owen, Jan L.; Gaugl, Sara C.
Subject: FW: Consent

Here is the email just sent for the letter consent

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

-----Original Message-----

From: Thorn, Ann

Sent: Thursday, May 22, 2008 6:01 PM

To: 'laura.richardson@jpmc.com'

Cc: Woodcock, Wendy A.

Subject: Consent

Congresswoman Richardson, per our conversation, attached is the consent form needed to be signed by you in order to release the attached letter to the third party purchaser to facilitate the rescission of foreclosure sale. If you can please sign and scan back to my attention, I would appreciate it.

Thank you,

Ann Thorn

Ann Thorn, FVP

Washington Mutual

National Asset Recovery Manager

904-886-5644

For Internal Use Only

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Thursday, May 22, 2008 10:13 PM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>; Cook, Don <don.cook@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>; Woodcock, Wendy A. <wendy.woodcock@wamu.net>; Thorn, Ann <ann.thorn@wamu.net>; Baptista, Geri Ann S. <geriann.baptista@wamu.net>
Cc: Rodriguez, Adrian <adrian.rodriguez@wamu.net>; Elias, Alan <alan.elias@wamu.net>
Subject: Update York Comment Re: Sale

All -

REDACTED

 L.A. Land: latimes.com

Buyer of Rep. Laura Richardson's house: She "walked away"

The Wall Street Journal quotes the buyer of U.S. Rep. Laura Richardson's Sacramento house as saying she walked away from the house, and can have it back if she wants it -- for the same price she paid for it in 2007.

Richardson (pictured) has denied **a published report that her house went into foreclosure**, saying she worked with her lender to renegotiate her mortgage.

But James York, the Sacramento broker listed on public documents as the new buyer of the home, tells the Journal's "Developments" blog the congresswoman walked away from the mortgage: **'She's walked away from the property,' he said. 'I would be happy to resell her the home for the \$535,000.'**

That would represent a tidy profit for York, who reportedly bought the Richardson house at auction for \$388,000.

Richardson's office has not answered questions about the Sacramento home. In a statement Wednesday, the Democrat from Long Beach said the house "is not in foreclosure" and that she had reached an agreement with her lender on a loan modification.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101

206.500.  direct | 206.228.  cell

sara.gaugl@wamu.net

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JPMC - 002614
CONFIDENTIAL
CSOC.RICH.004107

Subject: Accepted: Update on Congresswoman Richardson

Location: 877-709[] passcode[]

Start: 5/23/2008 2:30 PM

End: 5/23/2008 3:30 PM

Show Time As: Busy

Recurrence: (none)

Required Attendees: Owen, Jan L.

Resources: 877-709[] passcode[]

Subject: Update on Congresswoman Richardson
Location: 877-709[] passcode[]

Start: 5/23/2008 2:30 PM
End: 5/23/2008 3:30 PM
Show Time As: Tentative

Recurrence: (none)

Meeting Status: Not yet responded

Required Attendees: Owen, Jan L.; Gaugl, Sara C.; Battaglia, Paul J.; Cook, Don; Thorn, Ann; Woodcock, Wendy A.;
Baptista, Geri Ann S.

Resources: 877-709[] passcode[]

When: Friday, May 23, 2008 11:30 AM-12:30 PM (GMT-08:00) Pacific Time (US & Canada); Tijuana.
Where: 877-709[] passcode[]

~~*~*~*~*~*~*~*~*

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Thursday, May 22, 2008 7:37 PM
To: Owen, Jan L. <jan.owen@wamu.net>; Thorn, Ann <ann.thorn@wamu.net>; Woodcock, Wendy A. <wendy.woodcock@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>; Baptista, Geri Ann S. <geriann.baptista@wamu.net>
Subject: RE: Cell #

Congresswoman Richardson:

We appreciate your concern over media attention surrounding your loan situation. Please be aware that WaMu does not disclose our customers' personal financial information without written authorization from the customer.

If we are asked by the media to verify or discuss aspects of your loan situation outside of what is available in public records, we require your written consent to do so. Attached is our standard media consent form for your signature, which can be faxed to XXX.XXX.XXXX.

Thank you,

Sara Gaugl

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228-XXXX cell
sara.gaugl@wamu.net

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From: Owen, Jan L.
Sent: Thursday, May 22, 2008 4:30 PM
To: Thorn, Ann; Gaugl, Sara C.; Woodcock, Wendy A.; Battaglia, Paul J.
Subject: RE: Cell #

877-709-XXXX

Jan Lynn Owen
First Vice President
State and Local Government and Industry Relations Manager
801 K Street Suite 110
Sacramento, CA 95814
916-553-4961
916-325-4717 fax
jan.owen@wamu.net

From: Thorn, Ann
Sent: Thursday, May 22, 2008 4:29 PM

To: Gaugl, Sara C.; Woodcock, Wendy A.; Battaglia, Paul J.; Owen, Jan L.
Subject: RE: Cell #

What is call in #

From: Gaugl, Sara C.
Sent: Thu 05/22/2008 05:40 PM
To: Thorn, Ann; Woodcock, Wendy A.; Battaglia, Paul J.; Owen, Jan L.
Subject: Re: Cell #

I just saw the response **REDACTED**

Sent from my BlackBerry Wireless Handheld

----- Original Message -----

From: Thorn, Ann
To: Woodcock, Wendy A.; Battaglia, Paul J.; Gaugl, Sara C.; Owen, Jan L.
Sent: Thu May 22 15:11:36 2008
Subject: Cell #

I will be on the call at 7:30, but leaving to head home soon. Call me on my cell once I am logged off 414-418- if you need me.

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

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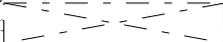
From: Thorn, Ann <ann.thorn@wamu.net>
Sent: Thursday, May 22, 2008 6:02 PM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>;
Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: FW: Consent
Attach: 20080522144304877.pdf;Consent.doc

Here is the email just sent for the letter consent

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

-----Original Message-----

From: Thorn, Ann
Sent: Thursday, May 22, 2008 6:01 PM
To: 'laura.richardson' 
Cc: Woodcock, Wendy A.
Subject: Consent

Congresswoman Richardson, per our conversation, attached is the consent form needed to be signed by you in order to release the attached letter to the third party purchaser to facilitate the rescission of foreclosure sale. If you can please sign and scan back to my attention, I would appreciate it.

Thank you,

Ann Thorn

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

April 17, 2008

Laura Richardson
717 East Vernon Street
Long Beach, CA 90806

RE: Washington Mutual Loan Number [REDACTED]
Property Address: 3622 West Curtis Drive, Sacramento, CA 95818

WE MAY REPORT/HAVE REPORTED INFORMATION ABOUT YOUR ACCOUNT TO CREDIT BUREAUS. LATE PAYMENTS, MISSED PAYMENTS, OR OTHER DEFAULTS ON YOUR ACCOUNT MAY BE REFLECTED IN YOUR CREDIT REPORT.

WE ARE A DEBT COLLECTOR. THIS IS AN ATTEMPT TO COLLECT A DEBT, AND ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.

Dear Ms. Richardson:

Thank you for your recent contact with our Executive Office. Please find your reinstatement figures enclosed. Please remit the exact reinstatement amount in certified funds to us at the below address:

Washington Mutual
Default Cash Processing
7255 Baymeadows Way
Jacksonville, FL 32256

We have placed a sixty day hold on all foreclosure sale or actions; the hold will expire June 4, 2008.

Should you have any further questions, please feel free to contact me at 904-732-8817.

Sincerely,

Allison Dotan
Default Specialist II – ERT
Washington Mutual Home Loans

**AUTHORIZATION AND CONSENT
TO RELEASE OF PERSONAL, NON-PUBLIC INFORMATION**

Borrower Name _____

Loan Number _____

Address _____

I authorize Washington Mutual Bank ("Washington Mutual") to send the attached April 17, 2008 letter to Red Rock Mortgage, Inc.

Executed this ____ day of _____, 2008, at _____, [State]

(Signature)

From: Owen, Jan L. <jan.owen@wamu.net>
Sent: Thursday, May 22, 2008 5:34 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>; Baptista, Geri Ann S. <geriann.baptista@wamu.net>; Cook, Don <don.cook@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>; Gaspard, Scott <scott.gaspard@wamu.net>; Watson, Alison <alison.watson@wamu.net>; Thorn, Ann <ann.thorn@wamu.net>; Woodcock, Wendy A. <wendy.woodcock@wamu.net>
Subject: FW: Debate intensifies over Richardson default

This is the reporter who wrote the first article. Thanks, Jan

Jan Lynn Owen
First Vice President
State and Local Government and Industry Relations Manager
801 K Street Suite 110
Sacramento, CA 95814
916-553-4961
916-325-4717 fax
jan.owen@wamu.net

From: Capitol Weekly
Sent: Thursday, May 22, 2008 2:30 PM
To: Owen, Jan L.
Subject: Debate intensifies over Richardson default



Debate intensifies over Richardson default

A Long Beach congresswoman who walked away from a \$535,000 mortgage in Sacramento said in a written statement distributed by her office that she owns the home, but financial documents show the house was sold at public auction and has been in the possession of the buyer for weeks.

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From: Thorn, Ann <ann.thorn@wamu.net>
Sent: Thursday, May 22, 2008 4:40 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>; Cook, Don <don.cook@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>
Subject: FW: Communications regarding Richardson Loan

Sara, need you to call the Congresswoman

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644*

For Internal Use Only

From: Richardson, Laura [redacted]
Sent: Thursday, May 22, 2008 4:20 PM
To: Thorn, Ann
Cc: Woodcock, Wendy A.
Subject: Communications regarding Richardson Loan
Importance: High

Ann/Wendy,

Could you please forward ASAP your communications contact? Channel 9 and 2 (CBS) has shown up to film at the district office and we have received numerous calls from other affiliates; therefore a response is required.

Sincerely,

Laura Richardson

From: Martin T. McGuinn <[REDACTED]>
Sent: Thursday, May 22, 2008 1:53 PM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>
Cc: Owen, Jan L. <jan.owen@wamu.net>
Subject: RE: Whether to advise York re status of Borrower

Paul:

[REDACTED]

Martin T. McGuinn
Kirby & McGuinn, A P.C.
600 B Street, Ste. 1950
San Diego, CA 92101
mmcguinn <[REDACTED]>
Direct Dial: (619) 525- <[REDACTED]>
Direct Fax: (619) 525- <[REDACTED]>

In Compliance with the Fair Debt Collection Practices Act, 15 U.S.C. § 1692e(11):
THIS MESSAGE IS FROM A DEBT COLLECTOR.
ANY INFORMATION OBTAINED MAY BE USED FOR THAT PURPOSE.

This electronic message contains privileged or confidential information which is solely intended for the use of the addressee(s) listed as recipient(s). If you are not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any disclosure, dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this transmission in error, please immediately notify us by telephone at (619) 525-1659 or (619) 685-4000, and return the original message to Kirby & McGuinn, A P.C., 600 B Street, Ste. 1950, San Diego, CA 92101.

From: Battaglia, Paul J. [mailto:paul.battaglia@wamu.net]
Sent: Thursday, May 22, 2008 10:36 AM
To: Martin T. McGuinn
Subject: FW: More info re: York
Importance: High

[REDACTED]

Paul J. Battaglia

First Vice President and Senior Counsel

Washington Mutual Bank

1301 2nd Avenue, WMC 3501

Seattle WA 98101

Phone: 206-500-4261

Fax: 206-377-2784

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From: Gaugl, Sara C.

Sent: Thursday, May 22, 2008 10:33 AM

To: Battaglia, Paul J.

Cc: Owen, Jan L.

Subject: More info re: York

Importance: High

Money, Finance & Business *See other [Money, Finance & Business](#) Articles*

Title: Congresswoman defaults on (mortgage) loan Source: **Long Beach (Calif.) Press-Telegram** URL Source: <http://www.presstelegram.com> Published: **May 22, 2008** Author: **(unknown)** Post Date: **2008-05-22 12:35:46** by **gle11733** Comments

Rep. Laura Richardson lost her Sacramento home in a foreclosure auction two weeks ago, and left behind nearly \$9,000 in unpaid property taxes.

Richardson, D-Long Beach, appears to have made only a few payments on the house, which she bought in January 2007 for \$535,000.

After buying the home, Richardson hardly had time to live in it. Three months later, Rep. Juanita Millender-McDonald died and Richardson - then a freshman member of the state Assembly - launched a campaign to replace her in Congress.

Richardson won the election, pouring in \$77,500 in personal loans to her own campaign. Around the same time, she stopped making payments on the Sacramento house. The bank issued a default notice in December, and the home was sold at a public auction on May 7 for \$388,000.

Richardson declined Wednesday to be interviewed about the foreclosure, which was first revealed in Capitol Weekly, a Sacramento-based publication. But in a statement, Richardson denied that the home was in foreclosure and said it had not been seized by the bank.

"I have worked with my lender to complete a loan modification and have renegotiated the terms of the agreement - with no special provisions," Richardson said in the statement. "I fully intend to fulfill all financial obligations on the property."

That would come as a surprise to James York, the Sacramento real estate broker who bought Richardson's house at auction. York specializes in buying and selling foreclosed homes, and said he eventually intends to resell Richardson's home, which overlooks a park in an upscale neighborhood. York produced a trustee's deed confirming that his company, Red Rock Mortgage Inc., owns the house.

York said the house was relatively clean when he found it, at least compared with other foreclosed homes,

though the garage was "full of trash to the ceiling." Workers have been cleaning it out and tending to the yard, which had been left unmowed for months.

When he bought the house at 3622 W. Curtis Drive, York assumed responsibility for Richardson's unpaid property tax bill of \$8,950.79.

"Tell Laura I'd be happy to have her pay my property tax," York said.

The real loser in the deal was Washington Mutual Bank, which issued Richardson a \$535,000 loan with no money down in January 2007. By the time the default notice was issued, Richardson was underwater on the loan. She owed about \$575,000, including \$18,000 in missed payments.

Washington Mutual ended up writing off nearly \$200,000 of that debt to get rid of the home.

"They took a beating," York said.

The previous owner of the home, Sharon Helmar, said the neighbors were "appalled" that Richardson was not maintaining the lawn. Another neighbor said that until recently the grass was about a foot high.

"It's kind of heartbreaking to see something you've worked on for 30 years be left and not taken care of," Helmar said. "You would have thought someone like that would have been a little more responsible."

The home is only a few minutes' drive from the Capitol. It is about 1,600 square feet, and has three bedrooms and 1 1/2 baths. It sits on a corner facing Curtis Park.

"It's your typical 1920s house," she said. "Hardwood floors, wallpaper. It's not huge, but it served us for a lot of years."

The neighborhood is known as affluent and politically liberal. A mayoral candidate lives nearby, and a former state senator lives three doors down.

"It is a very stable neighborhood," said Charlene Singley, the Realtor who sold the home to Richardson. "It has been affected by the downturn, however, because it is in the older, more established area of Sacramento, and it is close to the downtown urban core. It is one of the few neighborhoods that has not been hit as hard."

Singley was surprised to hear that the home had gone into foreclosure.

Although Richardson did not pay her property taxes or the balance of her loan, she has begun repaying the loans that she issued to her own political campaign.

Richardson, a former Long Beach city councilwoman, still owns a home in Long Beach.

One of Richardson's first votes upon arriving in Congress last fall was on the Mortgage Forgiveness Debt Relief Act of 2007. The bill helped homeowners by preventing the federal government from charging income tax on debt forgiven in a foreclosure, such as the \$200,000 forgiven in Richardson's foreclosure.

Joining 385 of her colleagues, Richardson voted aye.

Sara Gaugl

Home Loans Public Relations

WaMu

1301 Second Avenue | WMC40 | Seattle WA 98101

206.500.2822 direct | 206.228  cell

sara.gaugl@wamu.net

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From: Gaugl, Sara C.
Sent: Thursday, May 22, 2008 1:33:03 PM
To: Battaglia, Paul J.
CC: Owen, Jan L.
Subject: More info re: York

Money, Finance & Business

See other Money, Finance & Business Articles

Title: **Congresswoman defaults on (mortgage) loan**

Source: **Long Beach (Calif.) Press-Telegram**

URL Source: <http://www.pressetelegram.com>

Published: **May 22, 2008**

Author: **(unknown)**

Post Date: 2008-05-22 12:35:46 by glc1173

3 Comments

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Joining 385 of her colleagues, Richardson voted aye.

Sara Gaugl

Home Loans Public Relations

WaMu

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206.500.2822 direct | 206.228-cell

sara.gaugl@wamu.net

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From: Gaugl, Sara C.
Sent: Thursday, May 22, 2008 12:29:24 PM
To: Owen, Jan L.; Battaglia, Paul J.; Cook, Don
Subject: Congresswoman's Home Sold in Foreclosure Auction

FYI. Please see bolded text below.

Congresswoman's Home Sold in Foreclosure Auction – WSJ

Congress has turned its attention to solving the foreclosure crisis even as one of its members has lost a home in a foreclosure auction.

The Sacramento home of Rep. Laura Richardson was sold in a public auction two weeks ago for \$388,000. The Southern California Democrat bought the house for \$535,000 with no money down in January 2007 and owed nearly \$575,000 to Washington Mutual when the mortgage was sold earlier this month at a significant loss to Red Rock Mortgage Inc.

Rep. Richardson, a former Long Beach city council member, bought the home after winning a seat in California's state assembly. She maintains her primary residence, a four-bedroom home, in her Long Beach district. Months later, Rep. Richardson ran in a hard-fought election for the congressional seat, which was vacated when the late Rep. Juanita Millender-McDonald died from cancer. To fund that campaign, Rep. Richardson lent herself more than \$75,000 and stopped making payments on the Sacramento home around the same time.

The story was first reported by the Capitol Weekly, a Sacramento publication.

Rep. Richardson said in a statement Wednesday that the home is not in foreclosure and had not been seized by the bank. "I have worked with my lender to complete a loan modification and have renegotiated the terms of the agreement — with no special provisions. I fully intend to fulfill all financial obligations of this property."

But James York, the Sacramento broker who bought Richardson's house at auction, told the Long Beach Press-Telegram that he planned to resell the home. The three-bedroom, 1.5-bathroom house sits on a 1,600 square foot parcel.

Richardson didn't vote on the housing rescue deal that passed the House of Representatives two weeks ago and in a statement attributed her absence to her father's funeral. But Richardson did vote last fall in favor of the Mortgage Forgiveness Debt Relief Act, which passed and prevents the federal government from charging income tax on debt forgiven as a consequence of foreclosure. —*Nick Timiraos*

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228.2822 cell
sara.gaugl@wamu.net

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From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Thursday, May 22, 2008 2:19 AM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>
Cc: Cook, Don <don.cook@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>; Elias, Alan <alan.elias@wamu.net>
Subject: Richardson/AP Article

Good evening, Paul.

REDACTED

Jan - please note that Richardson's chief of staff told the AP that the mortgage on the home had been sold but that the house had not, though county records appear to indicate the property was sold to a third-party.

Calif. congresswoman's home threatened with repo
By DON THOMPSON

SACRAMENTO, Calif. (AP) — Rep. Laura Richardson has an unusual perspective on the housing foreclosure bills moving through Congress: One of her own homes was threatened with repossession after she failed to pay the mortgage.

Richardson, a Southern California Democrat, bought a two-story home in a leafy, upper-middle-class neighborhood of Sacramento in January 2007, just months after winning a seat in the state Assembly.

She bought the three-bedroom, 1 1/2-bath home in the state capital for \$535,500. The bill collectors started knocking soon after, according to records reviewed Wednesday by The Associated Press.

The city utility department placed a lien on her property in June 2007 for \$154 in unpaid bills, according to documents at the Sacramento County recorder's office. In December, she received a default notice on the mortgage from the collection agency of Washington Mutual Inc., her lender. At that point, she owed \$18,356.

At the time, she had left the Legislature after a quick rise from the Long Beach City Council and moved to Washington after winning a special election to fill a vacant congressional seat. Richardson on Wednesday blamed the frequent job-shifting for financial problems related to the Sacramento property.

A default notice in March this year put the "unpaid balance and other expenses" at \$578,384 and said her 1,639-square-foot house would be auctioned at a trustee sale.

County records show the property was sold to a company called Red Rock Mortgage Inc. of Sacramento for \$388,000 — although the county assessor's office continues to list Richardson as the owner. No listing could be found for Red Rock.

That sale was officially recorded Monday, according to the records. But Richards said the home was not in foreclosure and had not been seized.

"I have worked with my lender to complete a loan modification and have renegotiated the terms of the agreement — with no special provisions," Richardson said in a statement Wednesday. "I fully intend to fulfill all financial obligations of this property."

Richardson's chief of staff, Kimberly Parker, told the AP that the mortgage on the home had been sold but that the house had not. The collection agency referred inquiries to Washington Mutual, which did not return a call.

A real estate agent's lock box hung Wednesday from the front door of the 1926-vintage house.

Records at a Sacramento County tax office also show Richardson is delinquent in paying \$8,950 in property taxes.

Richardson moved from the Long Beach City Council to her Assembly seat in 2006, and the next year won a special election to represent a heavily Democratic congressional district that includes Long Beach.

Congressional records show Richardson did not cast votes May 8 on three bills related to the Foreclosure Prevention Act. In her statement, she said she was away from Washington because of her father's funeral.

"I understand that these homeownership issues are a reflection of what many Americans are going through as they fight to keep their homes and to remain financially stable," Richardson said in her statement.

Sara Gaugl
Home Loans Public Relations
WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228- cell
sara.gaugl@wamu.net

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Subject: Accepted: Congresswoman Richardson Update
Location: 877-709[redacted]passcode

Start: 5/22/2008 2:00 PM
End: 5/22/2008 3:00 PM
Show Time As: Busy

Recurrence: (none)

Required Attendees: Owen, Jan L
Resources: 877-709[redacted]passcode

Subject: Congresswoman Richardson Update
Location: 877-709[]# []passcode

Start: 5/22/2008 2:00 PM
End: 5/22/2008 3:00 PM
Show Time As: Tentative

Recurrence: (none)

Meeting Status: Not yet responded

Required Attendees: Owen, Jan L.; Gaugl, Sara C.; Woodcock, Wendy A.; Battaglia, Paul J.; Cook, Don; Baptista, Geri Ann S.; GM QSM DTE; Kallner, Brad

Resources: 877-709[]# []passcode

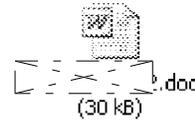
When: Thursday, May 22, 2008 11:00 AM-12:00 PM (GMT-08:00) Pacific Time (US & Canada); Tijuana.

Where: 877-709[]# []passcode

~~*~*~*~*~*~*~*~*

From: Woodcock, Wendy A.
Sent: Wednesday, May 21, 2008 7:48:12 PM
To: Battaglia, Paul J.; Cook, Don; Gaugl, Sara C.; Owen, Jan L.
Subject: RE: Foreclosure Notes re: Richardson

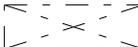
Attachments: -2.doc



Here are the Collections notes regarding the 10/07 repayment plan we offered.

Wendy Woodcock, VP
Division Manager
Homeownership Preservation Dept.
904 886-1309 ph
904 886-1325 fax

From: Woodcock, Wendy A.
Sent: Wednesday, May 21, 2008 4:40 PM
To: Battaglia, Paul J.; Cook, Don; Gaugl, Sara C.; Owen, Jan L.
Subject: Foreclosure Notes re: Richardson

<< File: .doc >>

Wendy Woodcock, VP
Division Manager
Homeownership Preservation Dept.

Washington Mutual
7255 Baymeadows Way
Jacksonville, FL 32256

904.886.1309 direct
904.886.1325 fax
wendy.woodcock@wamu.net

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COL 101307 I9C LETTER SENT CL497 Repayment Plan-Pgs 1 & 2
 COL 101307 I9C MADE REPAY PLAN
 COL 101307 I9C BORR #1 CALLD JIT AUTH/AGRD FEE
 CURTAILMENT/INCOME12015.00 1103
 COL 101307 I9C LETTER SENT AG JIT DBT INIT 1564723145
 COL 101307 I9C JIT DRAFT INITIATE 1564723145 12015.00 1103
 SER 101307 I9C JIT DEBIT INITIATED 1564723145 AEGIS
 COL 101307 I9C RFD CHANGED JOBS../FINAN ISSUES...
 COL 101307 I9C OWNER OCC VRFD HP/BP/SS#

COL 101307 \$BT CHANG PLAN 01: 03 PYMTS, TOT 24450.00, END 12/25/07
 COL 101307 \$BT CHANG PLAN 01: 04 PYMTS, TOT 30675.00, END 01/25/08
 COL 101307 \$BT CHANG PLAN 01: 05 PYMTS, TOT 36900.00, END 02/25/08
 COL 101307 \$BT CHANG PLAN 01: 06 PYMTS, TOT 43083.64, END 03/25/08
 COL 101307 @RS INCOMING CALL TALKED TO LAURA RICHARDSON. BITB
 INTERVIEW CONDUCTED BY U242300, REFER TO INTERVIEW N
 UMBER 423436

COL 101307 @RS CURTAILMENT/INCOME
 COL 101307 @RS S/W BORR #1 RPA APPROVED CURTAILMENT/INCOME
 COL 101307 @RS FINANCIAL INFORMATION AS ON 10/13/2007: MONTHLY IN
 COME = \$13,000.00 MONTHLY EXPENSES = \$11,002.98(IN
 CLUDES MORTGAGE)

COL 101307 I9C GAVE STATUS
 COL 101307 I9C SW BRW ADV OF TAD,,/FRCL ETC /STTD WAS OUT OF CNT
 .../HAD RPA.../ADV BROKEN.../

COL 101307 I9C SW BRW TK JIT IAO 12000.00+15.00PF ON 1031 AS DWPM
 FR RPA...

COL 101307 AVA ANS. MACH.-NO MSG
 COL 101307 I9C CHANG PLAN 01: 06 PYMTS, TOT 43083.64, END 03/31/08
 COL 101307 I9C CHANG PLAN 01: 06 PYMTS, TOT 43083.64, END 03/25/08
 COL 101307 I9C CHANG PLAN 01: 06 PYMTS, TOT 43083.64, END 03/25/08
 COL 101307 I9C CHANG PLAN 01: 06 PYMTS, TOT 43083.64, END 03/25/08
 COL 101307 I9C CHANG PLAN 01: 06 PYMTS, TOT 43083.64, END 03/25/08
 COL 101307 I9C CHANG PLAN 01: 06 PYMTS, TOT 43083.64, END 03/25/08
 COL 101307 \$BT ADDED PLAN 01: 01 PYMTS, TOT 22197.42, END 10/20/07
 COL 101307 \$BT CHANG PLAN 01: 01 PYMTS, TOT 12000.00, END 10/26/07
 COL 101307 \$BT CHANG PLAN 01: 02 PYMTS, TOT 18225.00, END 11/25/07

COL 113007 *** BROKEN-PLAN PAID LESS
 COL 111907 *** SCORE 229 111707 AGT E90S DAYS DEL 110 RISK E
 SER 110507 \$JU REVWD FTV RPT; MTGR ON REPAY PLAN. NO ACTION
 TAKEN.
 COL 110507 *** VACANT SECURED CONDITION ON 110107 FNFS
 COL 110507 *** SCORE 229 110307 AGT E90S DAYS DEL 096 RISK E
 SER 102307 D0P FROM MEM1:

TITANIUM RESULTS:ALL ATTEMPTS TO CONTACT H/O VIA
VISITS AN PHONE HAVE BEEN EXHAUSTED AND THERE HAS
BEEN NO RESPONSE T MSGS LEFT/RFD UNKNOWN/
RFD-UNKNOWN /OCCUP-UNKNOWN/EXT-5 /INT-N/A/
OVERALL-5 NIGH-STABLE/NOT LISTED/VALUE-560000.00

SER 102307 D0P FROM MEM1:

TITANIUM RESULTS:ALL ATTEMPTS TO CONTACT H/O VIA
VISITS AN PHONE HAVE BEEN EXHAUSTED AND THERE HAS
BEEN NO RESPONSE T MSGS LEFT/RFD UNKNOWN/

From: Owen, Jan L. <jan.owen@wamu.net>
Sent: Wednesday, May 21, 2008 5:17 PM
To: Cook, Don <don.cook@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>
Subject: FW: Research Needed: Congresswoman Richardson/Foreclosure

REDACTED

Jan Lynn Owen
First Vice President
State and Local Government and Industry Relations Manager
801 K Street Suite 110
Sacramento, CA 95814
916-553-4961
916-325-4717 fax
jan.owen@wamu.net

-----Original Message-----

From: Kallner, Brad
Sent: Wednesday, May 21, 2008 2:16 PM
To: Gaugl, Sara C.
Cc: Champney, Steven D.; Berens, John; Owen, Jan L.; Elias, Alan; Siedzik, Tasha A.; Smith, Kimberly
Subject: RE: Research Needed: Congresswoman Richardson/Foreclosure

I have checked with Kim, we tried to work a modification, unfortunately she had a deficit monthly of over \$2,100. We placed the original foreclosure sale date on hold for 30 days in April. The loan went to sale on 5/7/08, third party outbid.

Sara, please feel free to give Kim or I a call if you need to discuss.

Brad

-----Original Message-----

From: Gaugl, Sara C.
Sent: Wednesday, May 21, 2008 1:24 PM
To: Kallner, Brad
Cc: Champney, Steven D.; Berens, John; Owen, Jan L.; Elias, Alan
Subject: Research Needed: Congresswoman Richardson/Foreclosure
Importance: High

Brad -

Please see the article embedded below for more detail, but long story short, Congresswoman Laura Richardson appears to have defaulted on her WaMu loan (second home) and on March 19, a notice was filed with the county that her property would be sold at auction.

Congresswoman Richardson initially declined to comment, however, Jan Owen has learned from the Congresswoman that she plans to communicate to The Washington Post that she has established a repayment plan with WaMu.

Would you please look into Congresswoman Richardson's situation as soon as possible so that we understand the facts? Her loan number is 

Many thanks,

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue 1 WMC40 1 Seattle WA 98101
206.500.2822 direct 1 [redacted] cell sara.gaugl@wamu.net

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-----Original Message-----

From: Owen, Jan L.
Sent: Wednesday, May 21, 2008 8:36 AM
To: Riley, Olivia; Gaugl, Sara C.; Gaspard, Scott; Watson, Alison
Subject: Fw: Capitol Weekly -- "Foreclosure tale shows that nobody is immune from crisis"

Here we go. I am in meeting and will call in a minute.

----- Original Message -----

From: Kevin Gould <[redacted]>
To: FSIR Meeting Group <[redacted]>
Sent: Wed May 21 08:01:35 2008
Subject: Capitol Weekly -- "Foreclosure tale shows that nobody is immune from crisis"

Foreclosure tale shows that nobody is immune from crisis

By Anthony York (published Tuesday, May 20, 2008)

As the real estate market softened in 2007, the new owner of a three-bedroom, 1,600-square-foot house in Sacramento's Curtis Park neighborhood ran into trouble. The house that was purchased for \$535,000 in January had lost equity. The owner fell behind in her payments, and eventually, the bank seized the home.

What makes this story different from the thousands like it is that the owner of this house was a member of Congress.

The story of the foreclosure of Long Beach Democrat Laura Richardson's Sacramento home is a tale of a real estate market gone sour. It is also an illustration of how far many candidates will go to seek elected office, even if it means quite literally mortgaging their own financial future.

While being elevated to Congress in a 2007 special election, Richardson apparently stopped making payments on her new Sacramento home, and eventually walked away from it, leaving nearly \$600,000 in unpaid loans and fees.

Richardson's decision to let the house slip into foreclosure was set in motion by an unlikely chain of events, only some of which had to do with Sacramento's crumbling real estate market. Richardson was elected to the Assembly in November 2006, and purchased her new capital home two months later. But in April 2007, Rep. Juanita Millender-McDonald succumbed to cancer, creating a Congressional vacancy in Richardson's district.

Richardson declared her candidacy for the seat, and soon found herself locked in a hotly contested, and very expensive race for Congress against state Sen. Jenny Oropeza, D-Long Beach.

While her campaign heated up, Richardson's house slipped into default. Richardson fell behind on her mortgage payments as she loaned her Congressional campaign \$60,000 – money that has begun to be paid back to Richardson personally from her campaign account, according to records from the Center for Responsive Politics.

Richardson's opponent, Oropeza, loaned herself \$115,000 for her run against Richardson. Oropeza's Congressional committee still shows nearly \$200,000 in debt.

Richardson declined to comment for this story.

But tax records at the Sacramento County assessor's office show that in January 2007, Richardson took out a mortgage for the entire sale price of the house -- \$535,000. The mortgage amount was equal to the sale price of the home, meaning she was able to buy the house without a down payment, even though the housing market was beginning to turn.

A March 19, 2008 notice of trustee's sale indicates that the unpaid balance of Richardson's loan, which is held by Washington Mutual, is more than \$578,000 --\$40,000 more than the original mortgage.

The Curtis Park house is not Richardson's primary residence. She also owns a four-bedroom house in Long Beach, in her Congressional district. Real estate records show she purchased that house in 1999 for \$135,000. An estimate from Zillow.com puts the current value of that house at \$474,000

Like many homes that have gone through foreclosure, Richardson's new residence quickly became an eyesore. With Richardson gone, upkeep on the home lapsed, and neighbors began to get angry.

"The neighbors are extremely unhappy with her," said Sharon Helmar, who sold the home to Richardson. "She didn't mow the lawn or take out the garbage while she was there. We lived there for a long time, 30 years, and we had to hide our heads whenever we came back to the neighborhood."

Helmar and her husband, Mark, sold the Curtis Park home to Richardson because Sharon's arthritis required the couple to move into a one-story house. With the area's real estate market slowing down, the house remained on the market for months, and the Helmars, who lived in the house for more than 30 years, were getting desperate to sell.

Helmar said that she has never met Richardson personally, but dealt with Richardson through her realtor. The Helmars wound up giving Richardson \$15,000 toward closing costs, she said.

And she is still angry over what happened to a home that clearly she never really wanted to leave. "It's kind of silly. You would think people who are making decisions for others would be able to make good decisions for themselves," she said. "She should have known what she could afford and not afford. In this neighborhood, you just don't do that."

While Richardson walked away from her loan, she bested Oropeza in a June special election, and moved on to Congress. As a member of Congress, Richardson has been asked to vote on legislation pertaining to the spike in foreclosures around the country.

On the biggest pieces of legislation having to do with government bailouts for people whose homes have entered foreclosure, Richardson has recused herself. She did not vote on legislation by Rep. Barney Frank, D-Mass, which would direct \$2.7 billion in government funds to help an estimated 500,000 homeowners who are at risk of foreclosure.

Richardson also did not vote on a measure by Rep. Maxine Waters, D-Los Angeles, that would give local governments \$15 billion to purchase, rehab and resell foreclosed properties.

While Richardson walked away from her bank loan, she has begun to pay herself back for the money she personally invested in her initial race. Records show that Richardson spent \$587,000 out of her Congressional campaign committee since declaring her Congressional candidacy through March of this year. Of those expenditures, Richardson has spent \$18,000 of that money to begin repaying herself for the money Richardson loaned to her campaign.

According to documents at the Sacramento County Clerk's office, Richardson first received a default notice in late 2007. By December 2007, less than a year after Richardson purchased the house, she was behind in her payments by more than \$18,000.

Three months later, on March 19, a notice was filed with the county that Richardson's property would be sold at auction. According to the documents, the unpaid balance and other charges Richardson owed the bank was \$587,384.

From: Alvarez, Rosalva R.
Sent: Wednesday, May 21, 2008 5:08:19 PM
To: Battaglia, Paul J.; Owen, Jan L.
Subject: FW:

Attachments: Richardson reinstatement.doc

Rosie Alvarez

Executive Response Team
Customer Relations Manager
Washington Mutual Bank
(800) 225-5497 Opt. 1 Ext. 467
Fax (206) 965-3082

" I long to accomplish great and noble tasks, but it is my chief duty to accomplish humble tasks as though they were great and noble. The world is moved along, not only by the mighty shoves of its heroes, but also by the aggregate of the tiny pushes of each honest worker." Helen Keller-

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From: Banks, Donna R.
Sent: Wednesday, May 21, 2008 2:07 PM
To: Alvarez, Rosalva R.
Subject:



Richardson
reinstatement.doc
(25 kB)

Donna Banks
Default Specialist II
Washington Mutual Bank

April 17, 2008

Laura Richardson
717 East Vernon Street
Long Beach, CA 90806

RE: Washington Mutual Loan Number [REDACTED]
Property Address: 3622 West Curtis Drive, Sacramento, CA 95818

WE MAY REPORT/HAVE REPORTED INFORMATION ABOUT YOUR ACCOUNT TO CREDIT BUREAUS. LATE PAYMENTS, MISSED PAYMENTS, OR OTHER DEFAULTS ON YOUR ACCOUNT MAY BE REFLECTED IN YOUR CREDIT REPORT.

WE ARE A DEBT COLLECTOR. THIS IS AN ATTEMPT TO COLLECT A DEBT, AND ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.

Dear Ms. Richardson:

Thank you for your recent contact with our Executive Office. Please find your reinstatement figures enclosed. Please remit the exact reinstatement amount in certified funds to us at the below address:

Washington Mutual
Default Cash Processing
7255 Baymeadows Way
Jacksonville, FL 32256

We have placed a sixty day hold on all foreclosure sale or actions; the hold will expire June 4, 2008.

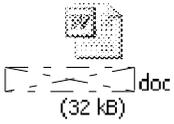
Should you have any further questions, please feel free to contact me at 904-732- [REDACTED]

Sincerely,

Allison Dolan
Default Specialist II – ERT
Washington Mutual Home Loans

From: Woodcock, Wendy A.
Sent: Wednesday, May 21, 2008 4:40:02 PM
To: Battaglia, Paul J.; Cook, Don; Gaugl, Sara C.; Owen, Jan L.
Subject: Foreclosure Notes re: Richardson

Attachments:  doc

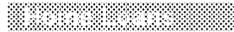


Wendy Woodcock, VP
Division Manager
Homeownership Preservation Dept.

Washington Mutual
7255 Baymeadows Way
Jacksonville, FL 32256

904.886.1309 direct
904.886.1325 fax
wendy.woodcock@wamu.net

WaMu – Simpler banking and more smiles.



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NOTS [] CONSOLIDATED NOTES LOG 05/21/08 16:34:30
L RICHARDS L:R F:A B: R: DUE 08/01/07 TYPE CONV. RES. ARM
ANA Y ARM Y ASM Y BLN Y BNK Y CCN Y COL Y ELC Y FOR Y HAZ Y
LMT Y

MIP Y PIF Y PMT Y REO Y SER Y TAX Y TSK Y DATE SELECT: MMDDYY
PRINT: _

-----* PF8 FOR MORE *-----

FOR 040408 @VU LOSS MITIGATION WORKOUT HOLD OPENED: 4/4/2008
FOR 040408 @VU RYAN PACUBAS - (CONT) - **OR 60 DAYS TO ALLOW THE**
BORROWER TO REINSTATE THE LOAN. SHE IS A PROMINENT P
OLITICAL FIGURE. STATUS: ACTIVE, AWAITING APPROVAL
. HOLD START: 4/4/2008

FOR 040408 @VU RYAN PACUBAS SYSTEM UPDATED FOR THE FOLLOWING
EVE

NT: USER HAS PLACED THE FILE ON HOLD. HOLD REASON:
LOSS MITIGATION WORKOUT. HOLD COMMENTS: DESTINY W
HITEHEAD, FIDELITY CLOSED BY: N.A. REVIEWED BY:
N.A. REVIEWED: N.A. PROJECTED END: N.A. DAYS O
PEN: 0 COMMENTS: FROM: DOLAN, ALLISON A. MAILTO
:ALLISON.DOLAN@WAMU.NET SENT: THURSDAY, APRIL 03,
2008 5:03 PM TO: HOLDFCL@FNFS.NET SUBJECT: DTE**
LAURA RICHARDSON LOAN # [] IMPORTANCE: HIGH

PLEASE PLACE THE ABOVE LOAN ON FORECLOSURE HOLD F
FOR 040408 @VU RYAN PACUBAS SYSTEM UPDATED FOR THE FOLLOWING
EVE

NT: USER HAS APPROVED THE HOLD. HOLD TYPE: LOSS MI

FOR 040408 @VU TIGATION WORKOUT. STATUS: ACTIVE, APPROVED.
FOR 040408 @VU RYAN PACUBAS SYSTEM UPDATED FOR THE FOLLOWING
EVE

NT: USER HAS ENDED THE ISSUE ASSOCIATED WITH THIS
LOAN. ISSUE TYPE: HOLD FC. COMMENTS: HOLD FC.

FOR 040408 @VU RYAN PACUBAS USER HAS COMPLETED THE SALE
SCHEDULE

ED FOR DATA FORM WITH THE FOLLOWING ENTRIES: PREV
IOUS SALE DATE: : 4/7/2008 SALE POSTPONEMENT REAS
ON: : LOSS MITIGATION

FOR 040408 @VU RYAN PACUBAS SYSTEM UPDATED FOR THE FOLLOWING
EVE

NT: USER HAS APPROVED THE ISSUE. ISSUE TYPE: HOLD
FC. STATUS: ACTIVE, APPROVED.

FOR 040408 @VU PATTI KELLY A FEES AND COSTS REQUEST HAS BEEN
COM

PLETED FOR THIS LOAN BY PATTI KELLY

FOR 040408 @VU PATTI KELLY A FEES AND COSTS REQUEST HAS BEEN COM

PLETED FOR THIS LOAN BY PATTI KELLY

FOR 040408 @VU SIERRIE HERRADURA A FEES AND COSTS RESPONSE COMME

NT HAS BEEN COMPLETED FOR THIS LOAN BY SIERRIE HER

-----* PF8 FOR MORE *-----

FOR 040408 @VU RADURA

FOR 040408 @VU SIERRIE HERRADURA FEES AND COSTS RESPONSE: GOOD

THROUGH:4/7/2008 FEES: 0.00 COSTS: 36.00 COMMENT:

CRC FEES/COST OUTSTANDING G/T 4.06.08 \$ 36.00

FOR 040408 @VU DESTINY WHITEHEAD SYSTEM UPDATED FOR THE FOLLOWIN

EVENT: USER HAS CREATED A PROCESS-LEVEL ISSUE FOR THIS LOAN.ISSUE TYPE: HOLD FC. ISSUE COMMENTS: FROM: DOLAN, ALLISON A. MAILTO:ALLISON.DOLAN@WAMU.NET SENT: THURSDAY, APRIL 03, 2008 5:03 PM TO: HOLDFCL@FNFS.NET SUBJECT: DTE** LAURA RICHARDSON LOAN # [REDACTED] IMPORTANCE: HIGH PLEASE PLACE THE ABOVE LOAN ON FORECLOSURE HOLD FOR 60 DAYS TO ALLOW THE BORROWER TO REINSTATE THE LOAN. SHE IS A PROMINENT POLITICAL FIGURE. STATUS: ACTIVE

FOR 040408 @VU PETER RHODEN SYSTEM UPDATED FOR THE FOLLOWING EVE

NT: USER HAS ENDED THE ISSUE ASSOCIATED WITH THIS LOAN. ISSUE TYPE: REINSTATEMENT QUOTE REQUEST. COM

FOR 040408 @VU MENTS: REINSTATEMENT GOOD THROUGH 04-07-08 UPLOADE

D INTO NIE..

FOR 040408 @VU PETER RHODEN USER HAS COMPLETED THE F101 REINSTA

TED DATA FORM WITH THE FOLLOWING ENTRIES: GOOD THROUGH DATE: : 04-07-08 SPECIAL INSTRUCTIONS: :

FOR 040408 @VU PETER RHODEN A FEES AND COSTS REQUEST HAS BEEN EN

TERED FOR THIS LOAN BY PETER RHODEN, GOOD THROUGH 4/7/2008

FOR 040408 @VU ALLISON DOLAN SYSTEM UPDATED FOR THE FOLLOWING EV

ENT: USER HAS CREATED A PROCESS-LEVEL ISSUE FOR THIS LOAN.ISSUE TYPE: REINSTATEMENT QUOTE REQUEST. ISSUE COMMENTS: PLEASE EMAIL ME A REINSTATEMENT AMOUNT WITH FEES AND COSTS TO ME ASAP AT ALLISON.DOLA

N@WAMU.NET. THIS IS FOR AN EXECUTIVE ISSUE. THAN
KS. STATUS: ACTIVE
COL 040408 MED F/U ON ACCT.FILE HAS BEEN SUBMITTED FOR HOLD
JANICE01349

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Wednesday, May 28, 2008 4:09 AM
To: Thorn, Ann <ann.thorn@wamu.net>; Elias, Alan <alan.elias@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>; Cook, Don <don.cook@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>
Cc: Schneider, David C. <david.schneider@wamu.net>; Berens, John <john.berens@wamu.net>; Champney, Steven D. <steven.champney@wamu.net>
Subject: Comments by York re: Foreclosure Sale

Paul and Don -

Gene Maddaus posted an update to his earlier articles about an hour ago - see below. The story, which focuses on the validity of the foreclosure sale, includes numerous comments made by James York re: his current position.

In part, he says he's going to hang on to the house and would be surprised if WaMu sues to get it back. He then goes on to say that in this particular case, there isn't anything for WaMu to gain on the backside except for a congresswoman's good will.

Ann: You should also be aware that Richardson described her agreement with WaMu as a loan modification, and said she had begun making payments on it. I know that you've already discussed this with her directly, but wanted to give you a heads up.

- Sara

Richardson faces fight for house

SOUTH BAY: Odds seem to be against the congresswoman getting her auctioned home back.

By Gene Maddaus

05/27/2008 11:38:22 PM PDT

South Bay Rep. Laura Richardson will face an uphill fight as she tries to reclaim her Sacramento house, which was sold in a foreclosure auction three weeks ago.

Richardson, a first-year Democrat, said last week that she is working with her lender to try to rescind the auction on the grounds that it was held in error.

A real estate broker, James York, bought the house May 7 for \$388,000. Richardson argues that she had previously made an agreement with her lender, Washington Mutual, to reinstate her loan, which should make the auction invalid.

But several attorneys said Tuesday that the law in such cases is stacked in favor of the buyer at a foreclosure auction. Only in rare cases can an auction be overturned.

"It's gonna be very, very hard - even if the sale itself was improper - to get the sale reversed," said Richard Timan, an attorney who has handled similar cases. "People who don't make payments are not beloved by judges."

York said Tuesday that he plans on hanging on to the house and would be surprised if Washington Mutual sues to get it back.

"I'm not too worried about it," he said. "Once you get the deed, it's pretty much a done deal."

In California, two appellate decisions from 2005 deal with such cases.

In *Melendrez v. D&I Investment Inc.*, the court held that a foreclosure sale was valid, even though the Melendrez family, of Watsonville, believed it had agreed to a repayment plan and had begun making payments.

"The Melendrez family had the same claim as the congresswoman does," said Timan, the

plaintiff's attorney on the case, "which is that they had actually worked out a deal with the bank, and the bank hadn't documented it properly."

But all that mattered to the appellate court in that case was that D&I Investment was a "bona fide purchaser" - meaning, essentially, that the company bought the house in a fair auction, without committing fraud. The auction was upheld.

The other case, Bank of America v. La Jolla Group II, offers a ray of hope for Richardson. In that case, the Selesia family of Fresno fell behind on a loan with Bank of America. Before an auction was held, the family paid the entire arrearage on the loan. But the auction was erroneously held anyway, and the La Jolla Group II purchased the property.

The court voided the auction.

"Now it opens up the door for almost any sale to be challenged," said Susan Moore, who argued the case for the La Jolla Group II. "The trend seems to be moving more towards favoring the homeowner."

Richardson - who has also defaulted on her two other homes in Long Beach and San Pedro - described her agreement with Washington Mutual as a loan modification, and she said she had begun making payments on it.

Glenn Wechsler, who argued for Bank of America, noted that his case was limited to a reinstatement in which the entire arrearage was paid. He said he was unaware of a precedent that dealt directly with Richardson's circumstances.

But he said that often borrowers think they have an agreement to stop a foreclosure, when they don't. Assuming York is a bona fide purchaser, a judge will start from the "conclusive presumption" that the foreclosure sale was valid, Wechsler said.

York said the Bank of America case does not apply because Richardson did not pay off the entire arrearage.

"I know that for a fact," he said. "If I knew that she sent the money in on time, I would probably be thinking something different. But I know she didn't send it."

Additionally, he said he did not see why Washington Mutual would want to sue him to get the loan back.

"When the market was sky high, we would end up in lawsuits because there was equity in all the homes, and there's actually something to gain," he said. "In this case, there isn't anything to gain on the backside, except for a congresswoman's good will."

Without a reinstatement, Richardson will be unable to repay the \$9,000 in back taxes on the property.

As it stands, York has assumed responsibility for Richardson's tax bill.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228. cell
sara.gaugl@wamu.net

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From: Gaugl, Sara C.
Sent: Tuesday, May 27, 2008 10:24:02 PM
To: Thorn, Ann; Elias, Alan; Owen, Jan L.; Cook, Don; Battaglia, Paul J.
CC: Schneider, David C.; Berens, John; Champney, Steven D.
Subject: Update: Congresswoman obtains spokesperson

All:

FYI - it appears that Congresswoman Richardson has now engaged a spokesperson -- William Marshall. Among other things, he states that Ms. Richardson is awaiting clarification from WaMu as to whether she had secured new loan terms in time, but that she is still in fact the owner of her Sacramento home (though public records state otherwise).

I'll continue to let you know of any other new developments as reported by the media.

- Sara

Rep. Richardson defaulted on three Calif. home loans – *The Hill*

By Jared Allen
05/27/08

The tale of Rep. Laura Richardson's (D) personal housing crisis got even more captivating Tuesday as her office said the freshman lawmaker defaulted on loans she took out for not just one, but three, California homes.

The news of one of Richardson's properties recently being sold at auction captured widespread attention last week in the wake of the nation's housing crisis. But that was only part of the story.

Richardson's office said Tuesday she has caught up on her payments and renegotiated the terms of loans she took out to purchase homes in San Pedro and Long Beach, Calif. Her office confirmed that the lawmaker defaulted on both of these homes and was risking foreclosure when she went months without making payments.

A third home that Richardson borrowed heavily to move into in Sacramento was sold at auction earlier this month — at a \$150,000 loss to the bank that issued her the \$535,000 loan.

William Marshall, a spokesman for Richardson, said on Tuesday that she was still awaiting clarification from her lender, Washington Mutual, as to whether she had secured new loan terms in time and was still, in fact, the owner of the home.

Richardson told The Associated Press on Friday that she was surprised to learn that the home was sold at the May 7 auction. She claimed that the sale never should have happened because she had renegotiated her loan to pay it off.

Even as that was happening, ethics watchdogs were crying foul over Richardson's personal finances and questioning how she was able to lend her campaign to Congress \$77,500 in the midst of multiple home loan defaults.

Federal Election Commission (FEC) reports show that Richardson loaned her campaign a total of \$77,500 — in three installments — between June and July of 2007.

Richardson's year-end FEC filing showed that her campaign still had \$331,000 worth of debt but \$116,000 cash-on-hand.

Marshall was unable to immediately answer questions about whether Richardson borrowed against any of her home equity — from homes she defaulted on — to finance her House campaign.

But he did not dispute reports that Richardson had done the very same thing the year prior when she borrowed \$100,000 against her Long Beach home — whose mortgage she later defaulted on — to loan to her campaign for the California General Assembly. She repaid that personal loan in its entirety, according to Los Angeles media outlets.

Melanie Sloan, executive director of the Citizens for Responsibility and Ethics in Washington, criticized Richardson for falling deeper into debt while choosing to spend more than \$77,500 of her own money on her campaign. She suggested that Richardson's actions only demonstrated her belief that winning a seat in Congress is more important than practicing personal fiscal responsibility.

Sloan added Richardson should not be in the situation she is while making a congressional salary when homeowners

around the country making \$50,000 or less are struggling to pay their debts.

“Truthfully, it’s appalling,” Sloan said.

Meredith McGehee, policy director for the Campaign Legal Center, said it would be reasonable for the FEC to look into the timing of the loan against the timeline of Richardson’s home loan defaults.

“In situations like this it’s very important for whoever loaned her the money to demonstrate that they treated her equitably, not favorably,” McGehee said. “Otherwise, you’re getting into a situation of a corporate underwriting of a campaign.”

Richardson’s FEC reports do not spell out the terms of her personal loans to her campaign.

Richardson originally came under scrutiny last week when it was learned that a home she owned in Sacramento was sold at auction after it went into foreclosure.

As well as her \$535,000 home in Sacramento, a home that Richardson owned in San Pedro — which she borrowed \$359,000 to obtain — went into default in September 2007 when she became more than \$12,000 behind in her payments.

In addition, Richardson’s primary residence in Long Beach went into default just two months ago after she failed to make a payment for four months and owed nearly \$20,000 on the property.

Marshall declined to give details of the new loans that he said Richardson was able to secure.

Richardson last week told reporters in California that her experience makes her particularly well-suited to help Congress legislate a solution to the nation’s housing crisis, saying she hoped to testify before congressional committees on the issue.

And when Congress returns following the Memorial Day recess, reconciling the House and Senate versions of the legislation designed to help the housing market rebound will be on the top of the agenda.

Richardson did not vote on the version of the Foreclosure Prevention Act that passed the House, but said she missed the vote only because she was attending her father’s funeral.

Richardson was a member of the Long Beach City Council when she won a California General Assembly seat in November 2006, months before she purchased the home in Sacramento. She won the congressional seat the following year in the special election to replace the late Rep. Juanita Millender-McDonald (D).

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228[] cell
sara.gaugl@wamu.net

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From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Saturday, May 24, 2008 1:29 AM
To: Schneider, David C. <david.schneider@wamu.net>; Berens, John <john.berens@wamu.net>; Champney, Steven D. <steven.champney@wamu.net>
Cc: Cook, Don <don.cook@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>; Elias, Alan <alan.elias@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>
Subject: RE: Confidential: Richardson Update

REDACTED

Best,

Sara

Congresswoman Richardson had defaulted on 3 homes, records show

By Gene Maddaus, Staff Writer
05/23/2008

Rep. Laura Richardson, who lost her Sacramento home in a recent foreclosure auction, has also defaulted on two other properties in Long Beach and San Pedro, records show.

Richardson, D-Long Beach, was able to bring her payments up to date on the Long Beach home relatively quickly, but the San Pedro property lingered in the foreclosure process for almost eight months, and still has a pending auction date.

In her first interview since the news broke Tuesday that her Sacramento home had been foreclosed, Richardson blamed the foreclosure on a miscommunication by her lender. She did not apologize for failing to make payments on three separate homes and expressed no regret for failing to pay nearly \$9,000 in property taxes.

In her only admission of fault, she said she could have acted more quickly to correct the situation.

"I should have moved forward in an earlier fashion," she said. "I acknowledge that. I intend never to conduct business in that fashion again."

Asked how she planned to reimburse the state for her unpaid property taxes, Richardson said, "I have financial obligations, and I will fulfill those financial obligations. There will be no debts to the state of California."

In an hour-and-a-half interview in the offices of the Long Beach Press-Telegram, Richardson declined to answer numerous detailed questions about her finances. For example, she refused to discuss the mortgage terms on the Sacramento house, refused to say how many payments she had made, and refused to say when she learned that the mortgage was in default.

A notice of default was issued in December, but Richardson offered no evidence that she had taken any remedial action before April. By then, the auction had already been scheduled for one month.

The home, which Richardson bought in January 2007 for \$535,000, sold at auction on May 7 to a real estate investor for \$388,000. The lender, Washington Mutual Bank, took a loss of nearly \$200,000 on the deal, and the buyer, James York, agreed to pay her property tax

bill.

Richardson said that she was not aware the home had sold until she was contacted by reporters this week. She produced correspondence from Washington Mutual Home Loans, dated April 17, which indicated that her loan was reinstated and the auction would be put on hold until June 4.

She produced an e-mail, dated Thursday, indicating that she was trying to work with the lender to have the foreclosure rescinded.

A spokeswoman for Washington Mutual Bank, Sara Gaugl, declined to comment on the matter.

"We have not received consent from Ms. Richardson that would allow us to discuss her loan situation," Gaugl said.

County records indicate that the San Pedro home went into default in September 2007, at which point Richardson was behind on her payments by \$12,410.71, and had made no payments since June.

A notice of trustee sale was issued on April 17, and an auction was scheduled for May 14 on the courthouse steps in Norwalk. The outstanding loan balance was \$367,436, on an original 2005 loan of \$359,000.

However, the auction was put on hold.

Richardson produced records from Wells Fargo Bank, which holds the note on her San Pedro home. That document, dated March 21, indicated that Richardson had qualified for a loan modification which would prevent the foreclosure from going forward.

Cal Western Reconveyance Corp., which was responsible for collecting the debt, confirmed that a hold had been placed on the auction, and the auction date had been postponed to July 14, pending a workout of the loan.

Again, Richardson produced no document to confirm that she took any remedial action on the San Pedro property before March.

The Long Beach home, which is Richardson's primary address, went into default on March 28.

Richardson had not made a payment on the house since November, and owed \$19,921.74 on the property. Three days later, the default was rescinded, indicating that Richardson had arranged to make the payments.

While Richardson did not apologize for her actions, she did attempt to explain them.

In 2005, Richardson was a Long Beach councilwoman and a staffer for Lt. Gov. Cruz Bustamante. She was elected to the Assembly in 2006 and then to Congress in 2007, to fill a seat vacated by the death of Rep. Juanita Millender-McDonald.

Richardson loaned her Assembly campaign \$100,000 in the summer of 2006, borrowing against the equity in her Long Beach home. After her election, she raised enough money to pay herself back, but immediately had to plow \$77,500 in loans to her congressional campaign.

"I am not financially wealthy," she said. "I am not a millionaire. Based upon what I was going through, changing four jobs in less than one year, I think any American would understand what that does in terms of a person's financial stability."

As a member of Congress, Richardson makes \$169,300 a year. As a member of the Assembly, she made about \$116,000, plus a per diem for living expenses in Sacramento.

When it was pointed out that the average American makes far less than that, Richardson responded, "The average American is not responsible for maintaining several households."

Richardson said she did not make an effort to sell the Sacramento home, even after she was elected to Congress, and still hoped to rent it out.

Richardson attempted to link her situation to the plight of others facing foreclosure, and said the experience would help make her a better advocate on foreclosure issues.

"I think this is what many Americans are unfortunately facing right now," she said. "I am concerned that I can take what I have learned from this to help somebody else. Many people are one step away from issues that are life-changing moments. When a person moves across the country, that is a life-changing moment."

Richardson noted that unlike the state Legislature, the U.S. Congress does not provide for living expenses.

"On the federal level, there is no per diem," she said. "They don't pay for you to move."

Richardson is renting an apartment in the Washington, D.C., area. She declined to disclose or discuss her credit score.

She has begun to pay down her congressional campaign debt, and repaid herself \$18,000 of the \$77,500 in personal loans. She still owes \$220,000 to her campaign consultant - which is unusual for a successful campaign - and about \$330,000 overall.

Richardson said she would advise anyone in her circumstance "to seek assistance immediately" and to maintain contact with their lenders.

She said she ultimately hopes to testify about her situation in front of the Senate, and will write to the president to urge him to sign a package of foreclosure legislation.

"We need to put a better process in place, so a person's home is not being sold up underneath them," she said. "We have to improve the way we respond to this crisis."

From: Gaugl, Sara C.
Sent: Fri 05/23/2008 8:48 PM
To: Schneider, David C.; Berens, John; Champney, Steven D.
Cc: Cook, Don; Battaglia, Paul J.; Elias, Alan; Owen, Jan L.
Subject: Confidential: Richardson Update

David, John and Steve:

So you are aware, earlier this evening Congresswoman Richardson talked with a number of media outlets including the Associated Press. As outlined in the AP article embedded below, she's claiming that the foreclosure auction of her Sacramento home was "improper" and contrary to a written agreement she had with WaMu. She also said that we've taken initial steps to rescind the foreclosure action given that she had an "agreement."

Legal, HL PR., Corp. Comm., Servicing and GIR will stay closely aligned as this situation continues to evolve. After discussing this afternoon, we unfortunately are still limited on what we can disclose about Ms. Richardson's loan situation (outside of public record) given that she's won't provide her consent. We have and will continue to emphasize that fact to the media, and will point them back to the public record, which indicates a history of default.

We'll continue to update you on new developments, however in the interim, please let us know if you have any questions.

Best,

Sara

*Please note that this article is in draft form - the reporter provided it to me in advance of publication.

AP Interview: Calif. congresswoman says home sale 'improper'

By ERICA WERNER Associated Press Writer

WASHINGTON (AP) — Rep. Laura Richardson claimed Friday that her Sacramento home was sold into foreclosure without her knowledge and contrary to an agreement with her lender.

She said that she is like any other American suffering in the mortgage crisis and wants to testify to Congress about her experience as lawmakers craft a foreclosure-prevention bill.

In a lengthy interview with The Associated Press on Friday night, the Southern California Democrat struck back against several days of negative publicity over reports she defaulted on her mortgage, allowing the house to be sold at auction.

Richardson, elected in a special election last August, acknowledged turmoil in her life in the months after an incumbent's death in April opened up the Los Angeles-area House seat.

She used her money to finance her campaign and fell behind in mortgage payments. But Richardson said that makes her like other Americans who have to deal with a sudden death or birth that throws a wrench into their finances.

Now, Richardson said, she has renegotiated her loan to pay it off and promised to fully comply with all its terms. She also said she will pay nearly \$9,000 in delinquent property taxes.

She insisted she's not getting special terms because she's a congresswoman.

I'm Laura Richardson. I'm an American, I'm a single woman who had four employment changes in less than four months," Richardson told the AP. "I had to figure out just like every other American how I could restructure the obligations that I had with the income I had."

Richardson was a member of the Long Beach City Council when she won a California state Assembly seat in November 2006, months before she bought the three-bedroom, 1½-bath Sacramento home. She won the congressional seat the next year in the special election to replace the late Juanita Millender-McDonald.

The problem is that the 1,600-square-foot home she bought for \$535,500 in January 2007 was sold at auction earlier this month to a Sacramento mortgage lender, who paid \$388,000. The sale was officially recorded on Monday, according to documents on file with the Sacramento County Recorder's Office.

A default notice sent to Richardson in March put her unpaid balance at \$578,384.

Richardson, 46, makes nearly \$170,000 as a member of Congress and was paid \$113,000 during the eight months she served in the state Assembly in 2007 before her election to Congress. She also received a per diem total of \$20,000 from California, according to a financial disclosure form she filed with the House of Representatives clerk.

Although others struggling with mortgages make far less, Richardson said it was "very misleading" to compare her earnings to the national median household income of around \$50,000. The reason: Lawmakers are required to maintain two residences while other people don't have to, she said.

Others also don't have to depend on winning an election to ensure their livelihood, she said.

Richardson provided AP with an April letter that appears to be from Washington Mutual Home Loans telling her there was a hold on foreclosure sales on her property until June 4 of this year.

She said she got another letter asking for payments May 2 and paid them, but did not know

the sale was going to happen five days later.

Richardson also provided an e-mail dated Thursday she said was from Washington Mutual that appeared to acknowledge an agreement "to facilitate the rescission of foreclosure sale."

She did not provide documentation of the structure of her new loan.

A Washington Mutual spokeswoman, Sara Gaugl, told AP earlier in the day that the company had "not received consent from Ms. Richardson that would allow us to discuss her loan situation."

Washington Mutual did not respond to a later inquiry seeking comment on Richardson's claims.

Meanwhile, the current owner of the property told AP that his ownership of the house is not in doubt.

James York, owner of Red Rock Mortgage Inc. of Sacramento, declined to discuss any possible negotiations that might be ongoing.

"I've taken possession on the home," York said. "I've been working on it, fixing it up. It had been vacant. It was in cleaner and in better repair than most foreclosures."

The home, built in 1926, is in Sacramento's Curtis Park, a desirable, upper middle-class neighborhood near downtown that sits under a canopy of decades-old trees.

Not long after getting to Congress, Richardson voted in favor of the Mortgage Forgiveness Debt Relief Act of 2007, which subsequently became law. It allows homeowners to escape paying income taxes on debts forgiven by a lender, as happens in foreclosure.

Richardson was absent earlier this month for votes on the Foreclosure Prevention Act, which she said was because of her father's funeral. But she could have another opportunity to vote on the foreclosure package as the House is expected to bring it back up in June once agreement is reached in the Senate.

In most cases, congressional ethics rules don't prevent lawmakers from voting on legislation that might affect or help them economically. Such votes are essentially impossible to avoid.

Rather than shy away from voting on mortgage-related bills, Richardson said her experiences could help her craft legislation to make sure others don't experience what she did. For example, she sees a need to add steps to inform property owners before their property can be sold.

"We have to ensure that lenders and lendees have the tools with proper timing to resolve this," she said.

Melanie Sloan, executive director of the Washington-based Citizens for Responsibility and Ethics, criticized Richardson for falling deeper into debt while choosing to spend more than \$75,000 of her own money on her campaign _ suggesting that it's more important to win a seat in Congress than to be fiscally responsible, a point Richardson disputed.

Sloan also said Richardson should not be in the situation she is while making a congressional salary, when homeowners around the country making \$50,000 or less are struggling to pay their debts.

"Truthfully, it's appalling," Sloan said.

Sara Gaugl
Home Loans Public Relations

WaMu

1301 Second Avenue 1 WMC40 1 Seattle WA 98101
206.500.2822 direct 1 206.228. cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Friday, May 23, 2008 11:48 PM
To: Schneider, David C. <david.schneider@wamu.net>; Berens, John <john.berens@wamu.net>; Champney, Steven D. <steven.champney@wamu.net>
Cc: Cook, Don <don.cook@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>; Elias, Alan <alan.elias@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>
Subject: Confidential: Richardson Update

David, John and Steve:

So you are aware, earlier this evening Congresswoman Richardson talked with a number of media outlets including the Associated Press. As outlined in the AP article embedded below, she's claiming that the foreclosure auction of her Sacramento home was "improper" and contrary to a written agreement she had with WaMu. She also said that we've taken initial steps to rescind the foreclosure action given that she had an "agreement."

Legal, HL PR., Corp. Comm., Servicing and GIR will stay closely aligned as this situation continues to evolve. After discussing this afternoon, we unfortunately are still limited on what we can disclose about Ms. Richardson's loan situation (outside of public record) given that she's won't provide her consent. We have and will continue to emphasize that fact to the media, and will point them back to the public record, which indicates a history of default.

We'll continue to update you on new developments, however in the interim, please let us know if you have any questions.

Best,

Sara

*Please note that this article is in draft form - the reporter provided it to me in advance of publication.

AP Interview: Calif. congresswoman says home sale 'improper'

By ERICA WERNER Associated Press Writer

WASHINGTON (AP) _ Rep. Laura Richardson claimed Friday that her Sacramento home was sold into foreclosure without her knowledge and contrary to an agreement with her lender.

She said that she is like any other American suffering in the mortgage crisis and wants to testify to Congress about her experience as lawmakers craft a foreclosure-prevention bill.

In a lengthy interview with The Associated Press on Friday night, the Southern California Democrat struck back against several days of negative publicity over reports she defaulted on her mortgage, allowing the house to be sold at auction.

Richardson, elected in a special election last August, acknowledged turmoil in her life in the months after an incumbent's death in April opened up the Los Angeles-area House seat.

She used her money to finance her campaign and fell behind in mortgage payments. But Richardson said that makes her like other Americans who have to deal with a sudden death or birth that throws a wrench into their finances.

Now, Richardson said, she has renegotiated her loan to pay it off and promised to fully comply with all its terms. She also said she will pay nearly \$9,000 in delinquent property taxes.

She insisted she's not getting special terms because she's a congresswoman.

I'm Laura Richardson. I'm an American, I'm a single woman who had four employment changes in less than four months," Richardson told the AP. "I had to figure out just like every other American how I could restructure the obligations that I had with the income I had."

Richardson was a member of the Long Beach City Council when she won a California state Assembly seat in November 2006, months before she bought the three-bedroom, 1½-bath Sacramento home. She won the congressional seat the next year in the special election to replace the late Juanita Millender-McDonald.

The problem is that the 1,600-square-foot home she bought for \$535,500 in January 2007 was sold at auction earlier this month to a Sacramento mortgage lender, who paid \$388,000. The sale was officially recorded on Monday, according to documents on file with the Sacramento County Recorder's Office.

A default notice sent to Richardson in March put her unpaid balance at \$578,384.

Richardson, 46, makes nearly \$170,000 as a member of Congress and was paid \$113,000 during the eight months she served in the state Assembly in 2007 before her election to Congress. She also received a per diem total of \$20,000 from California, according to a financial disclosure form she filed with the House of Representatives clerk.

Although others struggling with mortgages make far less, Richardson said it was "very misleading" to compare her earnings to the national median household income of around \$50,000. The reason: Lawmakers are required to maintain two residences while other people don't have to, she said.

Others also don't have to depend on winning an election to ensure their livelihood, she said.

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Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228.2121 cell
sara.gaugl@wamu.net

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From: Gaugl, Sara C.
Sent: Wednesday, May 21, 2008 11:29:37 PM
To: Schneider, David C.
CC: Battaglia, Paul J.; Elias, Alan; Cook, Don
Subject: RE: Congresswoman Laura Richardson – WaMu Foreclosure/Public Relations Item – Attorney Client Privileged Communication

David,

As a follow-up to Paul's message, Capitol Weekly broke this story today (full-text article embedded below for your reference). This "news" has since been reported by a LA Times blogger, and we know that the AP and Washington Post have picked up on the story as well. Additional coverage is expected tomorrow.

- Sara

Foreclosure tale shows that nobody is immune from crisis

By Anthony York (published Tuesday, May 20, 2008)

As the real estate market softened in 2007, the new owner of a three-bedroom, 1,600-square-foot house in Sacramento's Curtis Park neighborhood ran into trouble. The house that was purchased for \$535,000 in January had lost equity. The owner fell behind in her payments, and eventually, the bank seized the home.

What makes this story different from the thousands like it is that the owner of this house was a member of Congress.

The story of the foreclosure of Long Beach Democrat Laura Richardson's Sacramento home is a tale of a real estate market gone sour. It is also an illustration of how far many candidates will go to seek elected office, even if it means quite literally mortgaging their own financial future.

While being elevated to Congress in a 2007 special election, Richardson apparently stopped making payments on her new Sacramento home, and eventually walked away from it, leaving nearly \$600,000 in unpaid loans and fees.

Richardson's decision to let the house slip into foreclosure was set in motion by an unlikely chain of events, only some of which had to do with Sacramento's crumbling real estate market. Richardson was elected to the Assembly in November 2006, and purchased her new capital home two months later. But in April 2007, Rep. Juanita Millender-McDonald succumbed to cancer, creating a Congressional vacancy in Richardson's district.

Richardson declared her candidacy for the seat, and soon found herself locked in a hotly contested, and very expensive race for Congress against state Sen. Jenny Oropeza, D-Long Beach.

While her campaign heated up, Richardson's house slipped into default. Richardson fell behind on her mortgage payments as she loaned her Congressional campaign \$60,000 - money that has begun to be paid back to Richardson personally from her campaign account, according to records from the Center for Responsive Politics.

Richardson's opponent, Oropeza, loaned herself \$115,000 for her run against Richardson. Oropeza's Congressional committee still shows nearly \$200,000 in debt.

Richardson declined to comment for this story.

But tax records at the Sacramento County assessor's office show that in January 2007, Richardson took out a mortgage for the entire sale price of the house -- \$535,000. The mortgage amount was equal to the sale price of the home, meaning she was able to buy the house without a down payment, even though the housing market was beginning to turn.

A March 19, 2008 notice of trustee's sale indicates that the unpaid balance of Richardson's loan, which is held by Washington Mutual, is more than \$578,000 - \$40,000

more than the original mortgage.

The Curtis Park house is not Richardson's primary residence. She also owns a four-bedroom house in Long Beach, in her Congressional district. Real estate records show she purchased that house in 1999 for \$135,000. An estimate from Zillow.com puts the current value of that house at \$474,000

Like many homes that have gone through foreclosure, Richardson's new residence quickly became an eyesore. With Richardson gone, upkeep on the home lapsed, and neighbors began to get angry.

"The neighbors are extremely unhappy with her," said Sharon Helmar, who sold the home to Richardson. "She didn't mow the lawn or take out the garbage while she was there. We lived there for a long time, 30 years, and we had to hide our heads whenever we came back to the neighborhood."

Helmar and her husband, Mark, sold the Curtis Park home to Richardson because Sharon's arthritis required the couple to move into a one-story house. With the area's real estate market slowing down, the house remained on the market for months, and the Helmars, who lived in the house for more than 30 years, were getting desperate to sell.

Helmar said that she has never met Richardson personally, but dealt with Richardson through her realtor. The Helmars wound up giving Richardson \$15,000 toward closing costs, she said.

And she is still angry over what happened to a home that clearly she never really wanted to leave. "It's kind of silly. You would think people who are making decisions for others would be able to make good decisions for themselves," she said. "She should have known what she could afford and not afford. In this neighborhood, you just don't do that."

While Richardson walked away from her loan, she bested Oropeza in a June special election, and moved on to Congress. As a member of Congress, Richardson has been asked to vote on legislation pertaining to the spike in foreclosures around the country.

On the biggest pieces of legislation having to do with government bailouts for people whose homes have entered foreclosure, Richardson has recused herself. She did not vote on legislation by Rep. Barney Frank, D-Mass, which would direct \$2.7 billion in government funds to help an estimated 500,000 homeowners who are at risk of foreclosure.

Richardson also did not vote on a measure by Rep. Maxine Waters, D-Los Angeles, that would give local governments \$15 billion to purchase, rehab and resell foreclosed properties.

While Richardson walked away from her bank loan, she has begun to pay herself back for the money she personally invested in her initial race. Records show that Richardson spent \$587,000 out of her Congressional campaign committee since declaring her Congressional candidacy through March of this year. Of those expenditures, Richardson has spent \$18,000 of that money to begin repaying herself for the money Richardson loaned to her campaign.

According to documents at the Sacramento County Clerk's office, Richardson first received a default notice in late 2007. By December 2007, less than a year after Richardson purchased the house, she was behind in her payments by more than \$18,000.

Three months later, on March 19, a notice was filed with the county that Richardson's property would be sold at auction. According to the documents, the unpaid balance and other charges Richardson owed the bank was \$587,384.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228[] cell
sara.gaugl@wamu.net

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From: Battaglia, Paul J.

Sent: Wednesday, May 21, 2008 8:16 PM

To: Schneider, David C.

Cc: Berens, John; Champney, Steven D.; Cook, Don; Owen, Jan L.; Gaugl, Sara C.; Elias, Alan

Subject: Congresswoman Laura Richardson -- WaMu Foreclosure/Public Relations Item -- Attorney Client Privileged Communicaton

David,



REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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CSOC.RICH.004164

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From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Wednesday, June 18, 2008 7:38 PM
To: Elias, Alan <alan.elias@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>; Cook, Don <don.cook@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>
Cc: Thorn, Ann <ann.thorn@wamu.net>; Baptista, Geri Ann S. <geriann.baptista@wamu.net>
Subject: Email from Richardson

REDACTED

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228. cell
sara.gaugl@wamu.net

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From: Laura Richardson [redacted]
Sent: Wednesday, June 18, 2008 4:27 PM
To: Gaugl, Sara C.
Cc: Thorn, Ann
Subject: WaMu Statement

Ann,
Could you forward this letter to Sara? I am not sure I have the correct spelling of her name or her email address.

Washington Mutual
1301 2nd Ave.
Seattle , Washington 98101

Dear Sara Gaugl:

Over the last several weeks, I have read the following quotes from you in various newspapers:

“I’m unable to discuss the specifics of Ms. Richardson’s loan situation because she has not provided us with authorization to publicly discuss her loan.”

And:

“More broadly, if the loan has gone to foreclosure sale in error, we will work to take appropriate measures to rectify the situation.”

It is my understanding that a statement has been released on behalf of Washington Mutual. Despite efforts by those assisting me in this process, no one on my staff has received a copy of the release.

Could you please e-mail a copy of the release regarding the property @ 3622 Curtis Drive , Sacramento , CA., to my e-mail address: laurarichardson at your earliest convenience.

Further, I did sign a consent form to release the document from WaMU that acknowledged terms and that no further action would occur prior to June 6th. I hereby consent again the release of that document and WaMu explanations as to why a rescission is being sought and allowable in this case. Please forward a copy of that explanation to me as well at laurarichardson

Sincerely,

Laura Richardson

Cc: Ann Thorn

Subject: Laura Richardson - Counteroffer from foreclosure purchaser
Location: Dial in at 1-866-736-7367 Participant passcode is 12345678

Start: 6/16/2008 3:30 PM
End: 6/16/2008 4:00 PM
Show Time As: Busy

Recurrence: (none)

Meeting Status: Accepted

Required Attendees: Berens, John; Champney, Steven D.; Cook, Don; Stevens, Lawrence W.; Klein, Jason C.; Parker, Gary L.

Resources: Dial in at 1-866-736-7367 Participant passcode is 12345678

When: Monday, June 16, 2008 12:30 PM-1:00 PM (GMT-08:00) Pacific Time (US & Canada); Tijuana.
Where: Dial in at 1-866-736-7367 Participant passcode is 12345678.

~~*~*~*~*~*~*~*~*



REDACTED

Seattle Participants meet in small conference room on 34.

Subject: Laura Richardson - Counteroffer from foreclosure purchaser
Location: Dial in at 1-866-736-PC

Start: 6/16/2008 3:30 PM
End: 6/16/2008 4:00 PM
Show Time As: Busy

Recurrence: (none)

Meeting Status: Accepted

Required Attendees: Berens, John; Champney, Steven D.; Cook, Don; Stevens, Lawrence W.; Klein, Jason C.; Parker, Gary L.

Resources: Dial in at 1-866-736-PC

When: Monday, June 16, 2008 12:30 PM-1:00 PM (GMT-08:00) Pacific Time (US & Canada); Tijuana.
Where: Dial in at 1-866-736-PC Participant passcode is

~~*~*~*~*~*~*~*~*



REDACTED

Seattle Participants meet in small conference room on 34.

From: Elias, Alan <alan.elias@wamu.net>
Sent: Thursday, August 21, 2008 2:43 PM
To: Beck, John O. <john.beck@wamu.net>; Berens, John <john.berens@wamu.net>; Brennan, Carey <carey.brennan@wamu.net>; Ganem, Beth <beth.ganem@wamu.net>; Hyde, Arlene M. <arlene.hyde@wamu.net>; Morgan, Tom E. <tom.morgan@wamu.net>; Schneider, David C. <david.schneider@wamu.net>; Woods, John F. <john.woods@wamu.net>; Zarro, Michael R. <michael.zarro@wamu.net>
Cc: Gaugl, Sara C. <sara.gaugl@wamu.net>; Kelley, Mary L. <mary.kelley@wamu.net>
Subject: FW: Breaking News Industry and Issues Edition 8-21-08

As an FYI... Something positive for once!

.....
From: Gordon, Debbie
Sent: Thursday, August 21, 2008 11:38 AM
To: Aney, Derek; Baptista, Geri Ann S.; Borges, Ruben; Elias, Alan; Gordon, Debbie; Magley, Alan F.; Pollock, Sheri L.; Riley, Olivia; Rodriguez, Adrian; Russell, Brad; Donahoe-Wilmot, Darcy; Kishner, Gary; Latham, Missy C.; Winn, Shane A.
Subject: Breaking News Industry and Issues Edition 8-21-08

1. NeighborWorks America Honors Businesses for Contributions to Lower-Income Communities

20 August 2008

Business Wire

CHICAGO - (BUSINESS WIRE) - NeighborWorks(®) America has announced the most generous contributors to its work in affordable housing, foreclosure intervention and community development for FY 2007. The organizations were presented with the annual NeighborWorks(®) Partner Awards at a ceremony in Chicago on August 19.

Bank of America, United Way of America, and State Farm(®) were the Most Generous Local NeighborWorks(®) Contributors. Local contributors give to individual NeighborWorks(®) organizations in communities across the country, increasing their ability to serve modest-income individuals and families with services such as homeownership counseling and assistance, financial literacy education, and neighborhood revitalization.

Fannie Mae, State Farm(®) and Countrywide were the Most Generous National NeighborWorks(®) Contributors. National contributors support NeighborWorks(®) America's programs nationwide, such as foreclosure prevention and counseling, promoting affordable housing for working families, and providing training and technical assistance to community development organizations.

Fannie Mae, **Washington Mutual**, Inc., and Wachovia Corporation were the Most Generous NeighborWorks(®) Social Investors. Social investors provide socially responsive capital in support of Neighborhood Housing Services of America, NeighborWorks(®) America's secondary market and the leading provider of nonprofit secondary market capital to the community development field.

"These organizations truly understand and support our mission of community revitalization," said Ken Wade, CEO of NeighborWorks(®) America. "From helping homeowners prevent foreclosure, to providing high-quality rental housing, to helping the rebuilding effort in the Gulf Coast region, their generous support plays a crucial role in our success."

The contributions supported a variety of NeighborWorks(®) programs and activities nationwide, aimed at creating and preserving affordable housing opportunities and building stronger communities.

About NeighborWorks(®) America

NeighborWorks(®) America creates opportunities for people to improve their lives and strengthen their communities by providing access to homeownership and to safe and affordable rental housing. Since 1991, we have assisted nearly 1.2 million low- to moderate-income families with their housing needs. Much of our success is achieved through our support of the NeighborWorks(®) network - more than 230 community development organizations working in more than 4,400 urban, suburban and rural communities in all 50 states, the District of Columbia and Puerto Rico. In the last five years, NeighborWorks(®) organizations have generated more than \$1.5 billion in reinvestment in these communities. NeighborWorks(®) America is the nation's leading trainer of community development and affordable housing professionals. www.nw.org.

NeighborWorks America Douglas Robinson, 202-220-2360 drobinson@nw.org or Claudia Askew, 202-863-9060 claudiaaskew@hotmail.com

2. Mortgage Hardball: Day 2

By Jane Wells
cnc.com
August 20, 2008

UPDATE ON MORTGAGE HARBALL

Kim and Scott Fisher are watching the clock tick down. **As I blogged yesterday**, they have an offer on their home for an amount which will allow them to pay off their first mortgage to **Washington Mutual** and a second mortgage to **Wells Fargo**. But the Fishers do not have enough to cover \$35,000 in closing costs, and they say lenders won't help. Plus, they say **WaMu** has moved to foreclose on the home. What a mess.

Escrow is scheduled to close today. It won't close, though, if the Fishers can't come up with the \$35,000, or if the banks don't agree to eat those costs.

Both lenders returned my calls and told me they were looking into it.

Wells Fargo, as second in line, has the most to lose if this sale falls through. Kim Fisher says Wells, after first saying no dice, is more helpful today. A deal to waive fees may be "do-able", says Kim, though nothing is confirmed.

Her realtor, Billy Wynn, warns that if the buyers' loan isn't funded by the close of business Monday, the buyers will lose their rate lock "and probably their loan."

The offer is to buy the home for \$1.13 million. Realtor Wynn says if the deal falls through and the house goes into foreclosure, it'll be off the market for a time and will probably eventually sell for less than \$1 million. **WaMu** will get its money back, but he says Wells Fargo will be out probably \$100,000+, which is more than the \$35,000 the Fishers can't cover. "Go figure," Wynn says.

Stay tuned.

3. Richardson escapes \$400 property bill

By Gene Maddaus Staff Writer
08/21/2008

Rep. Laura Richardson caught a break on Wednesday when code enforcement officers decided not to bill her for boarding up the garage door on her vacant Sacramento home.

The city decided it would be too much trouble to determine who owned the property last month, when code enforcement officers were called out to deal with a "public nuisance."

After Richardson stopped making payments on the home, it was sold to an investor at a foreclosure auction. But the property was returned to Richardson in June, after her bank rescinded the sale.

In a statement, Richardson, D-Long Beach, disavowed any responsibility for the current upkeep of the home,

because she said it still has not been transferred back to her.

"Congresswoman Richardson is fully prepared, WHEN full transfer of the property is made and reinstated, to manage and maintain the Sacramento property," said her spokesman, William Marshall.

Richardson's statement conflicts with available public records, which state that she has had the title to the property since June 2.

Richardson bought the home in January 2007 upon being elected to the Assembly. But after she won a seat in Congress a few months later, neighbors noticed that property was left vacant and had been poorly maintained.

Sacramento police were called to the home on July 21 because the garage door was open, suggesting a possible

break-in. The police called code enforcement officials, who brought in a contractor to board up the door.

Code enforcement officers also found rotting food on the ground, which might attract rodents, as well as junk and debris in the yard.

In such cases, the homeowner gets a bill from the city. Ron O'Connor, the code enforcement operations manager, said the city would also charge \$250 for night service, plus the cost of the contractor, bringing the total to perhaps \$400.

Apparently relying on county property records, the city sent a notice of a "public nuisance" to Red Rock Mortgage, the real estate firm that bought the property at auction.

Richardson did not learn about the notice until last week.

James York, the owner of Red Rock Mortgage, sued Richardson and **Washington Mutual** after the auction was rescinded, arguing that he was the rightful owner of the property. As part of the suit, York filed a notice of pending litigation on the property, which clouded Richardson's title.

York later settled the lawsuit for an undisclosed sum. On July 11, 10 days before the apparent break-in, York's attorney signed notices to withdraw the lawsuit and the notice of litigation from the property, thereby relinquishing York's claim on it.

O'Connor said it was unclear from information available to him who owned the property on July 21.

But Richardson had the title to the property once the sale was rescinded on June 2. Were it otherwise, she would have had to sue York to get the house back - not vice versa.

In order to resolve the ownership of the property, O'Connor said he would have to spend \$100 for a title search, which would take three weeks.

"It's not worth it," he said. "I'm just going to get rid of it."

O'Connor said that Richardson would still be sent a notice to comply with the code violations, but would not be required to pay for the board-up.

In another development, **Washington Mutual** paid Richardson's outstanding property tax bill of \$9,000 on July 31. No public records explain why the bank would do that, though it is possible that the tax bill was added to Richardson's loan balance in a refinancing.

4. ONE OWNER'S LOSS IS ANOTHER'S GAIN SELLERS: SACRIFICE CHANCE OF PROFITS TO UNLOAD MORTGAGES; BUYERS: PRICE DROPS MAKE HOMES MUCH MORE AFFORDABLE

By Paul Owers and John Maines Staff Writers

21 August 2008

Western Union/(www.westernunion.com)

PRICE: We paid \$15 to send \$100 using the company's online Money in Minutes service. Our friend ended up with \$96.50.

KEY FEATURES: There are three different ways to send money: online, by phone or by going to a Western Union office in person. There are three different services offered: Money in Minutes, Next Day and Direct to Bank. Not all options are available online, by phone or in person. Depending which you choose, there are options for using cash or Visa or MasterCard credit or debit cards.

COMMENT: The Web site was easy to navigate. Dealing with customer service on both ends of the transaction was time-consuming. Finding a location abroad was easy, but there were arguments about the authenticity of our friend's ID.

COMPANY/WEB SITE: MoneyGram/(www.moneygram.com)

PRICE: We paid \$14 to send \$100 with the company's eMoney Transfer Same Day service. Our friend received \$96.82.

KEY FEATURES: There are two different options online -- eMoney Transfer Same Day Service and eMoney Transfer Economy Service. The same-day service is faster but more expensive, and the economy service takes 3-5 business days. The economy service does not have a credit-card option.

COMMENT: We liked the online fee estimator -- even though it overshoot our costs a bit -- and the overall disclosure of fees throughout the online form. Our friend spent 45 minutes at the MoneyGram location in Indonesia to get the money, and they asked her to fill out seemingly irrelevant personal information like her annual salary.

COMPANY/WEB SITE: PayPal/(Inman News

In a recent column, shortly after **Washington Mutual** announced it would no longer offer its option adjustable-rate mortgage (ARM) to home buyers, I noted that the program was a benefit

I pointed out that three of the four payment options of the option ARM did not render negative amortization, yet too many consumers stayed with the minimum payment for far too long and owed more than they borrowed.

Negative amortization occurs when the monthly loan payment is less than the principal and interest needed to pay off the loan in a specific period of time. The difference is added to the loan amount, so that the borrower owes more than the amount initially borrowed.

What I absolutely underestimated was the percentage of borrowers who took out an option ARM to buy a house they could not afford, or who had no intention of ever leaving the minimum payment portion of the menu and moving into one of the positive-amortization options.

In one of the first significant studies to consider the ramifications of option ARM loans, Barclays Capital revealed that nearly 95 percent of all outstanding option ARM loans "have negatively amortized to some extent" and that the payment shock incurred when the loans reset, or recast, will be far more severe than the highly publicized subprime adjustments.

In a report titled "Option ARM-ageddon: The Real Reset Risk," Barclays Capital researchers predicted that a majority of the existing loans would recast in 2010-11 and monthly payments would jump 60-80 percent. By comparison, most subprime resets should cause only an 8-10 percent payment shock.

The study included several subprime option ARM comparisons, including a \$250,000 loan on similar homes in the same neighborhood. While the mortgages carried different interest rates, margins and loan caps, the mortgages were typical for what a borrower could expect. The subprime loan made in 2006 was recast after two years under its original terms and the monthly payment rose from \$1,903 to \$2,044, or 7.4 percent. The option ARM, recast when the borrower hit the negative amortization ceiling of 115 percent, saw its monthly payments leap 89 percent, from \$1,074 to \$2,027.

Recasting (or recalculating a loan) is another way of limiting negative amortization and keeping a loan on the original schedule. The main purpose of recasting is to ensure that the loan is paid off within the scheduled amortization period. Option ARM loans are usually recast every five or 10 years (or sooner, if the negative-amortization limit is reached). This recalculation (or re-amortization) is based on the outstanding principal balance, the remaining term and the fully indexed rate. When the loan is recast, the payment required to fully amortize the loan over the remaining term becomes the new minimum payment.

According to the study, even though it is clear that there will be a problem upon recast, option ARM borrowers are not in the position to do anything about it. These borrowers chose this loan for a reason: namely, to purchase a home they could not afford with any other loan. Now that they are already in a home, there is little chance that option ARM borrowers would choose to refinance into a loan that raises their monthly payment. Furthermore, many of these borrowers are locked into these loans due to prepayment penalties. The prepayment penalties are often imposed on borrowers with the lowest FICO scores, meaning that the borrowers least able to afford the payment shock are most trapped in the loan, the research report disclosed.

The Barclays study indicated that between 2008 and 2012, approximately \$312 billion in option ARM loans will recast to become fully amortizing loans. The majority of these recasts will come in 2010 and 2011 when \$109 billion and \$118 billion will recast, respectively. As a result of declining home prices and the negative amortization of these loans, most borrowers resetting in 2010-11 will have

loan-to-value ratios in excess of 100 percent.

If you have an option ARM loan, do all you can to move off the minimum payment and on to a disciplined, aggressive, accelerated plan. If can get out of negative territory and start paying down the principal, you might even have some options when you want to refinance.

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From: Gaugl, Sara C.
Sent: Thursday, August 21, 2008 6:50:53 PM
To: Schneider, David C.; Berens, John
CC: Cook, Don; Elias, Alan
Subject: RE: Recent Coverage Re: Richardson Property

Here is the latest article from *The Daily Breeze*, which is an extension of the story that appeared earlier this morning.

- Sara

Richardson escapes \$400 property bill - *The Daily Breeze*

By Gene Maddaus

August 21, 2008

In a statement, Rep. Laura Richardson, D-Long Beach, disavowed any responsibility for the current upkeep of the home, because she said it still has not been transferred back to her.

Rep. Laura Richardson caught a break on Wednesday when code enforcement officers decided not to bill her for boarding up the garage door on her vacant Sacramento home.

The city decided it would be too much trouble to determine who owned the property last month, when code enforcement officers were called out to deal with a "public nuisance."

After Richardson stopped making payments on the home, it was sold to an investor at a foreclosure auction. But the property was returned to Richardson in June, after her bank rescinded the sale.

In a statement, Richardson, D-Long Beach, disavowed any responsibility for the current upkeep of the home, because she said it still has not been transferred back to her.

"Congresswoman Richardson is fully prepared, WHEN full transfer of the property is made and reinstated, to manage and maintain the Sacramento property," said her spokesman, William Marshall.

Richardson's statement conflicts with available public records, which state that she has had the title to the property since June 2.

Richardson bought the home in January 2007 upon being elected to the Assembly. But after she won a seat in Congress a few months later, neighbors noticed that property was left vacant and had been poorly maintained.

Sacramento police were called to the home on July 21 because the garage door was open, suggesting a possible break-in. The police called code enforcement officials, who brought in a contractor to board up the door.

Code enforcement officers also found rotting food on the ground, which might attract rodents, as well as junk and debris in the yard.

In such cases, the homeowner gets a bill from the city. Ron O'Connor, the code enforcement operations manager, said the city would also charge \$250 for night service, plus the cost of the contractor, bringing the total to perhaps \$400.

Apparently relying on county property records, the city sent a notice of a "public nuisance" to Red Rock Mortgage, the real estate firm that bought the property at auction.

Richardson did not learn about the notice until last week.

James York, the owner of Red Rock Mortgage, sued Richardson and Washington Mutual after the auction was rescinded, arguing that he was the rightful owner of the property. As part of the suit, York filed a notice of pending litigation on the property, which clouded Richardson's title.

York later settled the lawsuit for an undisclosed sum. On July 11, 10 days before the apparent break-in, York's attorney signed notices to withdraw the lawsuit and the notice of litigation from the property, thereby relinquishing York's claim on it.

O'Connor said it was unclear from information available to him who owned the property on July 21.

But Richardson had the title to the property once the sale was rescinded on June 2. Were it otherwise, she would have had to sue York to get the house back - not vice versa.

In order to resolve the ownership of the property, O'Connor said he would have to spend \$100 for a title search, which would take three weeks.

"It's not worth it," he said. "I'm just going to get rid of it."

O'Connor said that Richardson would still be sent a notice to comply with the code violations, but would not be required to pay for the board-up.

In another development, Washington Mutual paid Richardson's outstanding property tax bill of \$9,000 on July 31. No public records explain why the bank would do that, though it is possible that the tax bill was added to Richardson's loan balance in a refinancing.

From: Gaugl, Sara C.
Sent: Thursday, August 21, 2008 11:44 AM
To: Schneider, David C.; Berens, John
Cc: Cook, Don; Elias, Alan
Subject: Recent Coverage Re: Richardson Property

REDACTED

Rep. won't be billed for house problem – *The Daily Breeze*
By Gene Maddaus

Rep. Laura Richardson caught a break on Wednesday when code enforcement officers decided not to bill her for boarding up the garage door on her vacant Sacramento home.

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Rep. Richardson's Sacramento home declared 'public nuisance' – *Los Angeles Times*
Neighbors complained about the condition of the Sacramento home of Rep. Laura Richardson (D-Long Beach).

First Rep. Laura Richardson was having problems making house payments, defaulting six times over eight years.

Then after a bank foreclosed on her Sacramento house and sold it at auction in May, the Long Beach Democrat made such a stink that Washington Mutual, in an unusual move, grabbed it back and returned it to her.

This week, in the latest chapter in the housing saga, the Code Enforcement Department in Sacramento declared her home a "public nuisance."

The city has threatened to fine her as much as \$5,000 a month if she doesn't fix it up.

Neighbors in the upper-middle-class neighborhood complain that the sprinklers are never turned on and the grass and plants are dead or dying. The gate is broken, and windows are covered with brown paper.

"I would call it an eyesore," said Peter Thomsen, a retired bank executive who lives nearby.

The city action was prompted by police action.

Police were twice called to investigate reports of a suspicious person in or around the house, perhaps a homeless man squatting there. Officers called the Code Enforcement Department, which boarded up a broken door.

Code enforcement inspectors visited the house twice in July, finding "junk and debris" in the driveway and "rotting fruit on the ground in the rear yard which creates rodent harborage," according to department documents.

Ron O'Connor, operations manager of the Code Enforcement Department, said homes in the Curtis Park area seldom were tagged as a public nuisance.

"It's a really nice neighborhood," he said.

Asked about the house, Richardson's office released a statement that said: "Neither Congresswoman Richardson nor her attorney have received any information referring to this matter. Any additional information will be provided at a later date."

Richardson has few worries in the November election. The 37th District is so solidly Democratic that no Republican is running against her. Democrat Peter Mathews, who has sought the seat several times before, is mounting a write-in campaign.

Richardson began defaulting on house payments long before she bought the three-bedroom, 1 1/2 -bath home after being elected to the Assembly in 2006. She has defaulted on a home in San Pedro, where her mother lives, and her residence in Long Beach for amounts ranging from \$5,742 to almost \$20,000, according to documents on file with Los Angeles County.

Five of the defaults occurred during a 13-month period over 2007-08 when Richardson was bankrolling her political career, lending her campaigns for Congress and Assembly a total of \$177,500.

In addition, she owed nearly \$9,000 in property taxes on the Sacramento house, and the city Utilities Department put a lien on the property for an unpaid utility bill of \$154.03.

In a letter to supporters after her money problems received widespread publicity in June, Richardson said she was current on her house payments.

"Many elected officials are married, rely on two incomes or are independently wealthy," she wrote.

"I do not fit any of these descriptions," she added. "I made the decision to borrow money against my home to help finance my campaign. The election was too important to me, to our community and to our country to roll over."

Although Richardson lost her Sacramento house, she got it back under unusual circumstances.

Real estate investor James York bought the two-story house May 7 for \$388,000. Richardson had paid \$535,000. York recorded the deed May 19 and sent a work crew to renovate the house.

York said Washington Mutual filed a letter of rescission of the sale June 2 with Sacramento County. Experts said such a move after the deed was recorded was almost unheard of.

"It seems to me it has nothing to do with the law, but it has to do with [Washington Mutual] trying to be deferential to a congresswoman," said Grant Nelson, the William H. Rehnquist Professor of Law at Pepperdine University.

York sued. The case was settled in early July with each side agreeing not to talk about the terms. In addition, Washington Mutual paid the tax lien on July 31, according to Sacramento County.

The public nuisance notice -- known as a vacant building ordinance violation -- was posted on Richardson's house Tuesday.

An inspection, it says, "revealed the structure on your property is vacant, is not in compliance with minimum maintenance standards and/or constitutes a public nuisance."

The owner of the house is listed on the notice as Red Rock Mortgage Inc., which is York's company.

O'Connor, the Sacramento code official, said the notices are taped onto the building and sent to the owner, return receipt requested.

During a phone interview, O'Connor checked county tax assessor records and said that Richardson is listed as the owner and that the notice would be sent to her.

The notice says that a \$1,000 penalty can be assessed against the property if progress is not made to bring it into compliance within 30 days. The penalty could grow to as much as \$5,000 per month unless progress is made to improve conditions.

Neighbors have complained about the state of the house for months.

They were optimistic when York sent his crew to begin renovations, but now say it is worse than ever.

"I can't make myself go by there. It hurts too much," said Sharon Helmar, who sold the house to Richardson after living there for 30 years. "We took good care of it, and it's a lovely house."

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228. cell | sara.gaugl@wamu.net

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CC: Cook, Don; Elias, Alan
Subject: Recent Coverage Re: Richardson Property

REDACTED

- Sara

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From: Cook, Don
Sent: Friday, May 08, 2009 9:19:39 PM
To: O'Hara, Laura; O'Connor, Kathleen G.
CC: Davis, Deborah S.
Subject: congressional ethics letter.pdf - Privileged and Confidential

Attachments: congressional ethics letter.pdf



congressional
ethics
letter.pdf (84
kB)

REDACTED

Board

David Skuggs, Chair *Porter Goss, Co-Chair*
Yvonne Burke *Jay Eugen*
Karan English *William Frenzel*
Allison Hayward *Abner Mikva*



Leo J. Wise, Staff Director & Chief Counsel
1017 Longworth House Office Building
(202) 225-9739
(202) 226-0997 fax
email address: oce@mail.house.gov
website address: oce.house.gov

OFFICE OF CONGRESSIONAL ETHICS
 UNITED STATES HOUSE OF REPRESENTATIVES
 WASHINGTON, DC 20515

April 23, 2009

Mr. James York
 York & Associates Real Estate
 3600 American River Drive #135
 Sacramento, CA 95864

REQUEST FOR INFORMATION

Dear Mr. York:

This Request for Information is pursuant to a Preliminary Review authorized by the Board of the Office of Congressional Ethics (OCE) on February 27, 2009. You have been identified as a person with information relevant to this Review. The review initiated on April 3, 2009.

In accordance with Rule 7(D) and 7(E) of the Office of Congressional Ethics' Rules for the Conduct of Investigations ("OCE Rules"), a preliminary report must be completed and delivered to the Board within 30 days of the initiation of a Review. That report will be prepared for the Board and it will evaluate the matter based on the information available at the end of that 30 days. Your timely cooperation is appreciated and will assist the Board in reaching an informed and accurate decision.

Please provide the following information:

- (1) The names and contact information of all representatives of Washington Mutual and/or California Reconveyance Company that you dealt with regarding your purchase of residential property located at 3622 West Curtis Drive, Sacramento, California 95818, on May 7, 2008.
- (2) An itemized list of all improvements, including the dollar value of all improvements, you, or anyone on your behalf, made to the residential property located at 3622 West Curtis Drive, Sacramento, California 95818.
- (3) A copy of the notice of rescission of sale, dated June 2, 2008, for the residential property located at 3622 West Curtis Drive, Sacramento, California 95818.

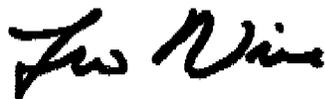
- (4) The names and contact information of all representatives of Washington Mutual and/or California Reconveyance Company that you dealt with regarding the rescission of sale of the residential property located at 3622 West Curtis Drive, Sacramento, California 95818.
- (5) All correspondence, including: letters; emails; and notes from telephone conversations or in-person meetings, between you and representatives of Washington Mutual and/or California Reconveyance Company regarding the rescission of sale of the residential property located at 3622 West Curtis Drive, Sacramento, California 95818.
- (6) A copy of the lawsuit you filed with the Sacramento Superior Court on June 12, 2008, regarding the rescission of the sale of the residential property located at 3622 West Curtis Drive, Sacramento, California 95818.
- (7) All correspondence, including: letters; emails; and notes from telephone conversations or in-person meetings, between you and representatives of Washington Mutual and/or California Reconveyance Company regarding the lawsuit you filed with the Sacramento Superior Court on June 12, 2008.
- (8) A copy of the terms of settlement of the lawsuit.

OCE may make additional information requests, as warranted by the facts and circumstances of this Review. In addition, we will review any additional information you feel is relevant that we have not requested.

Please note that under House Resolution 895 of the 110th Congress, as amended by House Resolution 5 of the 111th Congress, and OCE Rule 7, the Board may draw a negative inference from any refusal to cooperate and may include a statement to that effect in any referral to the Committee on Standards of Official Conduct.

If you have any questions regarding this request or require any assistance in the production of the information requested, please do not hesitate to contact Elizabeth Horton, Investigative Counsel, at (202) 225-9739.

Very respectfully,



Leo Wise
Staff Director and Chief Counsel

* * *

ACKNOWLEDGEMENT OF RECEIPT

Please sign the following and return to the OCE by facsimile at (202) 226-0997:

I hereby acknowledge receipt of a Request for Information in Review No. 4126. By so signing, I merely acknowledge receipt of this document.

Member or Designee's Signature: _____

Member or Designee's Name: _____

Date: _____

From: Cook, Don <don.cook@wamu.net>
Sent: Wednesday, April 1, 2009 12:27 PM
To: Thorn, Ann <ann.thorn@wamu.net>
Subject: FW: FDIC claim: not litigation

Ann, it is good to hear from you. I hope all is well with you.

REDACTED

REDACTED

From: Orenstein, Jane [mailto:jorenstein@wamu.net]
Sent: Wednesday, April 01, 2009 9:17 AM
To: Pruitt, James
Cc: Cook, Don
Subject: RE: FDIC claim: not litigation

You can direct her to me – I will have the claims agent send her a claims notice if she hasn't already received one.
Jane

Jane A. Orenstein
Counsel, FDIC Legal Division
206.500.8904 (at WaMu Center - no voicemail)
281.917. (mobile w/voicemail)
jorenstein@wamu.net

This email message, including any attachments, is for the sole use of the intended recipient(s) and may contain information that is confidential, proprietary, legally privileged, or otherwise protected by law from disclosure. Any unauthorized review, use, copying, disclosure, or distribution is prohibited. If you are not the intended recipient, you should notify the sender immediately by reply email and destroy all copies of the original message.

From: Pruitt, James [mailto:james.pruitt@wamu.net]
Sent: Wednesday, April 01, 2009 9:14 AM
To: Orenstein, Jane
Cc: Cook, Don
Subject: FDIC claim: not litigation

A borrower seeking damages for pre-receivership actions of Wamu has not filed suit but is pushing to recover her losses.
Who should I direct her to? Thanks.

James E. Pruitt III

Assistant General Counsel

Legal Department

JPMC - 002691
CONFIDENTIAL
CSOC.RICH.004184

JPMorgan Chase Bank, NA

1301 Second Avenue, WMC3501

Seattle, WA 98101

206.500.4246 office

206.377.3025 fax

james.pruitt@wamu.net

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From: Cook, Don <don.cook@wamu.net>
Sent: Wednesday, April 1, 2009 12:11 PM
To: Pruitt, James <james.pruitt@wamu.net>
Subject: FW: Loan Modification Docs for Laura Richardson

REDACTED

From: Thorn, Ann
Sent: Wednesday, April 01, 2009 5:53 AM
To: Cook, Don
Subject: FW: Loan Modification Docs for Laura Richardson

Hi Don, hope all is going well with you. It has been a while since I have talked with you.

REDACTED

Thanks

Ann Thorn
Foreclosure Manager
office: 904-462-2150
cell: 414-418 

For Internal Use Only

From: Daysha McArthur [
Sent: Tuesday, March 31, 2009 6:50 PM
To: Thorn, Ann
Subject: Loan Modification Docs for Laura Richardson

Good afternoon Ann,

Laura spoke with Autumn Born in Loss Mitigation briefly last week. During their conversation Autumn said she was not aware of the damage to the home or that the photos were sent. Were you able to get the package we sent to Autumn?

Also, can you fax or email me the current loan modification docs you have for her home? The loan number is



Thank you for your assistance.

From: Thorn, Ann <ann.thorn@wamu.net>
Sent: Wednesday, April 1, 2009 8:53 AM
To: Cook, Don <don.cook@wamu.net>
Subject: FW: Loan Modification Docs for Laura Richardson

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From: Cook, Don
Sent: Wednesday, August 20, 2008 4:03 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>; Battaglia, Paul J. <paul.battaglia@wamu.net>
Subject: RE: Media Inquiry Re: Richardson Loan

REDACTED

-----Original Message-----

From: Gaugl, Sara C.
Sent: Wednesday, August 20, 2008 12:53 PM
To: Battaglia, Paul J.; Cook, Don
Subject: RE: Media Inquiry Re: Richardson Loan

REDACTED

- Sara

-----Original Message-----

From: Battaglia, Paul J.
Sent: Wednesday, August 20, 2008 11:24 AM
To: Cook, Don; Gaugl, Sara C.
Subject: RE: Media Inquiry Re: Richardson Loan

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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From: Cook, Don
Sent: Wednesday, August 20, 2008 9:47 AM
To: Gaugl, Sara C.; Battaglia, Paul J.
Subject: RE: Media Inquiry Re: Richardson Loan

REDACTED

-----Original Message-----

From: Gaugl, Sara C.
Sent: Wednesday, August 20, 2008 9:35 AM
To: Battaglia, Paul J.; Cook, Don
Subject: RE: Media Inquiry Re: Richardson Loan

REDACTED

- Sara

-----Original Message-----

From: Battaglia, Paul J.
Sent: Wednesday, August 20, 2008 6:56 AM
To: Cook, Don; Gaugl, Sara C.
Subject: RE: Media Inquiry Re: Richardson Loan

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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-----Original Message-----

From: Cook, Don
Sent: Tuesday, August 19, 2008 7:20 PM
To: Battaglia, Paul J.; Gaugl, Sara C.
Subject: RE: Media Inquiry Re: Richardson Loan

REDACTED

-----Original Message-----

From: Battaglia, Paul J.

Sent: Tuesday, August 19, 2008 5:29 PM
To: Gaugl, Sara C.; Cook, Don
Subject: RE: Media Inquiry Re: Richardson Loan

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
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-----Original Message-----

From: Gaugl, Sara C.
Sent: Tuesday, August 19, 2008 5:07 PM
To: Battaglia, Paul J.; Thorn, Ann
Cc: Elias, Alan
Subject: Media Inquiry Re: Richardson Loan

Hi, Paul.

REDACTED

Best,

Sara

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JPMC - 002697
CONFIDENTIAL
CSOC.RICH.004190

-----Original Message-----

From: Battaglia, Paul J.

Sent: Tuesday, August 19, 2008 10:28 AM

To: Thorn, Ann; Gaugl, Sara C.

Subject: FW: Laura Richardson

REDACTED

Paul J. Battaglia

First Vice President and Senior Counsel

Washington Mutual Bank

1301 2nd Avenue, WMC 3501

Seattle WA 98101

Phone: 206-500-4261

Fax: 206-377-2784

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-----Original Message-----

From: Beth Ward

Sent: Tuesday, August 19, 2008 9:58 AM

To: Martin T. McGuinn; Woodcock, Wendy A.; Battaglia, Paul J.; Mathis, Julie A.

Subject: RE: Laura Richardson

REDACTED

Beth Ward

Paralegal to Martin T. McGuinn,

Kenneth C. Noorigian

& C. Colin Cossio

Kirby & McGuinn, A P.C.

600 B Street, Suite 1950

San Diego, CA 92101

Direct Line: (619) 398

Direct Fax: (619) 398

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-----Original Message-----

From: Martin T. McGuinn

Sent: Tuesday, August 19, 2008 9:43 AM

To: Woodcock, Wendy A.; Battaglia, Paul J.; Mathis, Julie A.

Cc: Beth Ward

Subject: RE: Laura Richardson

REDACTED

Martin T. McGuinn
Kirby & McGuinn, A P.C.
600 B Street, Ste. 1950
San Diego, CA 92101
mmcguinn
Direct Dial: (619) 525-
Direct Fax: (619) 525-

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-----Original Message-----

From: Woodcock, Wendy A.
Sent: Tuesday, August 19, 2008 4:41 AM
To: Battaglia, Paul J.; Martin T. McGuinn; Mathis, Julie A.
Subject: RE: Laura Richardson
Importance: High

REDACTED

Wendy Woodcock, VP
Division Manager
Homeownership Preservation Dept.
904 886-1309 ph
904 886-1325 fax

-----Original Message-----

From: Battaglia, Paul J.
Sent: Monday, August 18, 2008 7:32 PM
To: Woodcock, Wendy A.; 'Martin T. McGuinn'
Subject: Laura Richardson

REDACTED

Sacramento city officials have declared a home owned by U.S. Rep. Laura Richardson a public nuisance and are threatening fines up to \$5,000 a month if she doesn't fix it up.

The Long Beach Democrat previously faced foreclosure on the home. Washington Mutual sold it at auction in May, but reversed the sale after Richardson complained she hadn't received proper notice.

The city's code enforcement department reported finding junk in the driveway and rotting fruit in the back yard that attracts rodents.

Inspectors came after calls to police about a suspicious person there.

A spokesman for Richardson, William Marshall Jr., says the city sent the notice to the man who previously bought the house from the bank, not Richardson. He says Richardson will maintain the property once "full possession has been returned" to her. ---

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First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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-----Original Message-----

From: Parker, Gary L.
Sent: Monday, August 18, 2008 11:08 AM
To: Cook, Don; Owen, Jan L.; Battaglia, Paul J.
Subject: FW: SFGate: Calif. congresswoman's house a public nuisance

Fyi--

Gary Parker
Legal Department
Washington Mutual
1301 Second Ave.
Seattle, WA 98101
206.500.4355 direct, 206.377.2840 fax
gary.parker@wamu.net

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-----Original Message-----

From: Sledd, Charley

Sent: Monday, August 18, 2008 11:06 AM

To: Gaspard, Scott; Parker, Gary L.

Subject: SFGate: Calif. congresswoman's house a public nuisance

This may interest you, if you haven't already seen it. Charley

This article was sent to you by someone who found it on SFGate.

The original article can be found on SFGate.com here:

<http://www.sfgate.com/cgi-bin/article.cgi?file=/n/a/2008/08/15/state/n104012D91.DTL>

Friday, August 15, 2008 (AP)

Calif. congresswoman's house a public nuisance

(08-15) 16:26 PDT Sacramento, CA (AP) --

Sacramento city officials have declared a home owned by U.S. Rep.

Laura Richardson a public nuisance and are threatening fines up to \$5,000 a month if she doesn't fix it up.

The Long Beach Democrat previously faced foreclosure on the home.

Washington Mutual sold it at auction in May, but reversed the sale after Richardson complained she hadn't received proper notice.

The city's code enforcement department reported finding junk in the driveway and rotting fruit in the back yard that attracts rodents.

Inspectors came after calls to police about a suspicious person there.

A spokesman for Richardson, William Marshall Jr., says the city sent the notice to the man who previously bought the house from the bank, not Richardson. He says Richardson will maintain the property once "full possession has been returned" to her.

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From: Cook, Don
Sent: Tuesday, August 19, 2008 10:20 PM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>; Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: RE: Media Inquiry Re: Richardson Loan

REDACTED

-----Original Message-----

From: Battaglia, Paul J.
Sent: Tuesday, August 19, 2008 5:29 PM
To: Gaugl, Sara C.; Cook, Don
Subject: RE: Media Inquiry Re: Richardson Loan

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
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From: Gaugl, Sara C.
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To: Battaglia, Paul J.; Thorn, Ann
Cc: Elias, Alan
Subject: Media Inquiry Re: Richardson Loan

Hi, Paul.

REDACTED

REDACTED

Best,

Sara

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Sent: Tuesday, August 19, 2008 10:28 AM

To: Thorn, Ann; Gaugl, Sara C.

Subject: FW: Laura Richardson

REDACTED

Paul J. Battaglia

First Vice President and Senior Counsel

Washington Mutual Bank

1301 2nd Avenue, WMC 3501

Seattle WA 98101

Phone: 206-500-4261

Fax: 206-377-2784

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From: Beth Ward

Sent: Tuesday, August 19, 2008 9:58 AM

To: Martin T. McGuinn; Woodcock, Wendy A.; Battaglia, Paul J.; Mathis, Julie A.

Subject: RE: Laura Richardson

REDACTED

Beth Ward

Paralegal to Martin T. McGuinn,

Kenneth C. Noorigian

& C. Colin Cossio

Kirby & McGuinn, A P.C.

600 B Street, Suite 1950

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Direct Line: (619) 398-

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Direct Fax: (619) 398-2222

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-----Original Message-----

From: Martin T. McGuinn
Sent: Tuesday, August 19, 2008 9:43 AM
To: Woodcock, Wendy A.; Battaglia, Paul J.; Mathis, Julie A.
Cc: Beth Ward
Subject: RE: Laura Richardson [REDACTED]

REDACTED

Martin T. McGuinn
Kirby & McGuinn, A.P.C.
600 B Street, Ste. 1950
San Diego, CA 92101
mmcguinn [REDACTED]
Direct Dial: (619) 525-1659
Direct Fax: (619) 525-2222

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Sent: Tuesday, August 19, 2008 4:41 AM
To: Battaglia, Paul J.; Martin T. McGuinn; Mathis, Julie A.
Subject: RE: Laura Richardson
Importance: High

REDACTED

Wendy Woodcock, VP
Division Manager
Homeownership Preservation Dept.

904 886-1309 ph
904 886-1325 fax

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Sent: Monday, August 18, 2008 7:32 PM
To: Woodcock, Wendy A.; 'Martin T. McGuinn'
Subject: Laura Richardson

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Sent: Monday, August 18, 2008 11:08 AM
To: Cook, Don; Owen, Jan L.; Battaglia, Paul J.
Subject: FW: SFGate: Calif. congresswoman's house a public nuisance

Fyi--

Gary Parker
Legal Department
Washington Mutual
1301 Second Ave.
Seattle, WA 98101
206.500.4355 direct, 206.377.2840 fax
gary.parker@wamu.net

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-----Original Message-----

From: Sledd, Charley
Sent: Monday, August 18, 2008 11:06 AM
To: Gaspard, Scott; Parker, Gary L.
Subject: SFGate: Calif. congresswoman's house a public nuisance

This may interest you, if you haven't already seen it. Charley

This article was sent to you by someone who found it on SFGate.
The original article can be found on SFGate.com here:
<http://www.sfgate.com/cgi-bin/article.cgi?file=/n/a/2008/08/15/state/n104012D91.DTL>

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Calif. congresswoman's house a public nuisance

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From: Cook, Don <don.cook@wamu.net>
Sent: Wednesday, June 18, 2008 9:28 PM
To: Parker, Gary L. <gary.parker@wamu.net>
Subject: RE: Email from Richardson

REDACTED

-----Original Message-----

From: Parker, Gary L.
Sent: Wednesday, June 18, 2008 6:22 PM
To: Cook, Don
Subject: Re: Email from Richardson

REDACTED

Sent from my BlackBerry Wireless Handheld

----- Original Message -----

From: Cook, Don
To: Parker, Gary L.
Sent: Wed Jun 18 17:10:23 2008
Subject: FW: Email from Richardson

REDACTED

From: Gaugl, Sara C.
Sent: Wednesday, June 18, 2008 4:38 PM
To: Elias, Alan; Owen, Jan L.; Cook, Don; Battaglia, Paul J.
Cc: Thorn, Ann; Baptista, Geri Ann S.
Subject: Email from Richardson
Importance: High

REDACTED

Home Loans Public Relations

WaMu
1301 Second Avenue 1 WMC401 Seattle WA 98101
206.500.2822 direct 1 206.228 cell
sara.gaugl@wamu.net

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From: Laura Richardson [mailto:laura.richardson@wamu.net]
Sent: Wednesday, June 18, 2008 4:27 PM
To: Gaugl, Sara C.
Cc: Thorn, Ann
Subject: WaMu Statement

Ann,

Could you forward this letter to Sara? I am not sure I have the correct spelling of her name or her email address.

Washington Mutual
1301 2nd Ave.
Seattle, Washington 98101

Dear Sara Gaugl:

Over the last several weeks, I have read the following quotes from you in various newspapers:

“I’m unable to discuss the specifics of Ms. Richardson’s loan situation because she has not provided us with authorization to publicly discuss her loan.”

And:

“More broadly, if the loan has gone to foreclosure sale in error, we will work to take appropriate measures to rectify the situation.”

It is my understanding that a statement has been released on behalf of Washington Mutual. Despite efforts by those assisting me in this process, no one on my staff has received a copy of the release.

Could you please e-mail a copy of the release regarding the property @ 3622 Curtis Drive , Sacramento , CA., to my e-mail address: laurarichardson[REDACTED] at your earliest convenience.

Further, I did sign a consent form to release the document from WaMU that acknowledged terms and that no further action would occur prior to June 6th. I hereby consent again the release of that document and WaMu explanations as to why a rescission is being sought and allowable in this case. Please forward a copy of that explanation to me as well at laurarichardson[REDACTED]

Sincerely,

Laura Richardson

Cc: Ann Thorn

From: Parker, Gary L. <gary.parker@wamu.net>
Sent: Wednesday, June 18, 2008 9:22 PM
To: Cook, Don <don.cook@wamu.net>
Subject: Re: Email from Richardson

REDACTED

Sent from my BlackBerry Wireless Handheld

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Subject: Email from Richardson
Importance: High

REDACTED

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC401 | Seattle WA 98101
206.500.2822 direct | 206.228.2222 cell
sara.gaugl@wamu.net

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JPMC - 002710
CONFIDENTIAL
CSOC.RICH.004203

From: Laura Richardson [mailto:laurarichardson@jpmc.com]
Sent: Wednesday, June 18, 2008 4:27 PM
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Cc: Thorn, Ann
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Laura Richardson

Cc: Ann Thorn

From: Cook, Don <don.cook@wamu.net>
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Subject: FW: Email from Richardson

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Subject: Email from Richardson
Importance: High

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Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228. cell
sara.gaugl@wamu.net

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Cc: Thorn, Ann
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Sincerely,

Laura Richardson

Cc: Ann Thorn

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Wednesday, June 18, 2008 7:46 PM
To: Baptista, Geri Ann S. <geriann.baptista@wamu.net>; Elias, Alan <alan.elias@wamu.net>
Cc: Cook, Don <don.cook@wamu.net>
Subject: FW: Notice of Pendency of Action

Looping you two in on this email as well....

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228[] cell
sara.gaugl@wamu.net

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From: Thorn, Ann
Sent: Wednesday, June 18, 2008 4:41 PM
To: Gaugl, Sara C.; Battaglia, Paul J.; Cook, Don; Owen, Jan L.
Subject: FW: Notice of Pendency of Action

I also got this

From: Laura Richardson []
Sent: Wed 06/18/2008 06:34 PM
To: Thorn, Ann
Subject: Notice of Pendency of Action

Ann,
Late yesterday, Red Rock Mortgage, sent a certified letter to my district office in Torrance where my office staff unknowingly signed for which included "Notice of Pendency of Action" papers.

Who in your operation/office should I follow-up with? Please advise at your earliest convenience.

Laura Richardson

From: Cook, Don <don.cook@wamu.net>
Sent: Monday, June 16, 2008 12:54 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: FW: FYI

Sara, will you be forwarding this on to David?

-----Original Message-----

From: Strom, Erik E.
Sent: Monday, June 16, 2008 9:49 AM
To: Gaugl, Sara C.; Cook, Don
Subject: Fw: FYI

Fyi...this could have some rammifications for our situation with Rep. Richardson.
Erik Strom

----- Original Message -----

From: Watson, Alison
To: Strom, Erik E.
Sent: Mon Jun 16 09:40:14 2008
Subject: FW: FYI

Per my last e-mail...

From: Scott Talbott [mailto:scott.talbott@wamu.net]
Sent: Mon 06/16/2008 9:20 AM
To: solomonma [mailto:solomonma@wamu.net]; Watson, Alison; daniel.m.archer [mailto:daniel.m.archer@wamu.net]
Subject: FYI

'Friends of Angelo' Allegations?

Dear Colleague:

With all of the recent turmoil we have been experiencing in our mortgage market, I am concerned about allegations of preferential treatment afforded to some individuals in Congress regarding their mortgages. Although these reports are still merely allegations, it is disconcerting to think Members of Congress might be knowingly or unknowingly receiving preferential treatment while millions of hardworking Americans struggle to repay their mortgage debts and cope with \$4/gallon gasoline and soaring foods prices.

While some might disagree regarding what the proper response of the federal government to this mortgage market turmoil should be, I think we all can agree that it would be wrong for Members of Congress to get special treatment on their mortgages simply because they are elected office holders. That's why next week I will be sending a letter to the Speaker and the appropriate chairman with oversight requesting hearings on this issue. We must ensure that no Member is inappropriately benefiting from their position.

Of course, it is important to note that at this time these are merely allegations of preferential treatment, but that should not absolve us of our responsibility to ensure that Members of Congress do not receive special treatment while average Americans are scrimping and saving to keep their homes.

For more information, please contact Ed Skala in my office at x[redacted]

Sincerely,

JEB HENSARLING
Member of Congress

Scott Talbott
Senior Vice President of Government Affairs THE FINANCIAL SERVICES ROUNDTABLE
1001 Pennsylvania Avenue, NW
Suite 500
Washington, D.C. 20004
Tel: 202 289-1111
Cell: 202 297-1111
Fax: 202 628-1111
E-mail: scott@fsround.org
Website: www.fsround.org <<http://www.fsround.org/>>

From: Strom, Erik E. <erik.strom@wamu.net>
Sent: Monday, June 16, 2008 12:49 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>; Cook, Don <don.cook@wamu.net>
Subject: Fw: FYI

Fyi...this could have some ramifications for our situation with Rep. Richardson.
Erik Strom

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From: Watson, Alison
To: Strom, Erik E.
Sent: Mon Jun 16 09:40:14 2008
Subject: FW: FYI

Per my last e-mail...

From: Scott Talbott [mailto:scott.talbott@wamu.net]
Sent: Mon 06/16/2008 9:20 AM
To: solomonm [mailto:solomonm@wamu.net], Watson, Alison; daniel.m.archer [mailto:daniel.m.archer@wamu.net]
Subject: FYI

□Friends of Angelo□ Allegations?

Dear Colleague:

With all of the recent turmoil we have been experiencing in our mortgage market, I am concerned about allegations of preferential treatment afforded to some individuals in Congress regarding their mortgages. Although these reports are still merely allegations, it is disconcerting to think Members of Congress might be knowingly or unknowingly receiving preferential treatment while millions of hardworking Americans struggle to repay their mortgage debts and cope with \$4/gallon gasoline and soaring foods prices.

While some might disagree regarding what the proper response of the federal government to this mortgage market turmoil should be, I think we all can agree that it would be wrong for Members of Congress to get special treatment on their mortgages simply because they are elected office holders. That's why next week I will be sending a letter to the Speaker and the appropriate chairman with oversight requesting hearings on this issue. We must ensure that no Member is inappropriately benefiting from their position.

Of course, it is important to note that at this time these are merely allegations of preferential treatment, but that should not absolve us of our responsibility to ensure that Members of Congress do not receive special treatment while average Americans are scrimping and saving to keep their homes.

For more information, please contact Ed Skala in my office at [mailto:scott.talbott@wamu.net]

Sincerely,

JEB HENSARLING
Member of Congress

Scott Talbott
Senior Vice President of Government Affairs

THE FINANCIAL SERVICES ROUNDTABLE
1001 Pennsylvania Avenue, NW
Suite 500
Washington, D.C. 20004
Tel: 202 289-7171
Cell: 202 297-1111
Fax: 202 628-7171
E-mail: scott@fsround.org
Website: www.fsround.org <<http://www.fsround.org/>>

From: System Administrator
Sent: Saturday, June 14, 2008 6:40:12 PM
To: Cook, Don
Subject: Undeliverable: Re: Coverage on Richardson Lawsuit

Your message did not reach some or all of the intended recipients.

Subject: Re: Coverage on Richardson Lawsuit
Sent: 6/14/2008 6:40 PM

The following recipient(s) could not be reached:

'Carey.Brennan@wamu.net' on 6/14/2008 6:40 PM

The format of the e-mail address is incorrect. Check the address, look up the recipient in the Address Book, or contact the recipient directly to find out the correct address.
<exmse021.us.wamu.net #5.1.3>

From: Cook, Don
Sent: Saturday, June 14, 2008 6:40 PM
To: Potashnick, Barbara A. <barbara.potashnick@wamu.net>
Cc: 'Carey.Brennan@.wamu.net'
Subject: Re: Coverage on Richardson Lawsuit

REDACTED

Sent from my BlackBerry Wireless Handheld
----- Original Message -----
From: Potashnick, Barbara A.
To: Cook, Don
Cc: Brennan, Carey
Sent: Sat Jun 14 14:46:13 2008
Subject: FW: Coverage on Richardson Lawsuit

REDACTED

From: Baptista, Geri Ann S.
Sent: Saturday, June 14, 2008 2:23 PM
To: Gaugl, Sara C.; Strom, Erik E.; Owen, Jan L.; Battaglia, Paul J.; Elias, Alan; Cook, Don; Thorn, Ann; Potashnick, Barbara A.
Subject: Coverage on Richardson Lawsuit

Sensitivity: Confidential

San Jose Mercury News and AP stories (AP story picked up by some online syndication outlets).

http://www.mercurynews.com/breakingnews/ci_9579869?nclick_check=1
<http://www.mercurynews.com/breakingnews/ci_9579869?nclick_check=1>

Buyer sues Calif. congresswoman over foreclosure

By JULIET WILLIAMS Associated Press Writer

Article Launched: 06/13/2008 05:40:18 PM PDT

SACRAMENTO—A Sacramento investor who bought the foreclosed home of Rep. Laura Richardson has filed a lawsuit against the congresswoman and her bank for rescinding the sale.

James York claims Richardson used her influence as a congresswoman to force Washington Mutual Inc. and a subsidiary to back out of the sale.

York, who operates Red Rock Mortgage Inc., bought the foreclosed home in an upper-middle class Sacramento neighborhood at auction in May for \$388,000 after Richardson failed to make her mortgage payments.

In the lawsuit filed in Sacramento County Superior Court, York is seeking to have the house returned to him, as well as punitive damages and costs. He also claims the bank acted with malice after the legitimate sale of the house.

The Associated Press obtained a copy of his lawsuit on Friday, the day the defendants were served.

Richardson, a Democrat from Long Beach, previously told the AP that the house was sold without her knowledge and after the bank agreed to hold off on any action until at least June. She bought the house in January 2007 for \$535,000, a few months after she was elected to the state Assembly. She took out an adjustable-rate mortgage with an interest rate that could

vary between 8.8 percent and 14 percent, according to documents filed with York's lawsuit. Richardson's spokesman, William Marshall, said the congresswoman had not been notified of the lawsuit. He declined further comment.

In an interview Friday with the AP, York said he believes Washington Mutual's trustee rescinded the sale solely because Richardson is a member of Congress. He said the savings and loan would not have done that for an average person.

York said he tried to negotiate a settlement but was rebuffed.

"They rescinded the notice of trustee sale and put it back in her name before even telling me," he said. "It's not a difficult case. It's a valid sale."

A spokeswoman for Washington Mutual, Sara Gaugl, said the company would have no comment because Richardson had not authorized it to speak about her case.

Richardson, 46, was a member of the Long Beach City Council when she won the Assembly seat in November 2006, months before she bought the three-bedroom, 1 1/2-bath Sacramento home. She won the congressional seat the next year in a special election to replace the late Juanita Millender-McDonald.

Richardson has acknowledged turmoil in her life during the short time she went from the city council to the state Assembly to Congress. She said she used her own money to finance her campaigns and fell behind in mortgage and property tax payments.

A default notice sent in March put her unpaid balance on the 1,600-square-foot home at \$578,384.

Richardson's financial troubles appear to run deeper, however. The Long Beach Press-Telegram has reported that Richardson has two other homes in San Pedro and Long Beach that have fallen into default six times. Five of the defaults, totaling nearly \$71,000, occurred in the last 13 months.

The newspaper also reported that Richardson has a history of not paying other bills, including failure to pay for car repairs and campaign fliers.

The congresswoman told the AP she believed she had worked out a deal with Washington Mutual to renegotiate her loan on the Sacramento home and pay it off. She also said she intended to pay the nearly \$9,000 in delinquent property taxes.

In the notice of rescission filed as an exhibit in York's lawsuit, the trustee company acknowledges it "had previously agreed to postpone the foreclosure sale until June 4, 2008." Meanwhile, York said in the lawsuit that he has already started making repairs to the house, including painting, restoring the floors, landscaping and general clean-up that have "significantly increased its value."

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Richardson makes nearly \$170,000 as a member of Congress and was paid \$113,000 during the eight months she served in the state Assembly in 2007 before her election to Congress. She also received a per diem total of \$20,000 from California, according to a financial disclosure form she filed with the House of Representatives clerk.

The home, built in 1926, is in Sacramento's Curtis Park, a desirable, upper middle-class neighborhood near downtown that sits under a canopy of decades-old trees.

Not long after getting to Congress, Richardson voted in favor of the Mortgage Forgiveness Debt Relief Act of 2007, which subsequently became law. It allows homeowners to escape paying income taxes on debts forgiven by a lender, as happens in foreclosure. She has said she would like to testify before Congress as someone victimized by the nation's mortgage crisis.

York notes in his lawsuit that the house now has a cloud over it—making it more difficult to sell if it is eventually returned to him.

"If I had known it was this congresswoman's house, I probably never would have bought it," York said in the telephone interview.

Associated Press Writer Erica Werner in Washington, D.C., contributed to this report.

http://ap.google.com/article/ALeqM5gjl2vKwhu_mgDQ86mfxohh6oU2gQD919J2OG0
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By JULIET WILLIAMS – 18 hours ago

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James York had purchased the home at auction in May for \$388,000 after Rep. Laura Richardson failed to make her mortgage payments. He claims Richardson used her influence as a congresswoman to force Washington Mutual Inc. and a subsidiary to later back out of the sale.

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She previously told The Associated Press that it was sold without her knowledge and after the bank agreed to delay action.

The lawsuit was served to the defendants Friday.

Richardson's spokesman, William Marshall, said the congresswoman had not seen it and declined to comment. A spokeswoman for Washington Mutual, Sara Gaugl, said the company would have no comment because Richardson had not authorized it to speak about her case.

From: Baptista, Geri Ann S.

Sent: Fri 06/13/2008 10:13 AM

To: Gaugl, Sara C.; Strom, Erik E.; Owen, Jan L.; Battaglia, Paul J.; Elias, Alan; Cook, Don; Thorn, Ann

Subject: Richardson liability report and comment to senior Democrat

<http://thehill.com/leading-the-news/richardson-mum-in-the-face-of-mounting-pressure-2008-06-13.html> <<http://thehill.com/leading-the-news/richardson-mum-in-the-face-of-mounting-pressure-2008-06-13.html>>

Richardson mum in the face of mounting pressure

By Jared Allen

Posted: 06/13/08 11:50 AM [ET]

Embattled Rep. Laura Richardson (D-Calif.) remained mum on Friday following more news about her personal housing crisis and a warning from House Speaker Nancy Pelosi (D-Calif.) to put her fiscal house back in order.

Richardson, who has dodged repeated calls for information regarding her multiple defaults on three home mortgages and her financial disclosure reports, failed to report a heavily indebted mortgage on her initial 2007 financial statement.

Official financial reports for House members will be released on Monday, and it remains to be seen if Richardson's official report will have been amended from the one she previously filed. However, Pelosi issued a warning to Richardson on Thursday that she risks whatever repercussions may come from failing to disclose her assets and liabilities to the letter of the law.

"Every member of Congress is responsible for living up to the highest ethical standard, to

having the fullest disclosure of his or her assets, as is required by law," Pelosi said at her weekly news conference. "And many people in our country are caught in a foreclosure crisis. Members of Congress maybe are as well."

After falling too far behind on mortgage payments on a home she purchased in Sacramento in January 2007, Richardson was forced to watch the home sold at auction last month.

In the aftermath, it was revealed that Richardson has defaulted on mortgages for three California homes since 1999.

According to records pulled from Los Angeles and Sacramento counties, Richardson has defaulted five separate times on her primary residence in Long Beach, a home she purchased in 1999 and refinanced in the summer of 2006 for a new \$446,250 mortgage.

The prior summer, Richardson took out a loan from Wells Fargo, in the amount of \$359,000, to purchase a second home in San Pedro.

After defaulting twice — in September 2007 and again in January — and owing \$367,436 on an original loan of \$359,000, Richardson received notice from her lender in April that her San Pedro home was going to be sold at auction. According to reports, that auction is scheduled for July 14.

But it is Richardson's Sacramento home that has garnered the most attention, and places her in the most immediate risk as a member of Congress who is bound by federal law to disclose certain assets and liabilities.

According to Richardson's 2007 financial disclosure statement — which she filed in February — she failed to report her Sacramento home mortgage as a liability even though she owed \$40,000 more than she paid for the home, which was purchased in January of that year.

By the end of 2007 — which marks the end of the 2007 financial disclosure reporting period — Richardson had accumulated \$575,000 in total debt after failing to make payments on her original \$535,000 mortgage, according to Sacramento County records.

Financial disclosure laws require members of Congress to report home mortgages as liabilities if indebtedness exceeds the purchase prices of the item, and congressional ethics and finance experts have said that, on a plain reading of the law, Richardson was required to disclose such an indebted mortgage as a liability.

Under the section of the report for liabilities, Richardson simply lists, "N/A."

A senior House Democrat close to leadership on Thursday afternoon said he had spoken to Richardson about the matter and she had assured him that, with regard to her Sacramento home, the "bank screwed up."

On Wednesday the Los Angeles Times reported that James York, the real estate investor who bought Richardson's Sacramento home at a May 7 auction for \$388,000, is now claiming that Richardson's lender, Washington Mutual, reclaimed the property on behalf of Richardson. York had recorded the deed on May 19 and had begun renovations, the Times reported.

"They took the property back, and they didn't even send back the money," York was quoted in the Times. "It's clear what's happening is Ms. Richardson is abusing her political power and using it for her own political needs."

Geri Ann S. Baptista – VP, WaMu Corporate Communications

206.500.2875 direct | 206.612. cell | 206.377.2023 fax | geriann.baptista@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gaugl, Sara C.

Sent: Thursday, June 12, 2008 2:15 PM

To: Baptista, Geri Ann S.; Strom, Erik E.; Owen, Jan L.; Battaglia, Paul J.; Elias, Alan; Cook,

Don; Thorn, Ann
Subject: RE: Pelosi comments on Laura Richardson defaults
Sensitivity: Confidential
Thanks for forwarding, Geri Ann.
Team, FYI below.

Sara Gaugl
Home Loans Public Relations
WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228- cell
sara.gaugl@wamu.net

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To: Gaugl, Sara C.; Strom, Erik E.
Subject: Pelosi comments on Laura Richardson defaults
Sensitivity: Confidential

Pelosi comments on Laura Richardson defaults

By Erica Werner The Associated Press

http://www.dailybreeze.com/ci_9564107 <http://www.dailybreeze.com/ci_9564107>

WASHINGTON - House Speaker Nancy Pelosi, asked Thursday about fellow California Democratic Rep. Laura Richardson's multiple home defaults, said that "every member of Congress is responsible for living up to the highest ethical standards."

Pelosi said she was not familiar with the details of the controversy surrounding Richardson, who won a special election last year to replace the late Rep. Juanita Millender-McDonald in the 37th Congressional District in Long Beach.

But every lawmaker must make "the fullest disclosure of his or her assets as is required by law," Pelosi said.

"Many people in our country are caught in the foreclosure crisis. Members of Congress maybe are as well," she added.

Late last month reports emerged that Richardson, a former state Assemblywoman and member of the Long Beach City Council, had lost her Sacramento home to foreclosure and has two other homes in Southern California that have fallen into default six times.

Last week the Long Beach Press-Telegram reported that Richardson had also left car repair bills unpaid.

Richardson easily won her Democratic primary June 3 and is running unopposed in the November general election, although at least one of her Democratic primary opponents is making plans to challenge her as a write-in candidate.

Richardson defended herself after the first reports of the foreclosure on her Sacramento home, saying it never should have happened and she'd worked out a deal with her lender to buy it back. However the purchaser of the property, James York of Red Rock Mortgage in Sacramento, complained in published reports this week that Richardson had been given favorable terms because she's a congresswoman and that he planned to sue over the issue.

Richardson's spokesman, William Marshall, had no immediate comment Thursday.

California Assembly Speaker Karen Bass, D-Los Angeles, also addressed the Richardson situation Thursday during a visit to Washington. Bass and other Assembly leaders had

endorsed Richardson's congressional bid but Bass told reporters she'd had no idea about Richardson's financial issues.

Richardson had a quick rise in politics, moving from the Long Beach City Council to a state Assembly seat in 2006 and to Congress the next year.

"Given the rapid pace of all of that I can understand the financial difficulties, but now more is coming out," Bass said. She said she'd hoped while in Washington to talk to Richardson about the situation but hadn't had the opportunity.

Geri Ann S. Baptista, VP

Corporate Communications

Washington Mutual

1301 Second Avenue, WMC2103

Seattle, WA 98101

206.500.2875 direct, 206.377.2023 fax

geriann.baptista@wamu.net

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From: Cook, Don <don.cook@wamu.net>
Sent: Saturday, June 14, 2008 6:40 PM
To: Potashnick, Barbara A. <barbara.potashnick@wamu.net>
Cc: Carey.Brennan@.wamu.net
Subject: Re: Coverage on Richardson Lawsuit

REDACTED

Sent from my BlackBerry Wireless Handheld

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San Jose Mercury News and AP stories (AP story picked up by some online syndication outlets).

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By JULIET WILLIAMS Associated Press Writer
Article Launched: 06/13/2008 05:40:18 PM PDT

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□ □ □

http://ap.google.com/article/ALeqM5gjl2vKwhu_mgDQ86mfXohh6oU2gQD919J2OG0
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<http://thehill.com/leading-the-news/richardson-mum-in-the-face-of-mounting-pressure-2008-06-13.html> <<http://thehill.com/leading-the-news/richardson-mum-in-the-face-of-mounting-pressure-2008-06-13.html>>

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By Jared Allen

Posted: 06/13/08 11:50 AM [ET]

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Geri Ann S. Baptista □ VP, WaMu Corporate Communications

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Subject: RE: Pelosi comments on Laura Richardson defaults
Sensitivity: Confidential

Thanks for forwarding, Geri Ann.

Team, FYI below.

Sara Gaugl

Home Loans Public Relations

WaMu

1301 Second Avenue | WMC40 | Seattle WA 98101

206.500.2822 direct | 206.228[☎] cell

sara.gaugl@wamu.net

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By Erica Werner The Associated Press

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"Many people in our country are caught in the foreclosure crisis. Members of Congress maybe are as well," she added.

Late last month reports emerged that Richardson, a former state Assemblywoman and member of the Long Beach City Council, had lost her Sacramento home to foreclosure and has two other homes in Southern California that have fallen into default six times.

Last week the Long Beach Press-Telegram reported that Richardson had also left car repair bills unpaid.

Richardson easily won her Democratic primary June 3 and is running unopposed in the November general election, although at least one of her Democratic primary opponents is making plans to challenge her as a write-in candidate.

Richardson defended herself after the first reports of the foreclosure on her Sacramento home, saying it never should have happened and she'd worked out a deal with her lender to buy it back. However the purchaser of the property, James York of Red Rock Mortgage in Sacramento, complained in published reports this week that Richardson had been given favorable terms because she's a congresswoman and that he planned to sue over the issue.

Richardson's spokesman, William Marshall, had no immediate comment Thursday.

California Assembly Speaker Karen Bass, D-Los Angeles, also addressed the Richardson situation Thursday during a visit to Washington. Bass and other Assembly leaders had endorsed Richardson's congressional bid but Bass told reporters she'd had no idea about Richardson's financial issues.

Richardson had a quick rise in politics, moving from the Long Beach City Council to a state Assembly seat in 2006 and to Congress the next year.

"Given the rapid pace of all of that I can understand the financial difficulties, but now more is coming out," Bass said. She said she'd hoped while in Washington to talk to Richardson about the situation but hadn't had the opportunity.

Geri Ann S. Baptista, VP
Corporate Communications

Washington Mutual
1301 Second Avenue, WMC2103
Seattle, WA 98101

206.500.2875 direct, 206.377.2023 fax
geriann.baptista@wamu.net

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From: Potashnick, Barbara A. <barbara.potashnick@wamu.net>
Sent: Saturday, June 14, 2008 5:46 PM
To: Cook, Don <don.cook@wamu.net>
Cc: Brennan, Carey <carey.brennan@wamu.net>
Subject: FW: Coverage on Richardson Lawsuit

REDACTED

From: Baptista, Geri Ann S.
Sent: Saturday, June 14, 2008 2:23 PM
To: Gaugl, Sara C.; Strom, Erik E.; Owen, Jan L.; Battaglia, Paul J.; Elias, Alan; Cook, Don; Thorn, Ann; Potashnick, Barbara A.
Subject: Coverage on Richardson Lawsuit
Sensitivity: Confidential

San Jose Mercury News and AP stories (AP story picked up by some online syndication outlets).

http://www.mercurynews.com/breakingnews/ci_9579869?nclick_check=1

Buyer sues Calif. congresswoman over foreclosure

By JULIET WILLIAMS Associated Press Writer
Article Launched: 06/13/2008 05:40:18 PM PDT

SACRAMENTO—A Sacramento investor who bought the foreclosed home of Rep. Laura Richardson has filed a lawsuit against the congresswoman and her bank for rescinding the sale.

James York claims Richardson used her influence as a congresswoman to force Washington Mutual Inc. and a subsidiary to back out of the sale.

York, who operates Red Rock Mortgage Inc., bought the foreclosed home in an upper-middle class Sacramento neighborhood at auction in May for \$388,000 after Richardson failed to make her mortgage payments.

In the lawsuit filed in Sacramento County Superior Court, York is seeking to have the house returned to him, as well as punitive damages and costs. He also claims the bank acted with malice after the legitimate sale of the house.

The Associated Press obtained a copy of his lawsuit on Friday, the day the defendants were served.

Richardson, a Democrat from Long Beach, previously told the AP that the house was sold without her knowledge and after the bank agreed to hold off on any action until at least June.

She bought the house in January 2007 for \$535,000, a few months after she was elected to the state Assembly. She took out an adjustable-rate mortgage with an interest rate that could vary between 8.8 percent and 14 percent, according to documents filed with York's lawsuit.

Richardson's spokesman, William Marshall, said the congresswoman had not been notified of the lawsuit. He declined further comment.

In an interview Friday with the AP, York said he believes Washington Mutual's trustee rescinded the sale solely because Richardson is a member of Congress. He said the savings and loan would not have done that for an average person.

York said he tried to negotiate a settlement but was rebuffed.

"They rescinded the notice of trustee sale and put it back in her name before even telling me," he said. "It's not a difficult case. It's a valid sale."

A spokeswoman for Washington Mutual, Sara Gaugl, said the company would have no comment because Richardson had not authorized it to speak about her case.

Richardson, 46, was a member of the Long Beach City Council when she won the Assembly seat in November 2006, months before she bought the three-bedroom, 1 1/2-bath Sacramento home. She won the congressional seat the next year in a special election to replace the late Juanita Millender-McDonald.

Richardson has acknowledged turmoil in her life during the short time she went from the city council to the state Assembly to Congress. She said she used her own money to finance her campaigns and fell behind in mortgage and property tax payments.

A default notice sent in March put her unpaid balance on the 1,600-square-foot home at \$578,384.

Richardson's financial troubles appear to run deeper, however. The Long Beach Press-Telegram has reported that Richardson has two other homes in San Pedro and Long Beach that have fallen into default six times. Five of the defaults, totaling nearly \$71,000, occurred in the last 13 months.

The newspaper also reported that Richardson has a history of not paying other bills, including failure to pay for car repairs and campaign fliers.

The congresswoman told the AP she believed she had worked out a deal with Washington Mutual to renegotiate her loan on the Sacramento home and pay it off. She also said she intended to pay the nearly \$9,000 in delinquent property taxes.

In the notice of rescission filed as an exhibit in York's lawsuit, the trustee company acknowledges it "had previously agreed to postpone the foreclosure sale until June 4, 2008."

Meanwhile, York said in the lawsuit that he has already started making repairs to the house, including painting, restoring the floors, landscaping and general clean-up that have **"significantly increased its value."**

He argues it would be unfair to give the house back to Richardson in better condition than she lost it. The amount of money he has spent on the repairs was not specified.

Richardson makes nearly \$170,000 as a member of Congress and was paid \$113,000 during the eight months she served in the state Assembly in 2007 before her election to Congress. She also received a per diem total of \$20,000 from California, according to a financial disclosure form she filed with the House of Representatives clerk.

The home, built in 1926, is in Sacramento's Curtis Park, a desirable, upper middle-class neighborhood near downtown that sits under a canopy of decades-old trees.

Not long after getting to Congress, Richardson voted in favor of the Mortgage Forgiveness Debt Relief Act of 2007, which subsequently became law. It allows homeowners to escape paying income taxes on debts forgiven by a lender, as happens in foreclosure. She has said she would like to testify before Congress as someone victimized by the nation's mortgage crisis.

York notes in his lawsuit that the house now has a cloud over it—making it more difficult to sell if it is eventually returned to him.

"If I had known it was this congresswoman's house, I probably never would have bought it," York said in the telephone interview.

Associated Press Writer Erica Werner in Washington, D.C., contributed to this report.

http://ap.google.com/article/ALeqM5gjl2vKwhu_mgDQ86mfxohh6oU2gQD919J2OG0

Buyer sues Calif. congresswoman over foreclosure

By JULIET WILLIAMS – 18 hours ago

SACRAMENTO, Calif. (AP) — An investor who bought a congresswoman's foreclosed home filed a lawsuit against the legislator and her bank for rescinding the sale.

James York had purchased the home at auction in May for \$388,000 after Rep. Laura Richardson failed to make her mortgage payments. He claims Richardson used her influence as a congresswoman to force Washington Mutual Inc. and a subsidiary to later back out of the sale.

"They rescinded the notice of trustee sale and put it back in her name before even telling me," York said. "It's not a difficult case. It's a valid sale."

His lawsuit in Sacramento County Superior Court seeks to have the house returned to him, as well as punitive damages and costs.

Richardson, a Democrat from Long Beach, bought the house in January 2007 for \$535,000. She previously told The Associated Press that it was sold without her knowledge and after the bank agreed to delay action.

The lawsuit was served to the defendants Friday.

Richardson's spokesman, William Marshall, said the congresswoman had not seen it and declined to comment. A spokeswoman for Washington Mutual, Sara Gaugl, said the company would have no comment because Richardson had not authorized it to speak about her case.

From: Baptista, Geri Ann S.

Sent: Fri 06/13/2008 10:13 AM

To: Gaugl, Sara C.; Strom, Erik E.; Owen, Jan L.; Battaglia, Paul J.; Elias, Alan; Cook, Don; Thorn, Ann

Subject: Richardson liability report and comment to senior Democrat

<http://thehill.com/leading-the-news/richardson-mum-in-the-face-of-mounting-pressure-2008-06-13.html>

Richardson mum in the face of mounting pressure

By Jared Allen

Posted: 06/13/08 11:50 AM [ET]

Embattled Rep. Laura Richardson (D-Calif.) remained mum on Friday following more news about her personal housing crisis and a warning from House Speaker Nancy Pelosi (D-Calif.) to put her fiscal house back in order.

Richardson, who has dodged repeated calls for information regarding her multiple defaults on three home mortgages and her financial disclosure reports, failed to report a heavily indebted mortgage on her initial 2007 financial statement.

Official financial reports for House members will be released on Monday, and it remains to be seen if Richardson's official report will have been amended from the one she previously filed.

However, Pelosi issued a warning to Richardson on Thursday that she risks whatever repercussions may come from failing to disclose her assets and liabilities to the letter of the law.

"Every member of Congress is responsible for living up to the highest ethical standard, to having the fullest disclosure of his or her assets, as is required by law," Pelosi said at her weekly news conference. "And many people in our country are caught in a foreclosure crisis. Members of Congress maybe are as well."

After falling too far behind on mortgage payments on a home she purchased in Sacramento in January 2007, Richardson was forced to watch the home sold at auction last month.

In the aftermath, it was revealed that Richardson has defaulted on mortgages for three California homes since 1999.

According to records pulled from Los Angeles and Sacramento counties, Richardson has defaulted five separate times on her primary residence in Long Beach, a home she purchased in 1999 and refinanced in the summer of 2006 for a new

\$446,250 mortgage.

The prior summer, Richardson took out a loan from Wells Fargo, in the amount of \$359,000, to purchase a second home in San Pedro.

After defaulting twice — in September 2007 and again in January — and owing \$367,436 on an original loan of \$359,000, Richardson received notice from her lender in April that her San Pedro home was going to be sold at auction. According to reports, that auction is scheduled for July 14.

But it is Richardson's Sacramento home that has garnered the most attention, and places her in the most immediate risk as a member of Congress who is bound by federal law to disclose certain assets and liabilities.

According to Richardson's 2007 financial disclosure statement — which she filed in February — she failed to report her Sacramento home mortgage as a liability even though she owed \$40,000 more than she paid for the home, which was purchased in January of that year.

By the end of 2007 — which marks the end of the 2007 financial disclosure reporting period — Richardson had accumulated \$575,000 in total debt after failing to make payments on her original \$535,000 mortgage, according to Sacramento County records.

Financial disclosure laws require members of Congress to report home mortgages as liabilities if indebtedness exceeds the purchase prices of the item, and congressional ethics and finance experts have said that, on a plain reading of the law, Richardson was required to disclose such an indebted mortgage as a liability.

Under the section of the report for liabilities, Richardson simply lists, "N/A."

A senior House Democrat close to leadership on Thursday afternoon said he had spoken to Richardson about the matter and she had assured him that, with regard to her Sacramento home, the "bank screwed up."

On Wednesday the *Los Angeles Times* reported that James York, the real estate investor who bought Richardson's Sacramento home at a May 7 auction for \$388,000, is now claiming that Richardson's lender, Washington Mutual, reclaimed the property on behalf of Richardson.

York had recorded the deed on May 19 and had begun renovations, the *Times* reported.

"They took the property back, and they didn't even send back the money," York was quoted in the *Times*. "It's clear what's happening is Ms. Richardson is abusing her political power and using it for her own political needs."

Geri Ann S. Baptista - VP, WaMu Corporate Communications

206.500.2875 direct | 206.612  cell | 206.377.2023 fax | geriann.baptista@wamu.net

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From: Gaugl, Sara C.

Sent: Thursday, June 12, 2008 2:15 PM

To: Baptista, Geri Ann S.; Strom, Erik E.; Owen, Jan L.; Battaglia, Paul J.; Elias, Alan; Cook, Don; Thorn, Ann

Subject: RE: Pelosi comments on Laura Richardson defaults

Sensitivity: Confidential

Thanks for forwarding, Geri Ann.

Team, FYI below.

Sara Gaugl

Home Loans Public Relations

WaMu

1301 Second Avenue | WMC40 | Seattle WA 98101

206.500.2822 direct | 206.228  cell

sara.gaugl@wamu.net

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From: Baptista, Geri Ann S.
Sent: Thursday, June 12, 2008 1:20 PM
To: Gaugl, Sara C.; Strom, Erik E.
Subject: Pelosi comments on Laura Richardson defaults
Sensitivity: Confidential

Pelosi comments on Laura Richardson defaults

By Erica Werner The Associated Press

http://www.dailybreeze.com/ci_9564107

WASHINGTON - House Speaker Nancy Pelosi, asked Thursday about fellow California Democratic Rep. Laura Richardson's multiple home defaults, said that "every member of Congress is responsible for living up to the highest ethical standards."

Pelosi said she was not familiar with the details of the controversy surrounding Richardson, who won a special election last year to replace the late Rep. Juanita Millender-McDonald in the 37th Congressional District in Long Beach.

But every lawmaker must make "the fullest disclosure of his or her assets as is required by law," Pelosi said.

"Many people in our country are caught in the foreclosure crisis. Members of Congress maybe are as well," she added.

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over the issue.

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"Given the rapid pace of all of that I can understand the financial difficulties, but now more is coming out," Bass said. She said she'd hoped while in Washington to talk to Richardson about the situation but hadn't had the opportunity.

Geri Ann S. Baptista, VP
Corporate Communications

Washington Mutual
1301 Second Avenue, WMC2103
Seattle, WA 98101

206.500.2875 direct, 206.377.2023 fax
geriann.baptista@wamu.net

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From: Cook, Don <don.cook@wamu.net>
Sent: Friday, June 13, 2008 9:22 PM
To: Strom, Erik E. <erik.strom@wamu.net>
Subject: FW: 001 Complaint Filed 6-12-08.pdf - Adobe Acrobat Professional
Attach: 001 Complaint Filed 6-12-08.pdf

Erik, oops, I forgot to include you on this e-mail. Please let me know if you have any questions.

From: Cook, Don
Sent: Friday, June 13, 2008 6:20 PM
To: Elias, Alan; Gaugl, Sara C.; Owen, Jan L.; Baptista, Geri Ann S.; Parker, Gary L.
Cc: Berens, John; Champney, Steven D.; Thorn, Ann; Brennan, Carey; Potashnick, Barbara A.
Subject: FW: 001 Complaint Filed 6-12-08.pdf - Adobe Acrobat Professional

REDACTED

From: Martin T. McGuinn [mailto:m.mcguinn@kirbyandmcguinn.com]
Sent: Friday, June 13, 2008 5:42 PM
To: Battaglia, Paul J.
Cc: Cook, Don
Subject: 001 Complaint Filed 6-12-08.pdf - Adobe Acrobat Professional

REDACTED

Martin T. McGuinn
Kirby & McGuinn, A P.C.
600 B Street, Ste. 1950
San Diego, CA 92101
mmcguinn@kirbyandmcguinn.com
Direct Dial: (619) 525-1659
Direct Fax: (619) 525-1659

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1 CARL P. BLAINE (State Bar # 65229)
Email: cblaine@wagnerkirkmanblaine.com
2 THOMAS B. SHERIDAN (State Bar #249306)
Email: tsheridan@wagnerkirkmanblaine.com
3 **WAGNER KIRKMAN BLAINE**
KLOMPARENS & YOUMANS LLP
4 10640 Mather Blvd., Suite 200
Mather, California 95655
5 Telephone: (916) 920-5286
Facsimile: (916) 920-8608

6 Attorneys for Plaintiff
7 RED ROCK MORTGAGE, INC.

8 SUPERIOR COURT OF CALIFORNIA
9 COUNTY OF SACRAMENTO

Department
Assignments
Case Management 43
Law and Motion 54
Minors Compromise 25

10 RED ROCK MORTGAGE, INC.,

Case No.

11 Plaintiff,

COMPLAINT FOR:

12 v.

1. SLANDER OF TITLE
2. CANCELLATION
3. QUIET TITLE
4. UNJUST ENRICHMENT

13 WASHINGTON MUTUAL BANK,
14 CALIFORNIA RECONVEYANCE COMPANY,
LAURA RICHARDSON, and all persons
15 unknown, claiming any legal or equitable right,
title, estate, lien, or interest in the property
16 described in the complaint adverse to Plaintiff's
title, or any cloud on Plaintiff's title, and DOES 1
17 through 20, inclusive,

18 Defendants.

19
20 Plaintiff, RED ROCK MORTGAGE, INC. alleges as follows:

- 21 1. Plaintiff RED ROCK MORTGAGE, INC. ("Plaintiff") is, and at all times herein
22 mentioned was, a corporation organized and existing under the laws of the State of California
- 23 2. Plaintiff is informed and believes and thereon alleges that Defendant
24 WASHINGTON MUTUAL BANK ("WAMU") is, and at all times herein mentioned was, a
25 federal association organized and existing under the laws of the United States and doing
26 business in the state of California.
- 27 3. Plaintiff is informed and believes and thereon alleges that Defendant
28

FILED
Superior Court Of California,
Sacramento
Dennis Jones, Executive
Officer
06/12/2008
avlaisavich
By _____, Deputy
Case Number: _____

WAGNER KIRKMAN BLAINE
KLOMPARENS & YOUMANS LLP
Attorneys at Law

10640 Mather Blvd., Suite 200, Mather, CA 95655
Phone (916) 920-5286 Fax (916) 920-8608

WAGNER KIRKMAN BLAINE
KLOMPARENS & YOUNG LLP
Attorneys at Law

10640 Maiber Blvd., Suite 200, Maiber, CA 95615
Phone (916) 920-5286 Fax (916) 920-8600

1 CALIFORNIA RECONVEYANCE COMPANY ("CRC") is, and at all times herein
2 mentioned was, a corporation organized and existing under the laws of the State of California.

3 4 The real property that is the subject of this action, 3622 West Curtis Drive,
4 Sacramento, California, Assessor's Parcel No. [REDACTED] ("Subject Property") is
5 located in Sacramento County, California.

6 5. The Defendants named herein as "all persons unknown, claiming any legal or
7 equitable right, title, estate, lien, or interest in the property described in the Complaint adverse
8 to plaintiff's title, or any cloud on plaintiff's title thereto" ("Unknown Defendants") are
9 unknown to Plaintiff. These Unknown Defendants, and each of them, claim some right, title,
10 estate, lien, or interest adverse to Plaintiff's interest in title to the Subject Property; and their
11 claims, and each of them, constitute a cloud on Plaintiff's title to the Subject Property.

12 6. Defendants DOES 1 through 20, inclusive, are sued herein under fictitious
13 names. Their true names and capacities are unknown to Plaintiff. When their true names and
14 capacities are ascertained, Plaintiff will amend this complaint by inserting their true names and
15 capacities herein. Plaintiff is informed and believes and thereon alleges that Does 1-10,
16 inclusive, are responsible in some manner for the occurrences herein alleged, and that
17 Plaintiff's damages as herein alleged were proximately caused by such Defendants. Plaintiff is
18 further informed and believes and thereon alleges that Does 11-20, inclusive, claim some right,
19 title, estate, lien, or interest adverse to Plaintiff's interest in title to the Subject Property; and
20 their claims, and each of them, constitute a cloud on Plaintiff's title to the Subject Property.

21 **COMMON ALLEGATIONS**

22 7. Plaintiff realleges and incorporates by reference each and every allegation set
23 forth in paragraphs 1 through 6 above.

24 8. Plaintiff is informed and believes and thereon alleges that on or about
25 January 10, 2007, a Deed of Trust ("Deed of Trust") was recorded against the Subject Property
26 to secure a loan in the amount \$535,001.00 made by WAMU to LAURA RICHARDSON.
27 CRC is the trustee under the Deed of Trust. (Attached hereto as Exhibit A, incorporated herein
28 by reference, is a true and correct copy of the Deed of Trust.)

1
2 9. Plaintiff is informed and believes and thereon alleges that, at some point prior to
3 December 17, 2007, Defendant RICHARDSON defaulted on the payments due on the loan
4 secured by the Deed of Trust.

5 10. On December 17, 2007, CRC recorded a Notice of Default on the Subject
6 Property. (Attached hereto as Exhibit B, and incorporated herein by this reference, is a true and
7 correct copy of the Notice of Default.) The Notice of Default provides that, as of December
8 13, 2007, the amount of the default was \$18,356.40.

9 11. On March 19, 2008, CRC recorded a Notice of Trustee's sale on the Subject
10 Property, advertising the Trustee's Sale of the Subject Property to the general public.
11 (Attached hereto as Exhibit C, and incorporated herein by this reference, is a true and correct
12 copy of the Notice of Trustee's Sale.) Pursuant to the Notice of Trustee's Sale, the unpaid
13 balance and other charges was approximately \$578,384.52.

14 12. The Notice of Trustee's Sale provides that the sale was to occur on April 7,
15 2008, at 1:30 p.m., at the main entrance to the Sacramento County Courthouse, 720 9th Street,
16 Sacramento, California.

17 13. Plaintiff is informed and believes and thereon alleges that the sale was
18 postponed to May 7, 2008, at 1:30 p.m., to be held at the same location.

19 14. In accordance with the Notice of Trustee's Sale and the duly noticed
20 postponement thereof, on May 7, 2008, Plaintiff appeared at the trustee's sale to bid on the
21 Subject Property. Plaintiff secured a cashier's check in order to qualify to bid at the sale.

22 15. At the noticed time and place, CRC conducted the trustee's sale of the Subject
23 Property. Plaintiff is informed and believes thereon alleges that Defendants complied with all
24 statutory requirements in conducting the trustee's sale of the Subject Property.

25 16. Plaintiff bid at the trustee's sale. Plaintiff is informed and believes and thereon
26 alleges that Plaintiff was the high bidder at the trustee's sale with a bid of \$388,000.01.

27 17. Plaintiff timely delivered a cashier's check in the amount of \$388,000.01 to
28 CRC. CRC accepted the cashier's check from Plaintiff. (Attached hereto as Exhibit D & E,

1 respectively, and incorporated herein by reference, are true and correct copies of the receipt of
2 funds issued to Plaintiff and Plaintiff's cashier's check stub.)

3 18. Plaintiff is informed and believes and thereon alleges that the sale of the Subject
4 Property was final and no further acts were required to consummate the sale.

5 19. Plaintiff is informed and believes and thereon alleges that, on or about May 9,
6 2008, Defendants issued a Trustee's Deed Upon Sale, to be recorded in Sacramento County
7 granting and conveying title and interest in the Subject Property to the Plaintiff. The Trustee's
8 Deed Upon Sale was recorded on May 19, 2008. (Attached hereto as Exhibit F, and
9 incorporated herein by reference, is a true and correct copy of the Trustee's Deed upon sale.)

10 20. Immediately after Plaintiff purchased the Subject Property, Plaintiff
11 immediately began improving the property and preparing to sell it, as Plaintiff is in the
12 business of buying and selling real estate. Among other things, Plaintiff painted select
13 portions of the residence, refurbished the flooring inside the residence, and performed general
14 clean-up and landscaping in and around the Subject Property at its expense. Plaintiff is
15 informed and believes and thereon alleges that the improvements made by Plaintiff enhanced
16 the value of the Subject Property.

17 21. On or about May 28, 2008, WAMU contacted Plaintiff and informed Plaintiff
18 that it wished to rescind the sale. Plaintiff informed WAMU that Plaintiff was the highest
19 bidder at the Trustee's Sale and that it had paid the full consideration in the manner specified
20 by the Notice of Trustee's Sale. Plaintiff also informed WAMU that Plaintiff had been issued
21 the Trustee's Deed, and recorded it, and had no intention of rescinding.

22 22. On or about June 2, 2008, Defendants recorded a Notice of Rescission at the
23 Sacramento County Recorder's Office. (Attached hereto as Exhibit G, and incorporated herein
24 by this reference, is a true and correct copy of the recorded Notice of Rescission.)

25 **FIRST CAUSE OF ACTION**

26 **[Slander of Title]**

27 (Against Defendants WAMU, CRC and Does 1-10, inclusive)

28 23. Plaintiff realleges and incorporates by reference each and every allegation set

1 forth in paragraphs 1 through 22 above.

2 24. On our about May 7, 2008, Plaintiff became the fee owner of the Subject
3 Property based upon its purchase of the Subject Property at the Trustee's Sale.

4 25. Plaintiff is informed and believes and thereon alleges that, on or about June 2,
5 2008, Defendants willfully, wrongfully, without justification, and without privilege caused to
6 be recorded a Notice of Rescission.

7 26. The Notice of Rescission was false and continues to cause doubt to be cast on
8 Plaintiff's title to the Subject Property.

9 27. The recording of the Notice of Rescission directly impairs the vendibility of the
10 property on the open market. Accordingly, Plaintiff has been damaged by Defendants
11 recording of the Notice of Rescission.

12 28. Plaintiff is informed and believes and thereon alleges that, in doing the things
13 herein alleged, WAMU and CRC acted with malice, oppression, and/or fraud as defined under
14 Civ. Code § 3294(c), in conscious disregard of Plaintiff's rights, thereby warranting an
15 assessment of punitive damages in an amount appropriate to punish Defendants and deter
16 others from engaging in similar misconduct.

17 29. The recording of the Notice of Rescission made it necessary for Plaintiff to
18 retain attorneys and to bring this action. Therefore, Plaintiff is entitled to recover attorney's
19 fees and costs incurred. The exact amount of such damages is not known to Plaintiff at this
20 time, and Plaintiff will move to amend this complaint to state such amount when the same
21 becomes known, or on proof thereof.

22 **SECOND CAUSE OF ACTION**

23 **[Cancellation of Cloud on Title]**

24 (Against Defendants WAMU, CRC and Does 1-10, inclusive)

25 30. Plaintiff realleges and incorporates by reference each and every allegation set
26 forth in paragraphs 1 through 29 above.

27 31. Defendants claim an interest in the Subject Property which is adverse to the
28 Plaintiff. Defendants' interest in the Subject Property is purportedly based on the Notice of

1 Rescission, recorded on June 2, 2008, which states that the sale is rescinded.

2 32. The Notice of Rescission is invalid and void because the Defendant has no
3 further rights to the Subject Property after the Trustee Sale was completed and the Trustee's
4 Deed Upon Sale was issued and recorded.

5 33. Defendants' claim to the Subject Property clouds the Plaintiff's title, depreciates
6 the property's market value, and prevents Plaintiff from enjoying the use of the Subject
7 Property.

8 **THIRD CAUSE OF ACTION**

9 **[Quiet Title]**

10 (Against Defendants WAMU, LAURA RICHARDSON, UNKNOWN DEFENDANTS,
11 and DOES 11-20, inclusive)

12 34. Plaintiff realleges and incorporates by reference each and every allegation set
13 forth in paragraphs 1 through 33 above.

14 35. Plaintiff is the sole owner of the fee simple title to the Subject Property.

15 36. The basis of Plaintiff's title is that Plaintiff was the high bidder at the Trustee's
16 Sale of the Subject Property; Plaintiff tendered the full amount of its bid to the trustee; the
17 trustee accepted Plaintiff's tender; and, the trustee issued a Trustee's Deed Upon Sale to
18 Plaintiff, which was subsequently recorded, granting Plaintiff fee simple title to the Subject
19 Property.

20 37. Plaintiff is seeking to quiet title against the claims of WAMU, LAURA
21 RICHARDSON, UNKNOWN DEFENDANTS, and DOES 11-20, inclusive, as follows: a
22 Notice of Rescission was recorded in Sacramento County California, Book 20080602, Page
23 0885, by CRC and WAMU purportedly rescinding the Trustee's Deed Upon Sale issued to
24 Plaintiff which would have the affect of restoring the state of title to the Subject Property to
25 the status quo prior to the recordation of the Trustee's Deed Upon Sale; the claims of all the
26 Unknown Defendants and Does 11-20, inclusive, whether or not the claim or cloud is known
27 to Plaintiff. The claims of Defendants are without any right whatsoever and such Defendants
28 have no right, title, estate, lien, or interest whatever in the Subject Property or any part thereof.

1 38. Plaintiff seeks to quiet title to the Subject Property as of May 7, 2008, which is
2 the date Plaintiff purchased the Subject Property at the Trustee's Sale.

3 **FOURTH CAUSE OF ACTION**

4 **[Unjust Enrichment]**

5 (Against Defendants WAMU, LAURA RICHARDSON, and DOES 1-10, inclusive)

6 39. Plaintiff realleges and incorporates by reference each and every allegation set
7 forth in paragraphs 1 through 38 above.

8 40. Plaintiff has completed numerous improvements to the Subject Property, which
9 have significantly increased its value. If Defendants are permitted to rescind the Trustee's
10 Deed Upon Sale, Defendants will be unjustly enriched by their retention of the increased value
11 of the Subject Property.

12 **PRAYER**

13 Wherefore, Plaintiff prays judgment against Defendants as follow:

- 14 1. For general damages, in an amount to be proven at trial;
- 15 2. For punitive and exemplary damages in an amount to be proven at trial;
- 16 3. For the Notice of Rescission to be delivered to the clerk for the court for
17 cancellation and that it be declared void;
- 18 4. For a judgment that Plaintiff is the owner in fee simple of the Subject Property
19 and that Defendants have no interest in the Subject Property adverse to
20 Plaintiffs;
- 21 5. For restitution;
- 22 6. For attorneys' fees and costs incurred herein; and
- 23 7. For such other and further relief as the court may deem proper.

24 DATED: 6/11/2008

25 WAGNER KIRKMAN BLAINE
26 KLOMPARENS & YOUMANS LLP

27 By: 

28 THOMAS B. SHERIDAN
Attorneys for RED ROCK MORTGAGE,
INC.

EXHIBIT A

Recording Requested By:
Washington Mutual Bank

Return To:
2210 Enterprise Drive
Doc Ops - MS SC00140
Florence, SC 29501



Sacramento County Recording
Craig A Kramer, Clerk/Recorder
BOOK 20070110 PAGE 1818

Check Number
Wednesday, JAN 10, 2007 2:59:33 PM
Ttl Pd \$53.00

REB/51/1-19

Prepared By:

[Space Above This Line For Recording Data]

DEED OF TRUST

DEFINITIONS

Words used in multiple sections of this document are defined below and other words are defined in Sections 3, 11, 13, 18, 20 and 21. Certain rules regarding the usage of words used in this document are also provided in Section 16.

- (A) "Security Instrument" means this document, which is dated January 4, 2007 together with all Riders to this document.
- (B) "Borrower" is Laura Richardson, An Unmarried Woman

Borrower's address is 717 E Vernon St, Long Beach, CA 90806

. Borrower is the trustor under this Security Instrument.

(C) "Lender" is Washington Mutual Bank

Lender is a federal association
organized and existing under the laws of the United States



CALIFORNIA-Single Family-Fannie Mae/Freddie Mac UNIFORM INSTRUMENT

Form 3005 1/01

VMP-6(CA) (0207) 01

Page 1 of 15

Initials

VMP Mortgage Solutions, Inc



A

Lender's address is 1400 South Douglass Road, Suite 100, Anaheim, CA 92806

Lender is the beneficiary under this Security Instrument.

(D) "Trustee" is California Reconveyance Company, a California corporation

(E) "Note" means the promissory note signed by Borrower and dated January 4, 2007

The Note states that Borrower owes Lender Five Hundred Thirty Five Thousand One and No/100 Dollars

(U.S. \$535,001.00) plus interest. Borrower has promised to pay this debt in regular Periodic Payments and to pay the debt in full not later than February 1, 2037

(F) "Property" means the property that is described below under the heading "Transfer of Rights in the Property."

(G) "Loan" means the debt evidenced by the Note, plus interest, any prepayment charges and late charges due under the Note, and all sums due under this Security Instrument, plus interest.

(H) "Riders" means all Riders to this Security Instrument that are executed by Borrower. The following Riders are to be executed by Borrower [check box as applicable]:

- | | | |
|---|---|---|
| <input checked="" type="checkbox"/> Adjustable Rate Rider | <input type="checkbox"/> Condominium Rider | <input type="checkbox"/> Second Home Rider |
| <input type="checkbox"/> Balloon Rider | <input type="checkbox"/> Planned Unit Development Rider | <input type="checkbox"/> 1-4 Family Rider |
| <input type="checkbox"/> VA Rider | <input type="checkbox"/> Biweekly Payment Rider | <input type="checkbox"/> Other(s) [specify] |

(I) "Applicable Law" means all controlling applicable federal, state and local statutes, regulations, ordinances and administrative rules and orders (that have the effect of law) as well as all applicable final, non-appealable judicial opinions

(J) "Community Association Dues, Fees, and Assessments" means all dues, fees, assessments and other charges that are imposed on Borrower or the Property by a condominium association, homeowners association or similar organization.

(K) "Electronic Funds Transfer" means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument, computer, or magnetic tape so as to order, instruct, or authorize a financial institution to debit or credit an account. Such term includes, but is not limited to, point-of-sale transfers, automated teller machine transactions, transfers initiated by telephone, wire transfers, and automated clearinghouse transfers.

(L) "Escrow Items" means those items that are described in Section 3.

(M) "Miscellaneous Proceeds" means any compensation, settlement, award of damages, or proceeds paid by any third party (other than insurance proceeds paid under the coverages described in Section 5) for: (i) damage to, or destruction of, the Property; (ii) condemnation or other taking of all or any part of the Property; (iii) conveyance in lieu of condemnation; or (iv) misrepresentations of, or omissions as to, the value and/or condition of the Property.

(N) "Mortgage Insurance" means insurance protecting Lender against the nonpayment of, or default on, the Loan.

(O) "Periodic Payment" means the regularly scheduled amount due for (i) principal and interest under the Note, plus (ii) any amounts under Section 3 of this Security Instrument.

(P) "RESPA" means the Real Estate Settlement Procedures Act (12 U.S.C. Section 2601 et seq) and its implementing regulation, Regulation X (24 C.F.R. Part 3500), as they might be amended from time to time, or any additional or successor legislation or regulation that governs the same subject matter. As used in this Security Instrument, "RESPA" refers to all requirements and restrictions that are imposed in regard

to a "federally related mortgage loan" even if the Loan does not qualify as a "federally related mortgage loan" under RESPA.

(Q) "Successor in Interest of Borrower" means any party that has taken title to the Property, whether or not that party has assumed Borrower's obligations under the Note and/or this Security Instrument.

TRANSFER OF RIGHTS IN THE PROPERTY

This Security Instrument secures to Lender: (i) the repayment of the Loan, and all renewals, extensions and modifications of the Note; and (ii) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described property located in the County of SACRAMENTO :

[Type of Recording Jurisdiction]

[Name of Recording Jurisdiction]

Legal Description Attached Hereto And Made A Part Hereof

Exhibit A

Parcel ID Number: []
3622 West Curtis Drive
Sacramento
("Property Address").

which currently has the address of
[Street]
[City], California 95818 [Zip Code]

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

BORROWER COVENANTS that Borrower is lawfully seised of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows.

1. Payment of Principal, Interest, Escrow Items, Prepayment Charges, and Late Charges. Borrower shall pay when due the principal of, and interest on, the debt evidenced by the Note and any prepayment charges and late charges due under the Note. Borrower shall also pay funds for Escrow Items pursuant to Section 3. Payments due under the Note and this Security Instrument shall be made in U.S.

Initials: [Signature]

currency. However, if any check or other instrument received by Lender as payment under the Note or this Security Instrument is returned to Lender unpaid, Lender may require that any or all subsequent payments due under the Note and this Security Instrument be made in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality, or entity; or (d) Electronic Funds Transfer

Payments are deemed received by Lender when received at the location designated in the Note or at such other location as may be designated by Lender in accordance with the notice provisions in Section 15. Lender may return any payment or partial payment if the payment or partial payments are insufficient to bring the Loan current. Lender may accept any payment or partial payment insufficient to bring the Loan current, without waiver of any rights hereunder or prejudice to its rights to refuse such payment or partial payments in the future, but Lender is not obligated to apply such payments at the time such payments are accepted. If each Periodic Payment is applied as of its scheduled due date, then Lender need not pay interest on unapplied funds. Lender may hold such unapplied funds until Borrower makes payment to bring the Loan current. If Borrower does not do so within a reasonable period of time, Lender shall either apply such funds or return them to Borrower. If not applied earlier, such funds will be applied to the outstanding principal balance under the Note immediately prior to foreclosure. No offset or claim which Borrower might have now or in the future against Lender shall relieve Borrower from making payments due under the Note and this Security Instrument or performing the covenants and agreements secured by this Security Instrument.

2. Application of Payments or Proceeds. Except as otherwise described in this Section 2, all payments accepted and applied by Lender shall be applied in the following order of priority: (a) interest due under the Note, (b) principal due under the Note; (c) amounts due under Section 3. Such payments shall be applied to each Periodic Payment in the order in which it became due. Any remaining amounts shall be applied first to late charges, second to any other amounts due under this Security Instrument, and then to reduce the principal balance of the Note.

If Lender receives a payment from Borrower for a delinquent Periodic Payment which includes a sufficient amount to pay any late charge due, the payment may be applied to the delinquent payment and the late charge. If more than one Periodic Payment is outstanding, Lender may apply any payment received from Borrower to the repayment of the Periodic Payments if, and to the extent that, each payment can be paid in full. To the extent that any excess exists after the payment is applied to the full payment of one or more Periodic Payments, such excess may be applied to any late charges due. Voluntary prepayments shall be applied first to any prepayment charges and then as described in the Note

Any application of payments, insurance proceeds, or Miscellaneous Proceeds to principal due under the Note shall not extend or postpone the due date, or change the amount, of the Periodic Payments.

3. Funds for Escrow Items. Borrower shall pay to Lender on the day Periodic Payments are due under the Note, until the Note is paid in full, a sum (the "Funds") to provide for payment of amounts due for: (a) taxes and assessments and other items which can attain priority over this Security Instrument as a lien or encumbrance on the Property; (b) leasehold payments or ground rents on the Property, if any; (c) premiums for any and all insurance required by Lender under Section 5, and (d) Mortgage Insurance premiums, if any, or any sums payable by Borrower to Lender in lieu of the payment of Mortgage Insurance premiums in accordance with the provisions of Section 10. These items are called "Escrow Items." At origination or at any time during the term of the Loan, Lender may require that Community Association Dues, Fees, and Assessments, if any, be escrowed by Borrower, and such dues, fees and assessments shall be an Escrow Item. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this Section. Borrower shall pay Lender the Funds for Escrow Items unless Lender waives Borrower's obligation to pay the Funds for any or all Escrow Items. Lender may waive Borrower's obligation to pay to Lender Funds for any or all Escrow Items at any time. Any such waiver may only be

Initials 



in writing. In the event of such waiver, Borrower shall pay directly, when and where payable, the amounts due for any Escrow Items for which payment of Funds has been waived by Lender and, if Lender requires, shall furnish to Lender receipts evidencing such payment within such time period as Lender may require. Borrower's obligation to make such payments and to provide receipts shall for all purposes be deemed to be a covenant and agreement contained in this Security Instrument, as the phrase "covenant and agreement" is used in Section 9. If Borrower is obligated to pay Escrow Items directly, pursuant to a waiver, and Borrower fails to pay the amount due for an Escrow Item, Lender may exercise its rights under Section 9 and pay such amount and Borrower shall then be obligated under Section 9 to repay to Lender any such amount. Lender may revoke the waiver as to any or all Escrow Items at any time by a notice given in accordance with Section 15 and, upon such revocation, Borrower shall pay to Lender all Funds, and in such amounts, that are then required under this Section 3.

Lender may, at any time, collect and hold Funds in an amount (a) sufficient to permit Lender to apply the Funds at the time specified under RESPA, and (b) not to exceed the maximum amount a lender can require under RESPA. Lender shall estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with Applicable Law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is an institution whose deposits are so insured) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items no later than the time specified under RESPA. Lender shall not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and Applicable Law permits Lender to make such a charge. Unless an agreement is made in writing or Applicable Law requires interest to be paid on the Funds, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender can agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds as required by RESPA.

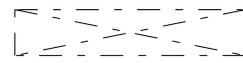
If there is a surplus of Funds held in escrow, as defined under RESPA, Lender shall account to Borrower for the excess funds in accordance with RESPA. If there is a shortage of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the shortage in accordance with RESPA, but in no more than 12 monthly payments. If there is a deficiency of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the deficiency in accordance with RESPA, but in no more than 12 monthly payments.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender

4. Charges; Liens. Borrower shall pay all taxes, assessments, charges, fines, and impositions attributable to the Property which can attain priority over this Security Instrument, leasehold payments or ground rents on the Property, if any, and Community Association Dues, Fees, and Assessments, if any. To the extent that these items are Escrow Items, Borrower shall pay them in the manner provided in Section 3.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender, but only so long as Borrower is performing such agreement; (b) contests the lien in good faith by, or defends against enforcement of the lien in, legal proceedings which in Lender's opinion operate to prevent the enforcement of the lien while those proceedings are pending, but only until such proceedings are concluded, or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which can attain priority over this Security Instrument, Lender may give Borrower a notice identifying the

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lien. Within 10 days of the date on which that notice is given, Borrower shall satisfy the lien or take one or more of the actions set forth above in this Section 4.

Lender may require Borrower to pay a one-time charge for a real estate tax verification and/or reporting service used by Lender in connection with this Loan.

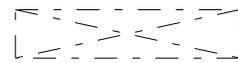
5. Property Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage," and any other hazards including, but not limited to, earthquakes and floods, for which Lender requires insurance. This insurance shall be maintained in the amounts (including deductible levels) and for the periods that Lender requires. What Lender requires pursuant to the preceding sentences can change during the term of the Loan. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's right to disapprove Borrower's choice, which right shall not be exercised unreasonably. Lender may require Borrower to pay, in connection with this Loan, either: (a) a one-time charge for flood zone determination, certification and tracking services; or (b) a one-time charge for flood zone determination and certification services and subsequent charges each time remappings or similar changes occur which reasonably might affect such determination or certification. Borrower shall also be responsible for the payment of any fees imposed by the Federal Emergency Management Agency in connection with the review of any flood zone determination resulting from an objection by Borrower.

If Borrower fails to maintain any of the coverages described above, Lender may obtain insurance coverage, at Lender's option and Borrower's expense. Lender is under no obligation to purchase any particular type or amount of coverage. Therefore, such coverage shall cover Lender, but might or might not protect Borrower, Borrower's equity in the Property, or the contents of the Property, against any risk, hazard or liability and might provide greater or lesser coverage than was previously in effect. Borrower acknowledges that the cost of the insurance coverage so obtained might significantly exceed the cost of insurance that Borrower could have obtained. Any amounts disbursed by Lender under this Section 5 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

All insurance policies required by Lender and renewals of such policies shall be subject to Lender's right to disapprove such policies, shall include a standard mortgage clause, and shall name Lender as mortgagee and/or as an additional loss payee and Borrower further agrees to generally assign rights to insurance proceeds to the holder of the Note up to the amount of the outstanding loan balance. Lender shall have the right to hold the policies and renewal certificates. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. If Borrower obtains any form of insurance coverage, not otherwise required by Lender, for damage to, or destruction of, the Property, such policy shall include a standard mortgage clause and shall name Lender as mortgagee and/or as an additional loss payee and Borrower further agrees to generally assign rights to insurance proceeds to the holder of the Note up to the amount of the outstanding loan balance.

In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower. Unless Lender and Borrower otherwise agree in writing, any insurance proceeds, whether or not the underlying insurance was required by Lender, shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such insurance proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such insurance proceeds, Lender shall not be required to pay Borrower any interest or earnings on such proceeds. Fees for public adjusters, or other third parties, retained by Borrower shall not be paid out of the insurance proceeds and shall be the sole obligation of Borrower. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with

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the excess, if any, paid to Borrower. Such insurance proceeds shall be applied in the order provided for in Section 2

If Borrower abandons the Property, Lender may file, negotiate and settle any available insurance claim and related matters. If Borrower does not respond within 30 days to a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may negotiate and settle the claim. The 30-day period will begin when the notice is given. In either event, or if Lender acquires the Property under Section 22 or otherwise, Borrower hereby assigns to Lender (a) Borrower's rights to any insurance proceeds in an amount not to exceed the amounts unpaid under the Note or this Security Instrument, and (b) any other of Borrower's rights (other than the right to any refund of unearned premiums paid by Borrower) under all insurance policies covering the Property, insofar as such rights are applicable to the coverage of the Property. Lender may use the insurance proceeds either to repair or restore the Property or to pay amounts unpaid under the Note or this Security Instrument, whether or not then due

6. Occupancy. Borrower shall occupy, establish, and use the Property as Borrower's principal residence within 60 days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control.

7. Preservation, Maintenance and Protection of the Property; Inspections. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate or commit waste on the Property. Whether or not Borrower is residing in the Property, Borrower shall maintain the Property in order to prevent the Property from deteriorating or decreasing in value due to its condition. Unless it is determined pursuant to Section 5 that repair or restoration is not economically feasible, Borrower shall promptly repair the Property if damaged to avoid further deterioration or damage. If insurance or condemnation proceeds are paid in connection with damage to, or the taking of, the Property, Borrower shall be responsible for repairing or restoring the Property only if Lender has released proceeds for such purposes. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. If the insurance or condemnation proceeds are not sufficient to repair or restore the Property, Borrower is not relieved of Borrower's obligation for the completion of such repair or restoration.

Lender or its agent may make reasonable entries upon and inspections of the Property. If it has reasonable cause, Lender may inspect the interior of the improvements on the Property. Lender shall give Borrower notice at the time of or prior to such an interior inspection specifying such reasonable cause.

8. Borrower's Loan Application. Borrower shall be in default if, during the Loan application process, Borrower or any persons or entities acting at the direction of Borrower or with Borrower's knowledge or consent gave materially false, misleading, or inaccurate information or statements to Lender (or failed to provide Lender with material information) in connection with the Loan. Material representations include, but are not limited to, representations concerning Borrower's occupancy of the Property as Borrower's principal residence.

9. Protection of Lender's Interest in the Property and Rights Under this Security Instrument. If (a) Borrower fails to perform the covenants and agreements contained in this Security Instrument, (b) there is a legal proceeding that might significantly affect Lender's interest in the Property and/or rights under this Security Instrument (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture, for enforcement of a lien which may attain priority over this Security Instrument or to enforce laws or regulations), or (c) Borrower has abandoned the Property, then Lender may do and pay for whatever is reasonable or appropriate to protect Lender's interest in the Property and rights under this Security Instrument, including protecting and/or assessing the value of the Property, and securing and/or repairing the Property. Lender's actions can include, but are not limited to: (a) paying any sums secured by a lien which has priority over this Security Instrument; (b) appearing in court; and (c) paying reasonable

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attorneys' fees to protect its interest in the Property and/or rights under this Security Instrument, including its secured position in a bankruptcy proceeding. Securing the Property includes, but is not limited to, entering the Property to make repairs, change locks, replace or board up doors and windows, drain water from pipes, eliminate building or other code violations or dangerous conditions, and have utilities turned on or off. Although Lender may take action under this Section 9, Lender does not have to do so and is not under any duty or obligation to do so. It is agreed that Lender incurs no liability for not taking any or all actions authorized under this Section 9.

Any amounts disbursed by Lender under this Section 9 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

10. Mortgage Insurance. If Lender required Mortgage Insurance as a condition of making the Loan, Borrower shall pay the premiums required to maintain the Mortgage Insurance in effect. If, for any reason, the Mortgage Insurance coverage required by Lender ceases to be available from the mortgage insurer that previously provided such insurance and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the Mortgage Insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the Mortgage Insurance previously in effect, from an alternate mortgage insurer selected by Lender. If substantially equivalent Mortgage Insurance coverage is not available, Borrower shall continue to pay to Lender the amount of the separately designated payments that were due when the insurance coverage ceased to be in effect. Lender will accept, use and retain these payments as a non-refundable loss reserve in lieu of Mortgage Insurance. Such loss reserve shall be non-refundable, notwithstanding the fact that the Loan is ultimately paid in full, and Lender shall not be required to pay Borrower any interest or earnings on such loss reserve. Lender can no longer require loss reserve payments if Mortgage Insurance coverage (in the amount and for the period that Lender requires) provided by an insurer selected by Lender again becomes available, is obtained, and Lender requires separately designated payments toward the premiums for Mortgage Insurance. If Lender required Mortgage Insurance as a condition of making the Loan and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to maintain Mortgage Insurance in effect, or to provide a non-refundable loss reserve, until Lender's requirement for Mortgage Insurance ends in accordance with any written agreement between Borrower and Lender providing for such termination or until termination is required by Applicable Law. Nothing in this Section 10 affects Borrower's obligation to pay interest at the rate provided in the Note.

Mortgage Insurance reimburses Lender (or any entity that purchases the Note) for certain losses it may incur if Borrower does not repay the Loan as agreed. Borrower is not a party to the Mortgage Insurance.

Mortgage insurers evaluate their total risk on all such insurance in force from time to time, and may enter into agreements with other parties that share or modify their risk, or reduce losses. These agreements are on terms and conditions that are satisfactory to the mortgage insurer and the other party (or parties) to these agreements. These agreements may require the mortgage insurer to make payments using any source of funds that the mortgage insurer may have available (which may include funds obtained from Mortgage Insurance premiums).

As a result of these agreements, Lender, any purchaser of the Note, another insurer, any reinsurer, any other entity, or any affiliate of any of the foregoing, may receive (directly or indirectly) amounts that derive from (or might be characterized as) a portion of Borrower's payments for Mortgage Insurance, in exchange for sharing or modifying the mortgage insurer's risk, or reducing losses. If such agreement provides that an affiliate of Lender takes a share of the insurer's risk in exchange for a share of the premiums paid to the insurer, the arrangement is often termed "captive reinsurance." Further:

(a) Any such agreements will not affect the amounts that Borrower has agreed to pay for Mortgage Insurance, or any other terms of the Loan. Such agreements will not increase the amount Borrower will owe for Mortgage Insurance, and they will not entitle Borrower to any refund.

Initials 

(b) Any such agreements will not affect the rights Borrower has - if any - with respect to the Mortgage Insurance under the Homeowners Protection Act of 1998 or any other law. These rights may include the right to receive certain disclosures, to request and obtain cancellation of the Mortgage Insurance, to have the Mortgage Insurance terminated automatically, and/or to receive a refund of any Mortgage Insurance premiums that were unearned at the time of such cancellation or termination.

11. Assignment of Miscellaneous Proceeds; Forfeiture. All Miscellaneous Proceeds are hereby assigned to and shall be paid to Lender.

If the Property is damaged, such Miscellaneous Proceeds shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such Miscellaneous Proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may pay for the repairs and restoration in a single disbursement or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such Miscellaneous Proceeds, Lender shall not be required to pay Borrower any interest or earnings on such Miscellaneous Proceeds. If the restoration or repair is not economically feasible or Lender's security would be lessened, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such Miscellaneous Proceeds shall be applied in the order provided for in Section 2.

In the event of a total taking, destruction, or loss in value of the Property, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the Miscellaneous Proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the partial taking, destruction, or loss in value divided by (b) the fair market value of the Property immediately before the partial taking, destruction, or loss in value. Any balance shall be paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is less than the amount of the sums secured immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the Opposing Party (as defined in the next sentence) offers to make an award to settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the Miscellaneous Proceeds either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due. "Opposing Party" means the third party that owes Borrower Miscellaneous Proceeds or the party against whom Borrower has a right of action in regard to Miscellaneous Proceeds.

Borrower shall be in default if any action or proceeding, whether civil or criminal, is begun that, in Lender's judgment, could result in forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. Borrower can cure such a default and, if acceleration has occurred, reinstate as provided in Section 19, by causing the action or proceeding to be dismissed with a ruling that, in Lender's judgment, precludes forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. The proceeds of any award or claim for damages that are attributable to the impairment of Lender's interest in the Property are hereby assigned and shall be paid to Lender.

All Miscellaneous Proceeds that are not applied to restoration or repair of the Property shall be applied in the order provided for in Section 2.

12. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender

Initials 

to Borrower or any Successor in Interest of Borrower shall not operate to release the liability of Borrower or any Successors in Interest of Borrower. Lender shall not be required to commence proceedings against any Successor in Interest of Borrower or to refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or any Successors in Interest of Borrower. Any forbearance by Lender in exercising any right or remedy including, without limitation, Lender's acceptance of payments from third persons, entities or Successors in Interest of Borrower or in amounts less than the amount then due, shall not be a waiver of or preclude the exercise of any right or remedy

13. Joint and Several Liability; Co-signers; Successors and Assigns Bound. Borrower covenants and agrees that Borrower's obligations and liability shall be joint and several. However, any Borrower who co-signs this Security Instrument but does not execute the Note (a "co-signer"): (a) is co-signing this Security Instrument only to mortgage, grant and convey the co-signer's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower can agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without the co-signer's consent.

Subject to the provisions of Section 18, any Successor in Interest of Borrower who assumes Borrower's obligations under this Security Instrument in writing, and is approved by Lender, shall obtain all of Borrower's rights and benefits under this Security Instrument. Borrower shall not be released from Borrower's obligations and liability under this Security Instrument unless Lender agrees to such release in writing. The covenants and agreements of this Security Instrument shall bind (except as provided in Section 20) and benefit the successors and assigns of Lender.

14. Loan Charges. Lender may charge Borrower fees for services performed in connection with Borrower's default, for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument, including, but not limited to, attorneys' fees, property inspection and valuation fees. In regard to any other fees, the absence of express authority in this Security Instrument to charge a specific fee to Borrower shall not be construed as a prohibition on the charging of such fee. Lender may not charge fees that are expressly prohibited by this Security Instrument or by Applicable Law.

If the Loan is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the Loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge (whether or not a prepayment charge is provided for under the Note). Borrower's acceptance of any such refund made by direct payment to Borrower will constitute a waiver of any right of action Borrower might have arising out of such overcharge.

15. Notices. All notices given by Borrower or Lender in connection with this Security Instrument must be in writing. Any notice to Borrower in connection with this Security Instrument shall be deemed to have been given to Borrower when mailed by first class mail or when actually delivered to Borrower's notice address if sent by other means. Notice to any one Borrower shall constitute notice to all Borrowers unless Applicable Law expressly requires otherwise. The notice address shall be the Property Address unless Borrower has designated a substitute notice address by notice to Lender. Borrower shall promptly notify Lender of Borrower's change of address. If Lender specifies a procedure for reporting Borrower's change of address, then Borrower shall only report a change of address through that specified procedure. There may be only one designated notice address under this Security Instrument at any one time. Any notice to Lender shall be given by delivering it or by mailing it by first class mail to Lender's address stated herein unless Lender has designated another address by notice to Borrower. Any notice in connection with this Security Instrument shall not be deemed to have been given to Lender until actually received by Lender. If any notice required by this Security Instrument is also required under Applicable Law, the Applicable Law requirement will satisfy the corresponding requirement under this Security Instrument.

Initials 

16. Governing Law; Severability; Rules of Construction. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. All rights and obligations contained in this Security Instrument are subject to any requirements and limitations of Applicable Law. Applicable Law might explicitly or implicitly allow the parties to agree by contract or it might be silent, but such silence shall not be construed as a prohibition against agreement by contract. In the event that any provision or clause of this Security Instrument or the Note conflicts with Applicable Law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision.

As used in this Security Instrument: (a) words of the masculine gender shall mean and include corresponding neuter words or words of the feminine gender; (b) words in the singular shall mean and include the plural and vice versa; and (c) the word "may" gives sole discretion without any obligation to take any action.

17. Borrower's Copy. Borrower shall be given one copy of the Note and of this Security Instrument.

18. Transfer of the Property or a Beneficial Interest in Borrower. As used in this Section 18, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

19. Borrower's Right to Reinstate After Acceleration. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earliest of: (a) five days before sale of the Property pursuant to any power of sale contained in this Security Instrument; (b) such other period as Applicable Law might specify for the termination of Borrower's right to reinstate; or (c) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements, (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees, property inspection and valuation fees, and other fees incurred for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument; and (d) takes such action as Lender may reasonably require to assure that Lender's interest in the Property and rights under this Security Instrument, and Borrower's obligation to pay the sums secured by this Security Instrument, shall continue unchanged. Lender may require that Borrower pay such reinstatement sums and expenses in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality or entity; or (d) Electronic Funds Transfer. Upon reinstatement by Borrower, this Security Instrument and obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under Section 18.

20. Sale of Note; Change of Loan Servicer; Notice of Grievance. The Note or a partial interest in the Note (together with this Security Instrument) can be sold one or more times without prior notice to Borrower. A sale might result in a change in the entity (known as the "Loan Servicer") that collects Periodic Payments due under the Note and this Security Instrument and performs other mortgage loan servicing obligations under the Note, this Security Instrument, and Applicable Law. There also might be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change which will state the name and address of the new Loan Servicer, the address to which payments should be made and any other information RESPA

Initials 

requires in connection with a notice of transfer of servicing. If the Note is sold and thereafter the Loan is serviced by a Loan Servicer other than the purchaser of the Note, the mortgage loan servicing obligations to Borrower will remain with the Loan Servicer or be transferred to a successor Loan Servicer and are not assumed by the Note purchaser unless otherwise provided by the Note purchaser.

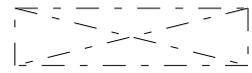
Neither Borrower nor Lender may commence, join, or be joined to any judicial action (as either an individual litigant or the member of a class) that arises from the other party's actions pursuant to this Security Instrument or that alleges that the other party has breached any provision of, or any duty owed by reason of, this Security Instrument, until such Borrower or Lender has notified the other party (with such notice given in compliance with the requirements of Section 15) of such alleged breach and afforded the other party hereto a reasonable period after the giving of such notice to take corrective action. If Applicable Law provides a time period which must elapse before certain action can be taken, that time period will be deemed to be reasonable for purposes of this paragraph. The notice of acceleration and opportunity to cure given to Borrower pursuant to Section 22 and the notice of acceleration given to Borrower pursuant to Section 18 shall be deemed to satisfy the notice and opportunity to take corrective action provisions of this Section 20.

21. Hazardous Substances. As used in this Section 21: (a) "Hazardous Substances" are those substances defined as toxic or hazardous substances, pollutants, or wastes by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials; (b) "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection; (c) "Environmental Cleanup" includes any response action, remedial action, or removal action, as defined in Environmental Law; and (d) an "Environmental Condition" means a condition that can cause, contribute to, or otherwise trigger an Environmental Cleanup.

Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances, or threaten to release any Hazardous Substances, on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property (a) that is in violation of any Environmental Law, (b) which creates an Environmental Condition, or (c) which, due to the presence, use, or release of a Hazardous Substance, creates a condition that adversely affects the value of the Property. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property (including, but not limited to, hazardous substances in consumer products).

Borrower shall promptly give Lender written notice of (a) any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge, (b) any Environmental Condition, including but not limited to, any spilling, leaking, discharge, release or threat of release of any Hazardous Substance, and (c) any condition caused by the presence, use or release of a Hazardous Substance which adversely affects the value of the Property. If Borrower learns, or is notified by any governmental or regulatory authority, or any private party, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law. Nothing herein shall create any obligation on Lender for an Environmental Cleanup.

Initials: 



NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

22. **Acceleration; Remedies.** Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under Section 18 unless Applicable Law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Borrower to acceleration and sale. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may invoke the power of sale and any other remedies permitted by Applicable Law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this Section 22, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

If Lender invokes the power of sale, Lender shall execute or cause Trustee to execute a written notice of the occurrence of an event of default and of Lender's election to cause the Property to be sold. Trustee shall cause this notice to be recorded in each county in which any part of the Property is located. Lender or Trustee shall mail copies of the notice as prescribed by Applicable Law to Borrower and to the other persons prescribed by Applicable Law. Trustee shall give public notice of sale to the persons and in the manner prescribed by Applicable Law. After the time required by Applicable Law, Trustee, without demand on Borrower, shall sell the Property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in any order Trustee determines. Trustee may postpone sale of all or any parcel of the Property by public announcement at the time and place of any previously scheduled sale. Lender or its designee may purchase the Property at any sale.

Trustee shall deliver to the purchaser Trustee's deed conveying the Property without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable Trustee's and attorneys' fees; (b) to all sums secured by this Security Instrument; and (c) any excess to the person or persons legally entitled to it.

23. **Reconveyance.** Upon payment of all sums secured by this Security Instrument, Lender shall request Trustee to reconvey the Property and shall surrender this Security Instrument and all notes evidencing debt secured by this Security Instrument to Trustee. Trustee shall reconvey the Property without warranty to the person or persons legally entitled to it. Lender may charge such person or persons a reasonable fee for reconveying the Property, but only if the fee is paid to a third party (such as the Trustee) for services rendered and the charging of the fee is permitted under Applicable Law. If the fee charged does not exceed the fee set by Applicable Law, the fee is conclusively presumed to be reasonable.

24. **Substitute Trustee.** Lender, at its option, may from time to time appoint a successor trustee to any Trustee appointed hereunder by an instrument executed and acknowledged by Lender and recorded in the office of the Recorder of the county in which the Property is located. The instrument shall contain the name of the original Lender, Trustee and Borrower, the book and page where this Security Instrument is recorded and the name and address of the successor trustee. Without conveyance of the Property, the successor trustee shall succeed to all the title, powers and duties conferred upon the Trustee herein and by Applicable Law. This procedure for substitution of trustee shall govern to the exclusion of all other provisions for substitution.

25. **Statement of Obligation Fee.** Lender may collect a fee not to exceed the maximum amount permitted by Applicable Law for furnishing the statement of obligation as provided by Section 2943 of the Civil Code of California.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any Rider executed by Borrower and recorded with it.

Witnesses:

_____ (Seal)
-Borrower


Laura Richardson (Seal)
-Borrower

_____ (Seal)
-Borrower

_____ (Seal)
-Borrower

_____ (Seal)
-Borrower

_____ (Seal)
-Borrower



State of California
County of Sacramento

} ss.

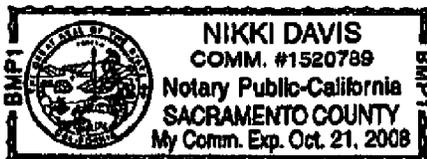
On January 4, 2007

before me, Nikki Davis a notary public
personally appeared

Saura Richardson

, personally known to me
(or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed
to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their
authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity
upon behalf of which the person(s) acted, executed the instrument.

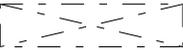
WITNESS my hand and official seal.



Nikki Davis (Seal)

Exhibit "A"
Legal Description

Lot 259 as shown on the official "Plat of South Curtis Oaks Subdivision No. 6", filed in the office of the County Recorder of Sacramento County, February 10, 1927 in Book 19 of Maps, Map No. 18

Apn: 

FIXED/ADJUSTABLE RATE RIDER

THIS FIXED/ADJUSTABLE RATE RIDER is made on this 4th day of January, 2007, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed (the "Security Instrument") of the same date given by the undersigned ("Borrower") to secure Borrower's Fixed/Adjustable Rate Note (the "Note") to Washington Mutual Bank ("Lender") of the same date and covering the property described in the Security Instrument and located at: 3622 West Curtis Drive, Sacramento, CA 95818

[Property Address]

THE NOTE CONTAINS PROVISIONS ALLOWING FOR A CHANGE FROM THE INITIAL FIXED INTEREST RATE TO AN ADJUSTABLE INTEREST RATE AND FOR CHANGES IN THE MONTHLY PAYMENT. THE NOTE LIMITS THE AMOUNT BORROWER'S INTEREST RATE CAN CHANGE AT ANY ONE TIME AND THE MAXIMUM RATE BORROWER MUST PAY.

ADDITIONAL COVENANTS. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

A. INTEREST RATE AND MONTHLY PAYMENT CHANGES

The Note provides for an initial fixed interest rate of 8.800%. The Note provides for a change in the initial fixed interest rate to an adjustable interest rate and for changes in the monthly payments, as follows:

4. INTEREST RATE AND MONTHLY PAYMENT CHANGES

(A) Change Dates

The initial fixed interest rate Borrower will pay will change to an adjustable interest rate on the first day of February, 2009, and the interest rate Borrower will pay may change on that day every 6th month thereafter. Each date on which Borrower's interest rate could change is called a "Change Date."

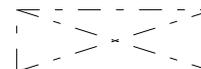
(B) The Index

Beginning with the first Change Date, Borrower's interest rate will be based on an Index. The "Index" is the average of interbank offered rates for six month U.S. dollar-denominated deposits in the London market ("LIBOR"), as published in *The Wall Street Journal*. The most recent Index figure available as of the date 45 days before the Change Date is called the "Current Index."

Fixed/Adjustable Rate Rider - Libor

4140623 (0509)

Page 1 of 3



If the Index is no longer available, the Note Holder will choose a new index that is based upon comparable information. The Note Holder will give Borrower notice of this choice.

(C) Calculation of Changes

Before each Change Date, the Note Holder will calculate Borrower's new interest rate by adding Four and 99/100 percentage points (4.990 %) to the Current Index. The Note Holder will then round the result of this addition to the nearest one-eighth of one percentage point (0.125%). Subject to the limits stated in Section 4(D) below, this rounded amount will be Borrower's new interest rate until the next Change Date.

The Note Holder will then determine the amount of the monthly payment that would be sufficient to repay the unpaid principal that Borrower is expected to owe at the Change Date in full on the Maturity Date at Borrower's new interest rate in substantially equal payments. The result of this calculation will be the new amount of Borrower's monthly payment.

(D) Limits on Interest Rate Changes

The interest rate Borrower is required to pay at the first Change Date will not be greater than 10.800 % or less than 8.800%. Thereafter, Borrower's interest rate will never be increased or decreased on any single Change Date by more than One percentage point(s) (1.000%) from the rate of interest Borrower has been paying for the preceding months. Borrower's interest rate will never be greater than 14.800 % or less than 8.800 %.

(E) Effective Date of Changes

Borrower's new interest rate will become effective on each Change Date. Borrower will pay the amount of Borrower's new monthly payment beginning on the first monthly payment date after the Change Date until the amount of Borrower's monthly payment changes again.

(F) Notice of Changes

The Note Holder will deliver or mail to Borrower a notice of any changes in Borrower's interest rate and the amount of Borrower's monthly payment before the effective date of any change. The notice will include information required by law to be given to the Borrower and also the title and telephone number of a person who will answer any question Borrower may have regarding the notice.

B. TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN BORROWER

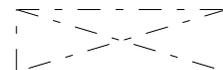
Covenant 18 of the Security Instrument is amended to read as follows:

(A) Until Borrower's initial fixed interest rate changes to an adjustable interest rate under the terms stated in Section A above, Covenant 18 of the Security Instrument provides as follows:

Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property or any interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited Applicable Law.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

Fixed/Adjustable Rate Rider - Libor



(B) When Borrower's initial fixed interest rate changes to an adjustable interest rate under the terms stated in Section A above, Covenant 18 of the Security Instrument shall then instead provide as follows:

Transfer of the Property or a Beneficial Interest in Borrower. As used in this Section 18, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser. If all or any part of the Property or any interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law. Lender also shall not exercise this option if: (a) Borrower causes to be submitted to Lender information required by Lender to evaluate the intended transferee as if a new loan were being made to the transferee; and (b) Lender reasonably determines that Lender's security will not be unpaired by the loan assumption and that the risk of a breach of any covenant or agreement in this Security Instrument is acceptable to Lender

To the extent permitted by Applicable Law, Lender may charge a reasonable fee as a condition to Lender's consent to the loan assumption. Lender also may require the transferee to sign an assumption agreement that is acceptable to Lender and that obligates the transferee to keep all the promises and agreements made in the Note and in this Security Instrument. Borrower will continue to be obligated under the Note and this Security Instrument unless Lender releases Borrower in writing.

If Lender exercises the option to require immediate payment in full, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Fixed/Adjustable Rate Rider.



Laura Richardson (Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

[Sign Original Only]

Fixed/Adjustable Rate Rider - Libor

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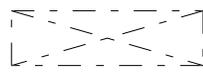


EXHIBIT B

RECORDING REQUESTED BY
 CALIFORNIA RECONVEYANCE COMPANY
 AND WHEN RECORDED MAIL TO
 CALIFORNIA RECONVEYANCE COMPANY
 9200 Oakdale Avenue
 Mail Stop: N 11 06 12
 Chatsworth, CA 91311
 800 892-6902
 (818)775-2258 (Fax)

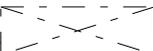


Sacramento County Recording
 Craig A Kramer, Clerk/Recorder
 BOOK 20071214 PAGE 0358

Check Number 9109
 Friday, DEC 14, 2007 8:41:18 AM
 Title Fee \$12.00 Nbr-0005192112

TMH/74/1-2

Space above this line for recorder's use only

Trustee Sale No. 723397CA Loan No.  Title Order No. M721884

**IMPORTANT NOTICE
 NOTICE OF DEFAULT AND ELECTION TO SELL UNDER DEED OF TRUST**

IF YOUR PROPERTY IS IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR PAYMENTS, IT MAY BE SOLD WITHOUT ANY COURT ACTION, and you may have the legal right to bring your account in good standing by paying all of your past due payments plus permitted costs and expenses within the time permitted by law for reinstatement of your account, which is normally five business days prior to the date set for the sale of your property. No sale date may be set until three months from the date this notice of default may be recorded (which date of recordation appears on this notice).

This amount is \$18,356.40 as of December 13, 2007 and will increase until your account becomes current.

While your property is in foreclosure, you still must pay other obligations (such as insurance and taxes) required by your note and deed of trust or mortgage. If you fail to make future payments on the loan, pay taxes on the property, provide insurance on the property, or pay other obligations as required in the note and deed of trust or mortgage, the beneficiary or mortgagee may insist that you do so in order to reinstate your account in good standing. In addition, the beneficiary or mortgagee may require as a condition to reinstatement that you provide reliable written evidence that you paid all senior liens, property taxes, and hazard insurance premiums.

Upon your written request, the beneficiary or mortgagee will give you a written itemization of the entire amount you must pay. You may not have to pay the entire unpaid portion of your account, even though full payment was demanded, but you must pay all amounts in default at the time payment is made. However, you and your beneficiary or mortgagee may mutually agree in writing prior to the time the notice of sale is posted (which may not be earlier than the end of the three-month period stated above) to, among other things, (1) provide additional time in which to cure the default by transfer of the property or otherwise; or (2) establish a schedule of payments in order to cure your default; or both (1) and (2).

Following the expiration of the time period referred to in the first paragraph of this notice, unless the obligation being foreclosed upon or a separate written agreement between you and your creditor permits a longer period, you have only the legal right to stop the sale of property by paying the entire amount demanded by your creditor.

EXHIBIT C

RECORDING REQUESTED BY
 CALIFORNIA RECONVEYANCE COMPANY
 AND WHEN RECORDED MAIL TO
 CALIFORNIA RECONVEYANCE COMPANY
 9200 Oakdale Avenue
 Mail Stop: N 11 06 12
 Chatsworth, CA 91311

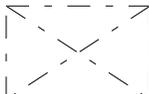


Sacramento County Recording
 Craig A Kramer, Clerk/Recorder
 BOOK 20080319 PAGE 0358

Check Number 2572
 Wednesday, MAR 19, 2008 9:07:55 AM
 T&I Pd \$11.00 Nbr-000531112

JLW/14/1-1

Trustee Sale No.
 Loan No.
 Title Order No.



Space above this line for recorder's use only

NOTICE OF TRUSTEE'S SALE

YOU ARE IN DEFAULT UNDER A DEED OF TRUST DATED 01/04/2007. UNLESS YOU TAKE ACTION TO PROTECT YOUR PROPERTY, IT MAY BE SOLD AT A PUBLIC SALE. IF YOU NEED AN EXPLANATION OF THE NATURE OF THE PROCEEDINGS AGAINST YOU, YOU SHOULD CONTACT A LAWYER.

On 04/07/2008 at 01:30 PM, CALIFORNIA RECONVEYANCE COMPANY as the duly appointed Trustee under and pursuant to Deed of Trust Recorded 01/10/2007, Book 20070110, Page 1818, Instrument , of official records in the Office of the Recorder of SACRAMENTO County, California, executed by: LAURA RICHARDSON, AN UNMARRIED WOMAN, as Trustor, WASHINGTON MUTUAL BANK, as Beneficiary, will sell at public auction sale to the highest bidder for cash, cashier's check drawn by a state or national bank, a cashier's check drawn by a state or federal credit union, or a cashier's check drawn by a state or federal savings and loan association, savings association, or savings bank specified in section 5102 of the Financial Code and authorized to do business in this state Sale will be held by the duly appointed trustee as shown below, of all right, title, and interest conveyed to and now held by the trustee in the hereinafter described property under and pursuant to the Deed of Trust. The sale will be made, but without covenant or warranty, expressed or implied, regarding title, possession, or encumbrances, to pay the remaining principal sum of the note(s) secured by the Deed of Trust, interest thereon, estimated fees, charges and expenses of the Trustee for the total amount (at the time of the initial publication of the Notice of Sale) reasonably estimated to be set forth below. The amount may be greater on the day of sale

Place of Sale. AT THE MAIN ENTRANCE TO THE COUNTY COURTHOUSE, 720 9TH STREET, SACRAMENTO, CA
 Legal Description LOT 259 AS SHOWN ON THE OFFICIAL "PLAT OF SOUTH CURTIS OAKS SUBDIVISION NOV. 6", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY, FEBRUARY 10, 1927 IN BOOK 19 OF MAPS, MAP NO. 18

Amount of unpaid balance and other charges: \$578,384.52 (estimated)

Street address and other common designation of the real property 3622 WEST CURTIS DRIVE
 SACRAMENTO, CA 95818

APN Number: []

The undersigned Trustee disclaims any liability for any incorrectness of the street address and other common designation, if any, shown herein. The property heretofore described is being sold "as is"

DATE: 03-17-2008

CALIFORNIA RECONVEYANCE COMPANY, as Trustee
 (714) 259-7850 or www.fidelityasap.com
 (714) 573-1965 or www.priorityposting.com

DEBORAH BRIGNAC, VICE PRESIDENT
 9200 OAKDALE AVE
 MAILSTOP N110612
 CHATSWORTH, CA 91311

CALIFORNIA RECONVEYANCE COMPANY IS A DEBT COLLECTOR ATTEMPTING TO COLLECT A DEBT. ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.

EXHIBIT D



PRIORITY
POSTING AND PUBLISHING

TRUSTEE SALE

TRUSTOR PAYMENT

RECEIPT OF FUNDS AND INSTRUCTIONS

T.S. NO. [] PRIORITY NO. 377335 DATE 5-7-08

TRUSTEE California Reconveyance Co.

ADDRESS 9200 Oakdale Ave, #110612

CITY Chatsworth STATE CA ZIP 91311

PHONE NO. 800-892-6902 CONTACT Deborah Brignal

CHECK NO.	NAME OF BANK	AMOUNT
<u>101233906975</u>	<u>Wells Fargo BK</u>	<u>\$ 388,000.⁰¹</u>
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____

TOTAL OF ANY CASH RECEIVED \$ 0

SUCCESSFUL BID \$ 388,000.⁰¹ TOTAL RECEIVED \$ 388,000.⁰¹

TRANSFER TAX \$ 0 AMOUNT REQUIRED \$ 388,000.⁰¹

RECORDING FEES \$ 0 REFUND AMOUNT \$ 0

REFUND PAYABLE TO N/A

RECEIVED BY [Signature] BUYERS SIGNATURE [Signature]

BUYERS NAME Jim Youk DRIVERS LICENSE NO. []

TITLE TO PROPERTY TO BE VESTED AS FOLLOWS Red Rock Mortgage, Inc.

ADDRESS 3600 American River Dr. # 135

CITY Sacramento STATE CA ZIP 958

PHONE NO. [] 0

EXHIBIT E

00339 11-24
Office AU # 1210(8)

CASHIER'S CHECK

SERIAL #: 0033906975
ACCOUNT#

Purchaser: JAMES P YORK
Purchaser Account
Operator I.D.

cv002254

May 07, 2008

PAY TO THE ORDER OF ***CALIFORNIA RECONVEYANCE COMPANY***

Three hundred eighty-eight thousand dollars and 01 cent

***\$388,000.01**

WELLS FARGO BANK, N.A.
400 CAPITOL MALL
SACRAMENTO, CA 95814
FOR INQUIRIES CALL (480) 394-3122

NOTICE TO PURCHASER - IF THIS INSTRUMENT IS LOST,
STOLEN OR DESTROYED, YOU MAY REQUEST CANCELLATION
AND REISSUANCE. AS A CONDITION TO CANCELLATION AND
REISSUANCE, WELLS FARGO BANK MAY IMPOSE A FEE AND
REQUIRE AN INDEMNITY AGREEMENT AND BOND

VOID IF OVER US \$ 388,000.01

NON-NEGOTIABLE

Purchaser Copy

3-00- 15703 07020021

EXHIBIT F

WHEN RECORDED MAIL TO:
RED ROCK MORTGAGE, INC.

MAIL TAX STATEMENTS TO:
RED ROCK MORTGAGE, INC.
3600 AMERICAN RIVER DRIVE #135
SACRAMENTO, CA 95864



Sacramento County Recording
Craig A Kramer, Clerk/Recorder
BOOK 20080519 PAGE 0487

Check Number 9226
Monday, MAY 19, 2008 11:12:43 AM
Tax Pd \$12.00 Nbr-000398838

006-Sacramento Cy DTT PAID

AMH/GB/1-2

Space above this line for recorder's use only

Trustee Sale No. 723397CA Loan No. [] Title Order No M721884

TRUSTEE'S DEED UPON SALE

APN [] T.R.A. No.

The undersigned grantor declares:

- 1) The Grantee herein was not the foreclosing beneficiary.
- 2) The amount of the unpaid debt together with costs was.....\$574,023.87
- 3) The amount paid by the grantee at the trustee sale was.....\$388,000.01
- 4) The documentary transfer tax is.....\$427.35
- 5) Said property is in SACRAMENTO

and CALIFORNIA RECONVEYANCE COMPANY (herein called Trustee), as the duly appointed Trustee or substituted Trustee under the Deed of Trust hereinafter described, does hereby grant and convey, but without covenant or warranty, express or implied, to Red Rock Mortgage, Inc. (herein called Grantee), all of its right, title and interest in and to that certain property situated in the County of SACRAMENTO, State of California, described as follows: LOT 259 AS SHOWN ON THE OFFICIAL "PLAT OF SOUTH CURTIS OAKS SUBDIVISION NOV. 6", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY, FEBRUARY 10, 1927 IN BOOK 19 OF MAPS, MAP NO. 18

Situs: 3622 WEST CURTIS DRIVE, , SACRAMENTO, CA 95818

RECITALS:

This conveyance is made pursuant to the powers conferred upon Trustee by that certain Deed of Trust dated 01/04/2007 and executed by LAURA RICHARDSON, AN UNMARRIED WOMAN, as Trustor, and Recorded 01/10/2007, Book 20070110, Page 1818, Instrument of official records of SACRAMENTO, County, California, and after fulfillment of the conditions specified in said Deed of Trust authorizing this conveyance.

Default occurred as set forth in a Notice of Default and Election to Sell which was recorded in the Office of the Recorder of said County, and such default still existed at the time of sale.

All requirements of law regarding the mailing of copies of notices or the publication of a copy of the Notice of Default or the personal delivery of the copy of the Notice of Default and the posting and publication of copies of the Notice of a Sale have been complied with.

Trustee, in compliance with said Notice of Trustee's Sale and in exercise of its powers under said Deed of Trust, sold the herein described property at public auction on 05/07/2008. Grantee, being the highest bidder at said sale, became the purchaser of said property for the amount bid being \$388,000.01 in lawful money of the United States, or by credit bid if the Grantee was the beneficiary of said Deed of Trust at the time of said Trustee's Sale.

DATE: 05/09/2008

CALIFORNIA RECONVEYANCE COMPANY, as Trustee

Karime Arias, Assistant Secretary

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

On May 09, 2008 before me, IRMA GARCIA TORRES, "Notary Public" personally appeared KARIME ARIAS, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Irma Garcia Torres (Seal)



1
EXHIBIT G

RECORDING REQUESTED BY
CALIFORNIA RECONVEYANCE COMPANY
AND WHEN RECORDED MAIL TO
CALIFORNIA RECONVEYANCE COMPANY
9200 Oakdale Avenue
Mail Stop: N 11 06 12
Chatsworth, CA 91311


Sacramento County Recording
Frederick B. Garcia, Clerk/Recorder
BOOK 20080602 PAGE 0885
Check Number 365268
Monday, JUN 02, 2008 10:45:44 AM
Ttl Pd \$14.00 Nbr-0005418923

MCY/82/1-2

Space above this line for recorder's use only

Trustee Sale No 723397CA Loan No Title Order No M721884

NOTICE OF RESCISSION OF TRUSTEE'S DEED UPON SALE

This Notice of Rescission is made on 05/30/2008 with respect to the following facts

1. That CALIFORNIA RECONVEYANCE COMPANY, a California Corporation as the duly appointed trustee under that certain Deed of Trust dated 01/04/2007, and Recorded 01/10/2007, Book 20070110, Page 1818, Instrument naming LAURA RICHARDSON, AN UNMARRIED WOMAN as trustor and WASHINGTON MUTUAL BANK as beneficiary, securing a Promissory Note in the amount of \$535,001 00.

2. The Deed of Trust encumbers the real property situated in the County of SACRAMENTO, State of CALIFORNIA, described as follows

LOT 259 AS SHOWN ON THE OFFICIAL "PLAT OF SOUTH CURTIS OAKS SUBDIVISION NOV. 6", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY, FEBRUARY 10, 1927 IN BOOK 19 OF MAPS, MAP NO. 18

A P N .
Situs. 3622 WEST CURTIS DRIVE, SACRAMENTO, CA 95818

3 That by virtue of a Default under the terms of the Deed of Trust the Beneficiary did declare a default, as set forth in a Notice of Default and Election to Sell, which Notice was recorded in the Office of the County Recorder of SACRAMENTO, California.

4 On 05/07/2008, at 01:30 PM the property was purportedly sold to RED ROCK MORTGAGE, INC , being the highest bidder at such sale who bid the amount of \$388,000.01.

5. The Trustee's Sale on 05/07/2008 is being rescinded at the request of the Beneficiary, as the Beneficiary had previously agreed to postpone the foreclosure sale to June 4, 2008. The Trustee's sale of 05/07/2008 is therefore null and void, and of no force and effect

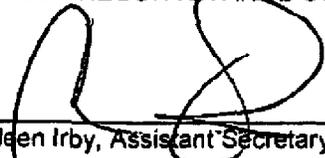
6 The express purpose for this Notice of Rescission is to return the priority and existence of all lien holders to the status quo ante that existed prior to the Trustee's Sale

NOW, THEREFORE, THE UNDERSIGNED HEREBY RESCINDS THE TRUSTEE'S SALE AND PURPORTED TRUSTEE'S DEED UPON SALE AND HEREBY ADVISES ALL PERSONS, WHOMEVER AND WHATSOEVER LOCATED, THAT THE TRUSTEE'S DEED UPON SALE DATED 05/09/2008, FROM CALIFORNIA RECONVEYANCE COMPANY TO RED ROCK MORTGAGE, INC AND RECORDED 05/19/2008 IN BOOK 20080519, PAGE 0487, OF OFFICIAL RECORDS OF SACRAMENTO COUNTY IS HEREBY RESCINDED AND SHALL HAVE NO FURTHER FORCE OR EFFECT WHATSOEVER

IN WITNESS WHEREOF, CALIFORNIA RECONVEYANCE COMPANY, has caused its corporate name and seal to be hereto affixed by its authorized signature.

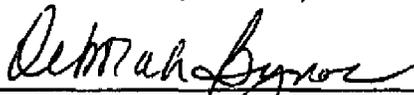
DATE: 05/29/2008

CALIFORNIA RECONVEYANCE COMPANY, as Trustee

BY 
Colleen Irby, Assistant Secretary

BY 
Karime Arias, Assistant Secretary

WASHINGTON MUTUAL BANK, FA

BY 
Deborah Brignac, Vice President

BY 
Huey-Jen Chiu, Vice President

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

On 5/29/08 before me, SIERRIE HERRADURA, "Notary Public" personally appeared DEBORAH BRIGNAC, HUEY-JEN CHIU, COLLEEN IRBY AND KARIME ARIAS, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity (ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature  (Seal)

This document filed for recording
By Fidelity National Title Insurance and Trust
as an accommodation only. It has not been
examined as to its execution or as its effect
upon the title.



Subject: Accepted: Updated: Richardson Update

Location: 877-709[] passcode:[]

Start: 6/5/2008 7:00 PM

End: 6/5/2008 8:00 PM

Show Time As: Busy

Recurrence: (none)

Required Attendees: Owen, Jan L.

Resources: 877-709[] passcode:[]

Subject: Updated: Richardson Update
Location: 877-709[] passcode: []

Start: 6/5/2008 7:00 PM
End: 6/5/2008 8:00 PM
Show Time As: Busy

Recurrence: (none)

Meeting Status: Accepted

Required Attendees: Owen, Jan L.; Gaugl, Sara C.; Cook, Don; Battaglia, Paul J.; Thorn, Ann; Woodcock, Wendy A.;
GM QSM DTE

Resources: 877-709[] passcode: []

When: Thursday, June 05, 2008 4:00 PM-5:00 PM (GMT-08:00) Pacific Time (US & Canada); Tijuana.
Where: 877-709[] passcode: []

~~*~*~*~*~*~*~*~*

From: Cook, Don
Sent: Tuesday, June 03, 2008 8:05:11 PM
To: Berens, John; Champney, Steven D.
Subject: FW: Richardson Update.

Attachments: Document.pdf

John and Steve, for your information.

From: Battaglia, Paul J.
Sent: Tuesday, June 03, 2008 4:54 PM
To: Gaugl, Sara C.; Cook, Don; Elias, Alan; Owen, Jan L.; Baptista, Geri Ann S.; Thorn, Ann; Woodcock, Wendy A.
Cc: 'Martin T. McGuinn'
Subject: Richardson Update.

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

NOTICE: This communication may contain legally privileged or other confidential information. If you have received it in error, please advise the sender by reply e-mail and immediately delete the message and any attachments without copying or disclosing the contents. Thank You.

From: Gaugl, Sara C.
Sent: Monday, June 02, 2008 12:37 PM
To: Cook, Don; Battaglia, Paul J.; Elias, Alan; Owen, Jan L.; Baptista, Geri Ann S.
Cc: Thorn, Ann
Subject: Final Review: Richardson Response

REDACTED

REDACTED

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228[redacted] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

RECORDING REQUESTED BY
CALIFORNIA RECONVEYANCE COMPANY

AND WHEN RECORDED MAIL TO

CALIFORNIA RECONVEYANCE COMPANY
9200 Oakdale Avenue
Mail Stop N 11 06 12
Chatsworth, CA 91311

THIS IS TO CERTIFY THAT THIS IS A FULL,
TRUE AND CORRECT COPY OF THE ORIGINAL
RECORDED IN THE OFFICE OF THE COUNTY

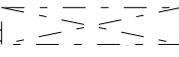
RECORDER ON: June 2, 2008

AS DOCUMENT NO: BK: 20080602 / PG: 885

BY: s/ Khundy Vy

FIDELITY NATIONAL DEFAULT SOLUTIONS

space above this line for recorder's use only

Trustee Sale No. 723397CA Loan No.  Title Order No. M721884

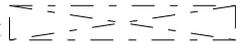
NOTICE OF RESCISSION OF TRUSTEE'S DEED UPON SALE

This Notice of Rescission is made on 05/30/2008 with respect to the following facts:

1. That CALIFORNIA RECONVEYANCE COMPANY, a California Corporation as the duly appointed trustee under that certain Deed of Trust dated 01/04/2007, and Recorded 01/10/2007, Book 200701110, Page 1818, Instrument naming LAURA RICHARDSON, AN UNMARRIED WOMAN as trustor and WASHINGTON MUTUAL BANK as beneficiary, securing a Promissory Note in the amount of \$635,001.00.

2. The Deed of Trust encumbers the real property situated in the County of SACRAMENTO, State of CALIFORNIA, described as follows:

LOT 259 AS SHOWN ON THE OFFICIAL "PLAT OF SOUTH CURTIS OAKS SUBDIVISION NOV. 6", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY, FEBRUARY 10, 1927 IN BOOK 19 OF MAPS, MAP NO. 18

A.P.N.: 

Situs: 3622 WEST CURTIS DRIVE, SACRAMENTO, CA 95818

3. That by virtue of a Default under the terms of the Deed of Trust the Beneficiary did declare a default, as set forth in a Notice of Default and Election to Sell, which Notice was recorded in the Office of the County Recorder of SACRAMENTO, California

4. On 05/07/2008, at 01:30 PM the property was purportedly sold to RED ROCK MORTGAGE, INC., being the highest bidder at such sale who bid the amount of \$388,000.01.

5. The Trustee's Sale on 05/07/2008 is being rescinded at the request of the Beneficiary, as the Beneficiary had previously agreed to postpone the foreclosure sale to June 4, 2008. The Trustee's sale of 05/07/2008 is therefore null and void, and of no force and effect.

6. The express purpose for this Notice of Rescission is to return the priority and existence of all lien holders to the status quo ante that existed prior to the Trustee's Sale.

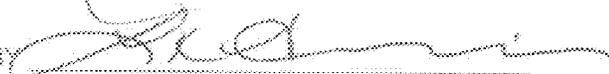
NOW, THEREFORE, THE UNDERSIGNED HEREBY RESCINDS THE TRUSTEE'S SALE AND PURPORTED TRUSTEE'S DEED UPON SALE AND HEREBY ADVISES ALL PERSONS, WHOMEVER AND WHATSOEVER LOCATED, THAT THE TRUSTEE'S DEED UPON SALE DATED 05/09/2008, FROM CALIFORNIA RECONVEYANCE COMPANY TO RED ROCK MORTGAGE, INC. AND RECORDED 05/19/2008 IN BOOK 20080519, PAGE 0487, OF OFFICIAL RECORDS OF SACRAMENTO COUNTY IS HEREBY RESCINDED AND SHALL HAVE NO FURTHER FORCE OR EFFECT WHATSOEVER.

IN WITNESS WHEREOF, CALIFORNIA RECONVEYANCE COMPANY, has caused its corporate name and seal to be hereto affixed by its authorized signature.

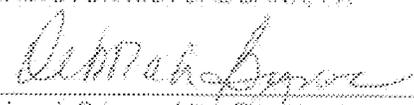
DATE: 05/29/2008

CALIFORNIA RECONVEYANCE COMPANY, as Trustee

BY 
Colleen Irby, Assistant Secretary

BY 
Karime Arias, Assistant Secretary

WASHINGTON MUTUAL BANK, FA

BY 
Deborah Brignac, Vice President

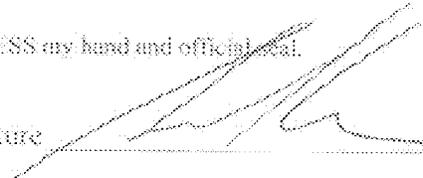
BY 
Huey-Jen Chiu, Vice President

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

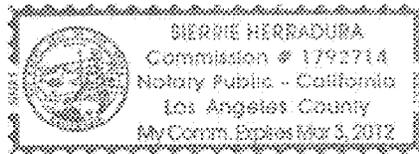
On 5/29/08 before me, SIERRIE HERRADURA, "Notary Public" personally appeared DEBORAH BRIGNAC, HUEY-JEN CHIU, COLLEEN IRBY AND KARIME ARIAS, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity (ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature  (Seal)

This document filed for recording
by Fidelity National Title Insurance and Trust
is an accommodation only. It has not been
examined as to its execution or as its effect
upon the title.



Subject: Richardson Update
Location: 877-709[] passcode: []

Start: 6/2/2008 12:30 PM
End: 6/2/2008 1:00 PM
Show Time As: Busy

Recurrence: (none)

Meeting Status: Accepted

Required Attendees: Gaugl, Sara C.; Cook, Don; Battaglia, Paul J.; Thorn, Ann; Woodcock, Wendy A.; GM QSM DTE
Resources: 877-709[] passcode: []

When: Monday, June 02, 2008 9:30 AM-10:00 AM (GMT-08:00) Pacific Time (US & Canada); Tijuana.
Where: 877-709[] passcode: []

~~*~*~*~*~*~*~*~*

Subject: Accepted: Updated: Richardson update
Location: 877-709 passcode

Start: 5/29/2008 2:00 PM
End: 5/29/2008 3:00 PM
Show Time As: Busy

Recurrence: (none)

Required Attendees: Owen, Jan L.

Resources: 877-709 passcode

Subject: Accepted: Richardson Update
Location: 877-709 passcode:

Start: 5/28/2008 6:00 PM
End: 5/28/2008 7:00 PM
Show Time As: Busy

Recurrence: (none)

Required Attendees: Owen, Jan L.

Resources: 877-709 passcode:

Subject: Accepted: Richardson update
Location: 877-709 passcode

Start: 5/29/2008 1:00 PM
End: 5/29/2008 2:00 PM
Show Time As: Busy

Recurrence: (none)

Required Attendees: Owen, Jan L.

Resources: 877-709 passcode

Subject: Richardson Update
Location: 877-709 passcode:

Start: 5/28/2008 6:00 PM
End: 5/28/2008 7:00 PM
Show Time As: Busy

Recurrence: (none)

Meeting Status: Accepted

Required Attendees: Thorn, Ann; Battaglia, Paul J.; Gaugl, Sara C.; Woodcock, Wendy A.; Cook, Don
Resources: 877-709 passcode:

When: Wednesday, May 28, 2008 3:00 PM-4:00 PM (GMT-08:00) Pacific Time (US & Canada); Tijuana.
Where: 877-709 passcode:

~~*~*~*~*~*~*~*~*

<<Richardson>>

From: Thorn, Ann
Sent: Wednesday, May 28, 2008 10:08 AM
To: Gaugl, Sara C.; Owen, Jan L.; Battaglia, Paul J.
Subject: Richardson

In addition to the email I received last night, I got a phone call last night leaving me a message to please contact Congresswoman Richardson.

Any change in how you would like me to respond/handle? I have not done anything at this point in time.

Seems that the new opinion coming out of John Berens office is that we should not rescind the sale unless she comes up with the reinstatement funds in which we gave her the 60 days to do so.....

Just wanted to pass this along.

Let me know...

Ann

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644

For Internal Use Only

From: Thorn, Ann
Sent: Wednesday, May 28, 2008 1:08:10 PM
To: Gaugl, Sara C.; Owen, Jan L.; Battaglia, Paul J.
Subject: Richardson

In addition to the email I received last night, I got a phone call last night leaving me a message to please contact Congresswoman Richardson.

Any change in how you would like me to respond/handle? I have not done anything at this point in time.

Seems that the new opinion coming out of John Berens office is that we should not rescind the sale unless she comes up with the reinstatement funds in which we gave her the 60 days to do so.....

Just wanted to pass this along.

Let me know...

Ann

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644*

For Internal Use Only

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Friday, May 23, 2008 11:52 PM
To: Thorn, Ann <ann.thorn@wamu.net>
Cc: Cook, Don <don.cook@wamu.net>
Subject: FW: Confidential: Richardson Update

Ann, my apologies. I accidentally left you off the cc line. Please see below -- Richardson makes a number of claims...

- Sara

From: Gaugl, Sara C.
Sent: Fri 05/23/2008 8:48 PM
To: Schneider, David C.; Berens, John; Champney, Steven D.
Cc: Cook, Don; Battaglia, Paul J.; Elias, Alan; Owen, Jan L.
Subject: Confidential: Richardson Update

David, John and Steve:

So you are aware, earlier this evening Congresswoman Richardson talked with a number of media outlets including the Associated Press. As outlined in the AP article embedded below, she's claiming that the foreclosure auction of her Sacramento home was "improper" and contrary to a written agreement she had with WaMu. She also said that we've taken initial steps to rescind the foreclosure action given that she had an "agreement."

Legal, HL PR., Corp. Comm., Servicing and GIR will stay closely aligned as this situation continues to evolve. After discussing this afternoon, we unfortunately are still limited on what we can disclose about Ms. Richardson's loan situation (outside of public record) given that she's won't provide her consent. We have and will continue to emphasize that fact to the media, and will point them back to the public record, which indicates a history of default.

We'll continue to update you on new developments, however in the interim, please let us know if you have any questions.

Best,

Sara

*Please note that this article is in draft form - the reporter provided it to me in advance of publication.

AP Interview: Calif. congresswoman says home sale 'improper'
By ERICA WERNER Associated Press Writer

WASHINGTON (AP) _ Rep. Laura Richardson claimed Friday that her Sacramento home was sold into foreclosure without her knowledge and contrary to an agreement with her lender.

She said that she is like any other American suffering in the mortgage crisis and wants to testify to Congress about her experience as lawmakers craft a foreclosure-prevention bill.

In a lengthy interview with The Associated Press on Friday night, the Southern California Democrat struck back against several days of negative publicity over reports she defaulted on her mortgage, allowing the house to be sold at auction.

Richardson, elected in a special election last August, acknowledged turmoil in her life in the months after an incumbent's death in April opened up the Los Angeles-area House seat.

She used her money to finance her campaign and fell behind in mortgage payments. But Richardson said that makes her like other Americans who have to deal with a sudden death or birth that throws a wrench into their finances.

Now, Richardson said, she has renegotiated her loan to pay it off and promised to fully comply with all its terms. She also said she will pay nearly \$9,000 in delinquent property taxes.

She insisted she's not getting special terms because she's a congresswoman.

I'm Laura Richardson. I'm an American, I'm a single woman who had four employment changes in less than four months," Richardson told the AP. "I had to figure out just like every other American how I could restructure the obligations that I had with the income I had."

Richardson was a member of the Long Beach City Council when she won a California state Assembly seat in November 2006, months before she bought the three-bedroom, 1½-bath Sacramento home. She won the congressional seat the next year in the special election to replace the late Juanita Millender-McDonald.

The problem is that the 1,600-square-foot home she bought for \$535,500 in January 2007 was sold at auction earlier this month to a Sacramento mortgage lender, who paid \$388,000. The sale was officially recorded on Monday, according to documents on file with the Sacramento County Recorder's Office.

A default notice sent to Richardson in March put her unpaid balance at \$578,384.

Richardson, 46, makes nearly \$170,000 as a member of Congress and was paid \$113,000 during the eight months she served in the state Assembly in 2007 before her election to Congress. She also received a per diem total of \$20,000 from California, according to a financial disclosure form she filed with the House of Representatives clerk.

Although others struggling with mortgages make far less, Richardson said it was "very misleading" to compare her earnings to the national median household income of around \$50,000. The reason: Lawmakers are required to maintain two residences while other people don't have to, she said.

Others also don't have to depend on winning an election to ensure their livelihood, she said.

Richardson provided AP with an April letter that appears to be from Washington Mutual Home Loans telling her there was a hold on foreclosure sales on her property until June 4 of this year.

She said she got another letter asking for payments May 2 and paid them, but did not know the sale was going to happen five days later.

Richardson also provided an e-mail dated Thursday she said was from Washington Mutual that appeared to acknowledge an agreement "to facilitate the rescission of foreclosure sale."

She did not provide documentation of the structure of her new loan.

A Washington Mutual spokeswoman, Sara Gaugl, told AP earlier in the day that the company had "not received consent from Ms. Richardson that would allow us to discuss her loan situation."

Washington Mutual did not respond to a later inquiry seeking comment on Richardson's claims.

Meanwhile, the current owner of the property told AP that his ownership of the house is not in doubt.

James York, owner of Red Rock Mortgage Inc. of Sacramento, declined to discuss any possible negotiations that might be ongoing.

"I've taken possession on the home," York said. "I've been working on it, fixing it up. It had been vacant. It was in cleaner and in better repair than most foreclosures."

The home, built in 1926, is in Sacramento's Curtis Park, a desirable, upper middle-class neighborhood near downtown that sits under a canopy of decades-old trees.

Not long after getting to Congress, Richardson voted in favor of the Mortgage Forgiveness Debt Relief Act of 2007, which subsequently became law. It allows homeowners to escape paying income taxes on debts forgiven by a lender, as happens in foreclosure.

Richardson was absent earlier this month for votes on the Foreclosure Prevention Act, which she said was because of her father's funeral. But she could have another opportunity to vote on the foreclosure package as the House is expected to bring it back up in June once agreement is reached in the Senate.

In most cases, congressional ethics rules don't prevent lawmakers from voting on legislation that might affect or help them economically. Such votes are essentially impossible to avoid.

Rather than shy away from voting on mortgage-related bills, Richardson said her experiences could help her craft legislation to make sure others don't experience what she did. For example, she sees a need to add steps to inform property owners before their property

can be sold.

"We have to ensure that lenders and lenders have the tools with proper timing to resolve this," she said.

Melanie Sloan, executive director of the Washington-based Citizens for Responsibility and Ethics, criticized Richardson for falling deeper into debt while choosing to spend more than \$75,000 of her own money on her campaign _ suggesting that it's more important to win a seat in Congress than to be fiscally responsible, a point Richardson disputed.

Sloan also said Richardson should not be in the situation she is while making a congressional salary, when homeowners around the country making \$50,000 or less are struggling to pay their debts.

"Truthfully, it's appalling," Sloan said.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC401 Seattle WA 98101
206.500.2822 direct | 206.228.1251 cell
sara.gaugl@wamu.net

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From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Friday, May 23, 2008 5:49 PM
To: Elias, Alan <alan.elias@wamu.net>
Cc: Cook, Don <don.cook@wamu.net>
Subject: FW: Your advice re: Richardson

<http://cbs5.com/business/congresswoman.home.default.2.730339.html>

"We finally [saw] a notice on the front door about two and a half months ago," Burgos said. "It was a bank repossession notice."

FYI.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228. bell
sara.gaugl@wamu.net

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-----Original Message-----

From: Gaugl, Sara C.
Sent: Friday, May 23, 2008 2:31 PM
To: Elias, Alan
Cc: Cook, Don
Subject: Your advice re: Richardson

Hi, Alan.

I would appreciate your advice/perspective.

At this point, Ms. Richardson has not signed any of the consent forms we have provided to her (including the media consent form).

I haven't seen any additional public statements made by her, however according to a reporter, she's now claiming that WaMu did not properly notify her that she was in default. This, of course, is not accurate.

Since she's decided to take more of an "accusatory" tone toward WaMu, I feel now may be the time to enter into the fray and begin communicating to reporters that we have not been authorized by Ms. Richardson to discuss her loan situation, and direct them to the public record if further pressed.

The alternative is to continue to keep a low profile and essentially not comment at all, as coverage and public sentiment continues to center around (1) the facts of her default and foreclosure, and (2) the inconsistencies in her statements and the public record.

Thoughts?

Sara Gaugl

Home Loans Public Relations

WaMu

1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228. bell sara.gaugl@wamu.net

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-----Original Message-----

From: Battaglia, Paul J.
Sent: Friday, May 23, 2008 1:57 PM
To: Cook, Don; Gaugl, Sara C.; Owen, Jan L.; Baptista, Geri Ann S.; Thorn, Ann; Woodcock, Wendy A.
Subject: RE: Media Update: Claim from Richardson

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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-----Original Message-----

From: Cook, Don
Sent: Friday, May 23, 2008 1:13 PM
To: Gaugl, Sara C.; Owen, Jan L.; Baptista, Geri Ann S.; Battaglia, Paul J.; Thorn, Ann; Woodcock, Wendy A.
Subject: RE: Media Update: Claim from Richardson

REDACTED

-----Original Message-----

From: Gaugl, Sara C.
Sent: Friday, May 23, 2008 1:09 PM
To: Owen, Jan L.; Baptista, Geri Ann S.; Cook, Don; Battaglia, Paul J.; Thorn, Ann; Woodcock, Wendy A.
Subject: Media Update: Claim from Richardson

REDACTED

Sara Gaugl
Home Loans Public Relations

JPMC - 002798
CONFIDENTIAL
CSOC.RICH.004291

WaMu

1301 Second Avenue 1 WMC40 1 Seattle WA 98101

206.500.2822 direct 1 206.228 cell sara.gaugl@wamu.net

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Subject: Accepted: Update on Richardson
Location: 877-709[] passcode: []

Start: 5/27/2008 12:00 PM
End: 5/27/2008 1:00 PM
Show Time As: Busy

Recurrence: (none)

Required Attendees: Owen, Jan L.
Resources: 877-709[] passcode: []

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Friday, May 23, 2008 5:31 PM
To: Elias, Alan <alan.elias@wamu.net>
Cc: Cook, Don <don.cook@wamu.net>
Subject: Your advice re: Richardson

Hi, Alan.

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The alternative is to continue to keep a low profile and essentially not comment at all, as coverage and public sentiment continues to center around (1) the facts of her default and foreclosure, and (2) the inconsistencies in her statements and the public record.

Thoughts?

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
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-----Original Message-----

From: Battaglia, Paul J.
Sent: Friday, May 23, 2008 1:57 PM
To: Cook, Don; Gaugl, Sara C.; Owen, Jan L.; Baptista, Geri Ann S.; Thorn, Ann; Woodcock, Wendy A.
Subject: RE: Media Update: Claim from Richardson

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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CSOC.RICH.004294

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-----Original Message-----

From: Cook, Don

Sent: Friday, May 23, 2008 1:13 PM

To: Gaugl, Sara C.; Owen, Jan L.; Baptista, Geri Ann S.; Battaglia, Paul J.; Thorn, Ann; Woodcock, Wendy A.

Subject: RE: Media Update: Claim from Richardson

REDACTED

-----Original Message-----

From: Gaugl, Sara C.

Sent: Friday, May 23, 2008 1:09 PM

To: Owen, Jan L.; Baptista, Geri Ann S.; Cook, Don; Battaglia, Paul J.; Thorn, Ann; Woodcock, Wendy A.

Subject: Media Update: Claim from Richardson

REDACTED

Sara Gaugl

Home Loans Public Relations

WaMu

1301 Second Avenue | WMC40 | Seattle WA 98101

206.500.2822 direct | 206.228.1111 cell sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

Subject: Update on Richardson
Location: 877-709- passcode:

Start: 5/27/2008 12:00 PM
End: 5/27/2008 1:00 PM
Show Time As: Busy

Recurrence: (none)

Meeting Status: Accepted

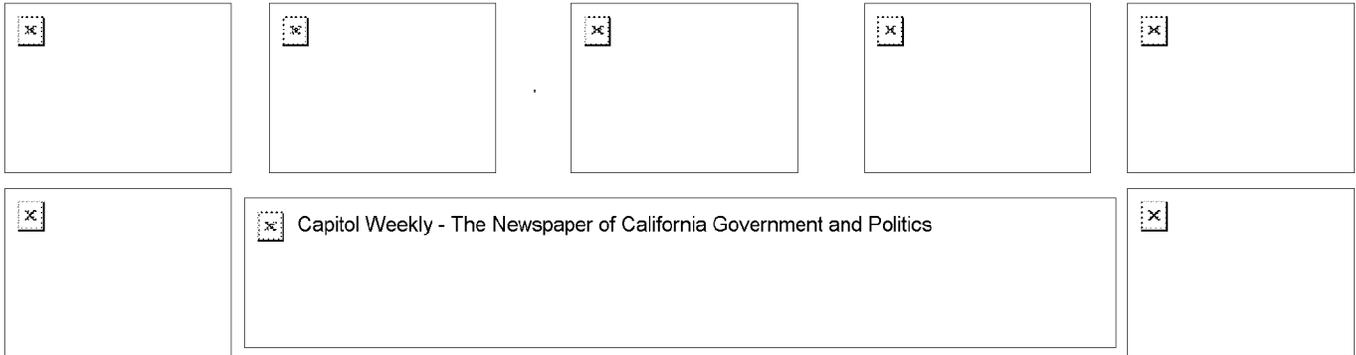
Required Attendees: Gaugl, Sara C.; Baptista, Geri Ann S.; Thorn, Ann; Woodcock, Wendy A.; Cook, Don; Battaglia, Paul J.

Resources: 877-709- passcode:

When: Tuesday, May 27, 2008 9:00 AM-10:00 AM (GMT-08:00) Pacific Time (US & Canada); Tijuana.
Where: 877-709- passcode:

~~*~*~*~*~*~*~*~*

From: Jan Owen <janowen1@wamu.net>
Sent: Friday, May 23, 2008 10:27 AM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>; Baptista, Geri Ann S. <geriann.baptista@wamu.net>; Elias, Alan <alan.elias@wamu.net>; adrian.rodriquez@wamu.net; Gaspard, Scott <scott.gaspard@wamu.net>; Thorn, Ann <ann.thorn@wamu.net>; Woodcock, Wendy A. <wendy.woodcock@wamu.net>; Cook, Don <don.cook@wamu.net>; paul.battiglia@wamu.net
Subject: Captiol Weekly Richardson article 5-22-08



Debate intensifies over Richardson home default

By [Anthony York](#) (*published Thursday, May 22, 2008*)

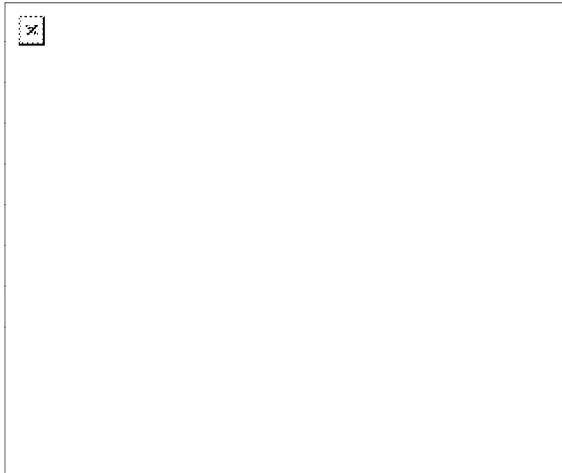
A Long Beach congresswoman who fell behind in her payments on a \$535,000 mortgage in Sacramento said in a written statement that she owns the home, but financial documents show the house was sold at public auction and has been in the possession of the buyer for weeks.

The auction for Rep. Laura Richardson's house, in Sacramento's Curtis Park neighborhood, took place on May 7. The transaction was detailed in public records filed with the county.

Richardson, a Democrat, a former Assembly member who was elected to the House last year, bought the 1,600-square-foot, three-bedroom house in January 2007, but soon fell behind in the payments.

The story of
Richardson's
Sacramento home
is more than a
tale of a real

estate market gone sour. It is also an illustration of how far many candidates will go to seek elected office, even if it means quite literally mortgaging their own financial future.



While being elevated to Congress in a 2007 special election, Richardson apparently stopped making payments on her new Sacramento home, leaving nearly \$600,000 in unpaid loans and fees, including nearly \$9,000 in property taxes.

Richardson's decision to allow the loan to slide into default was set in motion by an unlikely chain of events, only some of which had to do with Sacramento's crumbling real estate market. Richardson was elected to the Assembly in November 2006, and purchased her new capital home two months later. But in April 2007, Rep. Juanita Millender-McDonald succumbed to cancer, creating a Congressional vacancy in Richardson's district.

Richardson declared her candidacy for the seat, and soon found herself locked in a hotly contested, and very expensive race for Congress against state Sen. Jenny Oropeza, D-Long Beach.

While her campaign heated up, Richardson's house slipped into default. Richardson fell behind on her mortgage payments as she loaned her Congressional campaign \$60,000 - money that has begun to be paid back to Richardson personally from her campaign account, according to records from the Center for Responsive Politics.

Richardson's opponent, Oropeza, loaned herself \$115,000 for her run against Richardson. Oropeza's Congressional committee still shows nearly \$200,000 in debt.

Richardson declined requests over several days to discuss her real

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- [Prevention of Cruelty to Animals Act; ethical and sound science by Marji Beach](#)
- [Drug companies fighting protections for consumers by Thomas Brandi](#)
- [Many in Half Moon Bay question decision not to](#)



estate transaction. She also was not immediately available to comment Thursday, according to her office.

In a carefully written statement released

Wednesday evening, she challenged Capitol Weekly's story about "the residential property that I own in Sacramento," and said that it had not been subjected to foreclosure. She also said that she renegotiated a loan in connection with the transaction, but did not provide details.

"I have worked with my lender to complete a loan modification and have renegotiated the terms of the agreement -- with no special provisions. I fully intend to fulfill all financial obligations of this property," she said.

But financial records on file with the county show that Richardson does not own the home. The house was sold on May 7 at a public foreclosure auction for \$388,001.

That auction originally had been scheduled for April 7, but was delayed a month, said James York, a Sacramento real estate broker who purchased the house from the trustee, the California Reconveyance Company. That transaction was officially recorded on May 9, and the deed transfer and sale were recorded on May 19. **Documents associated with the transaction can be viewed here.**

"It was a foreclosure auction. I took possession of the house as of May 7," said York, who has conducted numerous similar purchases, according to county records. (York is not related to the author of this article).

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[Many in Half Moon Bay question decision not to appeal developer case](#)

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- [Medical marijuana bills moving forward by Malcolm Maclachlan](#)
- [Saldana, Leno bills would restrict cooperation with federal authorities and rules](#)
- [Facilitating assisted suicide is not the way to go by Marilyn Golden](#)
- [The I-5 fix: It's all a matter of timing by Capitol Staff](#)
- [Starting May 30, commuters will be tested to the max](#)
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Opponents of Levine's spay/neuter bill pledge they'll be back

- [John](#)

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York, whose firm specializes in foreclosure sales, said that Richardson did not participate in the transaction, that the house had been vacant for some time and that he paid the funds to California Reconveyance, which handles foreclosure property and is owned by Washington Mutual, the original lender.

The sale forced the bank to "take a \$200,000 write-off," York noted. In an earlier interview with the Daily Breeze of Torrance, which reported a detailed account of the transaction, he said the bank "took a beating."

Tax records at the Sacramento County assessor's office show that in January 2007, Richardson took out a mortgage for the entire sale price of the house -- \$535,000. The mortgage amount was equal to the sale price of the home, meaning she was able to buy the house without a down payment. At the time, the housing market was beginning to turn, but the severest impacts had not yet been felt. No-interest, "jumbo" loans--those more than \$417,000--were still available from some lenders.

Richardson received a default notice in late 2007. By December 2007, less than a year after Richardson purchased the house, she was behind in her payments by more than \$18,000.

Three months later, on March 19, 2008, a notice was filed with the county that Richardson's property would be sold at auction on April 7. According to the documents, the unpaid balance and other charges Richardson owed the bank was \$587,384.

The March 19 notice of trustee's sale also described the unpaid balance of Richardson's loan, held by Washington Mutual, at more than \$578,000 - \$40,000 more than the original mortgage. Tax records show \$8,950 in unpaid property taxes.

The Curtis Park house is not Richardson's primary residence. She also owns a four-bedroom house in Long Beach, in her congressional district. Real estate records show she purchased that house in 1999 for \$135,000. An estimate from Zillow.com puts the current value of that house at \$474,000.

Like many homes that have gone through foreclosure, Richardson's new residence quickly became an eyesore. With Richardson gone, upkeep on the home lapsed, and neighbors began to get angry.

"The neighbors are extremely unhappy with her," said Sharon

Garamendi:
movin' on up?
by Nick Brokaw
The Lt. Gov.
talks about the
governorship,
insurers

- Experts
Expound by
Capitol Readers
- Skaters, bikers:
A free pass to
avoid the I-5
crunch by
Capitol Staff
- Insurers: After-
market parts are
key to savings
by Michael
Gunning

The parts are
just as good, but
cheaper: Think
generic versus
brand-name
drugs.

- Personnel
Profile: Nicole
Rice by Capitol
Staff
- Medi-Cal cuts
hurt all
Californians by
Lynn Rolston

Helmar, who sold the home to Richardson. "She didn't mow the lawn or take out the garbage while she was there. We lived there for a long time, 30 years, and we had to hide our heads whenever we came back to the neighborhood."

Helmar and her husband, Mark, sold the Curtis Park home to Richardson because Sharon's arthritis required the couple to move into a one-story house. With the area's real estate market slowing down, the house remained on the market for months, and the Helmars, who lived in the house for more than 30 years, were getting desperate to sell.

Helmar said that she has never met Richardson personally, but dealt with Richardson through her realtor. The Helmars wound up giving Richardson \$15,000 toward closing costs, she said.

And she is still angry over what happened to a home that clearly she never really wanted to leave. "It's kind of silly. You would think people who are making decisions for others would be able to make good decisions for themselves," she said. "She should have known what she could afford and not afford. In this neighborhood, you just don't do that."

While Richardson walked away from her loan, she bested Oropeza in a June special election, and moved on to Congress. As a member of Congress, Richardson has been asked to vote on legislation pertaining to the spike in foreclosures around the country.

On the biggest pieces of legislation having to do with government bailouts for people whose homes have entered foreclosure, Richardson did not vote. She also did not vote on legislation by Rep. Barney Frank, D-Mass, which would direct \$2.7 billion in government funds to help an estimated 500,000 homeowners who are at risk of foreclosure. Richardson said she missed the votes because of the death of her father.

Richardson did not vote on a measure by Rep. Maxine Waters, D-Los Angeles, that would give local governments \$15 billion to purchase, rehab and resell foreclosed properties.

While Richardson walked away from her bank loan, she has begun to pay herself back for the money she personally invested in her initial race. Records show that Richardson spent \$587,000 out of her congressional campaign committee since declaring her congressional candidacy through March of this year. Of those expenditures, Richardson has spent \$18,000 of that money to begin repaying herself for the money Richardson loaned to her campaign.

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From: Adams, Carolyn
Sent: Thursday, May 22, 2008 1:50:26 PM
To: Gaugl, Sara C.
CC: Cook, Don
Subject: AP story - excerpt below

I'm sure you have seen this - do you need anything from us?

AP
Calif. congresswoman's home threatened with repo
Thursday May 22, 11:49 am ET
By Don Thompson, Associated Press Writer

Calif. congresswoman's home threatened with repossession after she fails to pay mortgage

SACRAMENTO, Calif. (AP) -- Rep. Laura Richardson has an unusual perspective on the housing foreclosure bills moving through Congress: One of her own homes was threatened with repossession after she failed to pay the mortgage.

Richardson, a Southern California Democrat, bought a two-story home in a leafy, upper-middle-class neighborhood of Sacramento in January 2007, just months after winning a seat in the state Assembly.

She bought the three-bedroom, 1 1/2-bath home in the state capital for \$535,500. The bill collectors started knocking soon after, according to records reviewed Wednesday by The Associated Press.

The city utility department placed a lien on her property in June 2007 for \$154 in unpaid bills, according to documents at the Sacramento County recorder's office. In December, she received a default notice on the mortgage from the collection agency of Washington Mutual Inc., her lender. At that point, she owed \$18,356.

(more posted on yahoo.com)

From: Cook, Don
Sent: Wednesday, May 21, 2008 8:46:12 PM
To: Gaugl, Sara C.
Subject: RE: (866) 723-PC

The loan to which she refers must be with a different lender.

From: Gaugl, Sara C.
Sent: Wednesday, May 21, 2008 5:43 PM
To: Battaglia, Paul J.; Kallner, Brad; Cook, Don; Woodcock, Wendy A.
Subject: RE: (866) 723-PC
Importance: High

Embedded below is Congresswoman Laura Richardson's statement to the media for your reference.

CONGRESSWOMAN LAURA RICHARDSON

For Immediate Release
May 21, 2008

The story published in the Capitol Weekly regarding residential property that I own in Sacramento requires clarification.

Within a 12-month period last year (2007-2008), I was a member of Long Beach City Council, the District Director for California Lt. Gov. Cruz Bustamante, a member of the California State Legislature, and, now a member of Congress. While the transitioning has impacted me personally, the residential property in Sacramento California is *not in foreclosure and has NOT been seized by the bank.*

I have worked with my lender to complete a loan modification and have renegotiated the terms of the agreement -- with no special provisions. I fully intend to fulfill all financial obligations of this property.

On two housing bills that were cited by the Capitol Weekly, the allegation is that I recused myself from these votes. I did not. I was absent from Washington, D.C., and my duties in the House of Representatives due to the untimely death of my father and his subsequent funeral in California.

I understand that these homeownership issues are a reflection of what many Americans are going through as they fight to keep their homes and to remain financially stable.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228- cell
sara.gaugl@wamu.net

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Subject: Congresswoman Richardson Update
Location: 877-709-#### # #### passcode

Start: 5/22/2008 2:00 PM
End: 5/22/2008 3:00 PM
Show Time As: Busy

Recurrence: (none)

Meeting Status: Accepted

Required Attendees: Owen, Jan L.; Gaugl, Sara C.; Woodcock, Wendy A.; Battaglia, Paul J.; Cook, Don; Baptista, Geri Ann S.; GM QSM DTE; Kallner, Brad

Resources: 877-709-#### # #### passcode

Subject: Accepted: Congresswoman Richardson Update
Location: 877-709[redacted]passcode

Start: 5/22/2008 2:00 PM
End: 5/22/2008 3:00 PM
Show Time As: Busy

Recurrence: (none)

Required Attendees: Owen, Jan L [redacted]
Resources: 877-709[redacted]passcode

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Wednesday, May 21, 2008 3:34 PM
To: Cook, Don <don.cook@wamu.net>
Subject: FW: Research Needed: Congresswoman Richardson/Foreclosure

REDACTED

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228[redacted] cell
sara.gaugl@wamu.net

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-----Original Message-----

From: Gaugl, Sara C.
Sent: Wednesday, May 21, 2008 10:24 AM
To: Kallner, Brad
Cc: Champney, Steven D.; Berens, John; Owen, Jan L.; Elias, Alan
Subject: Research Needed: Congresswoman Richardson/Foreclosure
Importance: High

Brad -

Please see the article embedded below for more detail, but long story short, Congresswoman Laura Richardson appears to have defaulted on her WaMu loan (second home) and on March 19, a notice was filed with the county that her property would be sold at auction.

Congresswoman Richardson initially declined to comment, however, Jan Owen has learned from the Congresswoman that she plans to communicate to The Washington Post that she has established a repayment plan with WaMu.

Would you please look into Congresswoman Richardson's situation as soon as possible so that we understand the facts? Her loan number is [redacted]

Many thanks,

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228[redacted] cell
sara.gaugl@wamu.net

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-----Original Message-----

From: Owen, Jan L.

Sent: Wednesday, May 21, 2008 8:36 AM

To: Riley, Olivia; Gaugl, Sara C.; Gaspard, Scott; Watson, Alison

Subject: Fw: Capitol Weekly -- "Foreclosure tale shows that nobody is immune from crisis"

Here we go. I am am in meeting and will call in a minute.

----- Original Message -----

From: Kevin Gould <KGould@CalBankers.com>

To: FSIR Meeting Group <FSIRMeetingGroup@CalBankers.com>

Sent: Wed May 21 08:01:35 2008

Subject: Capitol Weekly -- "Foreclosure tale shows that nobody is immune from crisis"

Foreclosure tale shows that nobody is immune from crisis

By Anthony York (published Tuesday, May 20, 2008)

As the real estate market softened in 2007, the new owner of a three-bedroom, 1,600-square-foot house in Sacramento's Curtis Park neighborhood ran into trouble. The house that was purchased for \$535,000 in January had lost equity. The owner fell behind in her payments, and eventually, the bank seized the home.

What makes this story different from the thousands like it is that the owner of this house was a member of Congress.

The story of the foreclosure of Long Beach Democrat Laura Richardson's Sacramento home is a tale of a real estate market gone sour. It is also an illustration of how far many candidates will go to seek elected office, even if it means quite literally mortgaging their own financial future.

While being elevated to Congress in a 2007 special election, Richardson apparently stopped making payments on her new Sacramento home, and eventually walked away from it, leaving nearly \$600,000 in unpaid loans and fees.

Richardson's decision to let the house slip into foreclosure was set in motion by an unlikely chain of events, only some of which had to do with Sacramento's crumbling real estate market. Richardson was elected to the Assembly in November 2006, and purchased her new capital home two months later. But in April 2007, Rep. Juanita Millender-McDonald succumbed to cancer, creating a Congressional vacancy in Richardson's district.

Richardson declared her candidacy for the seat, and soon found herself locked in a hotly contested, and very expensive race for Congress against state Sen. Jenny Oropeza, D-Long Beach.

While her campaign heated up, Richardson's house slipped into default. Richardson fell behind on her mortgage payments as she loaned her Congressional campaign \$60,000 – money that has begun to be paid back to Richardson personally from her campaign account, according to records from the Center for Responsive Politics.

Richardson's opponent, Oropeza, loaned herself \$115,000 for her run against Richardson. Oropeza's Congressional committee still shows nearly \$200,000 in debt.

Richardson declined to comment for this story.

But tax records at the Sacramento County assessor's office show that in January 2007, Richardson took out a mortgage for the entire sale price of the house -- \$535,000. The mortgage amount was equal to the sale price of the home, meaning she was able to buy the house without a down payment, even though the housing market was beginning to turn.

A March 19, 2008 notice of trustee's sale indicates that the unpaid balance of Richardson's loan, which is held by Washington Mutual, is more than \$578,000 --\$40,000 more than the original mortgage.

The Curtis Park house is not Richardson's primary residence. She also owns a four-bedroom house in Long Beach, in her Congressional district. Real estate records show she purchased that house in 1999 for \$135,000. An estimate from Zillow.com puts the current value of that house at \$474,000

Like many homes that have gone through foreclosure, Richardson's new residence quickly became an eyesore. With Richardson gone, upkeep on the home lapsed, and neighbors began to get angry.

"The neighbors are extremely unhappy with her," said Sharon Helmar, who sold the home to Richardson. "She didn't mow the lawn or take out the garbage while she was there. We lived there for a long time, 30 years, and we had to hide our heads whenever we came back to the neighborhood."

Helmar and her husband, Mark, sold the Curtis Park home to Richardson because Sharon's arthritis required the couple to move into a one-story house. With the area's real estate market slowing down, the house remained on the market for months, and the Helmars, who lived in the house for more than 30 years, were getting desperate to sell.

Helmar said that she has never met Richardson personally, but dealt with Richardson through her realtor. The Helmars wound up giving Richardson \$15,000 toward closing costs, she said.

And she is still angry over what happened to a home that clearly she never really wanted to leave. "It's kind of silly. You would think people who are making decisions for others would be able to make good decisions for themselves," she said. "She should have known what she could afford and not afford. In this neighborhood, you just don't do that."

While Richardson walked away from her loan, she bested Oropeza in a June special election, and moved on to Congress. As a member of Congress, Richardson has been asked to vote on legislation pertaining to the spike in foreclosures around the country.

On the biggest pieces of legislation having to do with government bailouts for people whose homes have entered foreclosure, Richardson has recused herself. She did not vote on legislation by Rep. Barney Frank, D-Mass, which would direct \$2.7 billion in government funds to help an estimated 500,000 homeowners who are at risk of foreclosure.

Richardson also did not vote on a measure by Rep. Maxine Waters, D-Los Angeles, that would give local governments \$15 billion to purchase, rehab and resell foreclosed properties.

While Richardson walked away from her bank loan, she has begun to pay herself back for the money she personally invested in her initial race. Records show that Richardson spent \$587,000 out of her Congressional campaign committee since declaring her Congressional candidacy through March of this year. Of those expenditures, Richardson has spent \$18,000 of that money to begin repaying herself for the money Richardson loaned to her campaign.

According to documents at the Sacramento County Clerk's office, Richardson first received a default notice in late 2007. By December 2007, less than a year after Richardson purchased the house, she was behind in her payments by more than \$18,000.

Three months later, on March 19, a notice was filed with the county that Richardson's property would be sold at auction. According to the documents, the unpaid balance and other charges Richardson owed the bank was \$587,384.

Subject: Updated: Richardson Update

Location: 888-595-1234 pc 1234

Start: 6/19/2008 1:00 PM

End: 6/19/2008 1:30 PM

Show Time As: Tentative

Recurrence: (none)

Meeting Status: Not yet responded

Required Attendees: Baptista, Geri Ann S.; Gaugl, Sara C.; Elias, Alan; Cook, Don; Potashnick, Barbara A.; Battaglia, Paul J.; Thorn, Ann; Owen, Jan L.

Resources: 888-595-1234 pd 1234

changing time to accommodate schedules

Subject: Laura Richardson - Counteroffer from foreclosure purchaser
Location: Dial in at 1-866-736- Participant passcode is

Start: 6/16/2008 3:30 PM
End: 6/16/2008 4:00 PM
Show Time As: Busy

Recurrence: (none)

Meeting Status: Accepted

Required Attendees: Berens, John; Champney, Steven D.; Cook, Don; Stevens, Lawrence W.; Klein, Jason C.; Parker, Gary L.

Resources: Dial in at 1-866-736- Participant passcode is

When: Monday, June 16, 2008 12:30 PM-1:00 PM (GMT-08:00) Pacific Time (US & Canada); Tijuana.
Where: Dial in at 1-866-736- Participant passcode is

~~*~*~*~*~*~*~*~*

REDACTED

Dial in Number: 866-736-
Participant Code: -

Seattle Participants meet in small conference room on 34.

Subject: Update on Congresswoman Richardson
Location: 877-709- passcode:

Start: 5/23/2008 2:30 PM
End: 5/23/2008 3:30 PM
Show Time As: Busy

Recurrence: (none)

Meeting Status: Accepted

Required Attendees: Owen, Jan L.; Gaugl, Sara C.; Battaglia, Paul J.; Cook, Don; Thorn, Ann; Woodcock, Wendy A.;
Baptista, Geri Ann S.

Resources: 877-709- passcode:

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Monday, June 16, 2008 1:05 PM
To: Strom, Erik E. <erik.strom@wamu.net>
Cc: Elias, Alan <alan.elias@wamu.net>; Cook, Don <don.cook@wamu.net>
Subject: RE: FYI

Good morning, Erik.
Many thanks for forwarding. Would you please ensure that David is aware of this as well (if he isn't already)?

Best,

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC401 | Seattle WA 98101
206.500.2822 direct | 206.228.1111 cell
sara.gaugl@wamu.net

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-----Original Message-----

From: Strom, Erik E.
Sent: Monday, June 16, 2008 9:49 AM
To: Gaugl, Sara C.; Cook, Don
Subject: Fw: FYI

Fyi...this could have some rammifications for our situation with Rep. Richardson.
Erik Strom

----- Original Message -----

From: Watson, Alison
To: Strom, Erik E.
Sent: Mon Jun 16 09:40:14 2008
Subject: FW: FYI

Per my last e-mail...

From: Scott Talbott [mailto:scott.talbott@wamu.net]
Sent: Mon 06/16/2008 9:20 AM
To: solomonm [mailto:solomonm@wamu.net]; Watson, Alison; daniel.m.archer [mailto:daniel.m.archer@wamu.net]
Subject: FYI

'Friends of Angelo' Allegations?

Dear Colleague:

With all of the recent turmoil we have been experiencing in our mortgage market, I am concerned about allegations of preferential treatment afforded to some individuals in Congress regarding their mortgages. Although these reports are still merely allegations, it is disconcerting to think Members of Congress might be knowingly or unknowingly receiving preferential treatment while millions of hardworking Americans struggle to repay their mortgage debts and cope with \$4/gallon gasoline and soaring foods prices.

While some might disagree regarding what the proper response of the federal government to this mortgage market turmoil should be, I think we all can agree that it would be wrong for Members of Congress to get special treatment on their mortgages simply because they are elected office holders. That's why next week I will be sending a letter to the Speaker and the appropriate chairman with oversight requesting hearings on this issue. We must ensure that no Member is inappropriately benefiting from their position.

Of course, it is important to note that at this time these are merely allegations of preferential treatment, but that should not absolve us of our responsibility to ensure that Members of Congress do not receive special treatment while average Americans are scrimping and saving to keep their homes.

For more information, please contact Ed Skala in my office at [redacted]

Sincerely,

JEB HENSARLING
Member of Congress

Scott Talbott
Senior Vice President of Government Affairs
THE FINANCIAL SERVICES ROUNDTABLE
1001 Pennsylvania Avenue, NW
Suite 500
Washington, D.C. 20004
Tel: 202 289-[redacted]
Cell: 202 297-[redacted]
Fax: 202 628-[redacted]
E-mail: scott@[redacted]
Website: www.fsround.org <<http://www.fsround.org/>>

From: Adams, Carolyn
Sent: Tuesday, May 27, 2008 7:12:45 PM
To: Gaugl, Sara C.
CC: Cook, Don; Hyde, Arlene M.
Subject: RE: Richardson Coverage: Calculated Risk Blog

REDACTED

From: Gaugl, Sara C.
Sent: Tuesday, May 27, 2008 3:19 PM
To: Adams, Carolyn
Cc: Cook, Don; Hyde, Arlene M.
Subject: RE: Richardson Coverage: Calculated Risk Blog

REDACTED

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228[redacted] cell
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From: Adams, Carolyn
Sent: Tuesday, May 27, 2008 3:09 PM
To: Gaugl, Sara C.
Cc: Cook, Don; Hyde, Arlene M.
Subject: RE: Richardson Coverage: Calculated Risk Blog

REDACTED

From: Gaugl, Sara C.
Sent: Tuesday, May 27, 2008 3:01 PM
To: Adams, Carolyn
Cc: Cook, Don; Hyde, Arlene M.
Subject: RE: Richardson Coverage: Calculated Risk Blog

REDACTED

Sara Gaugl
Home Loans Public Relations

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From: Adams, Carolyn
Sent: Tuesday, May 27, 2008 2:40 PM
To: Gaugl, Sara C.
Cc: Cook, Don; Hyde, Arlene M.
Subject: RE: Richardson Coverage: Calculated Risk Blog

REDACTED

From: Gaugl, Sara C.
Sent: Tuesday, May 27, 2008 1:17 PM
To: Adams, Carolyn
Cc: Cook, Don; Hyde, Arlene M.; Champney, Steven D.; Elias, Alan
Subject: FW: Richardson Coverage: Calculated Risk Blog

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From: Schneider, David C.
Sent: Tuesday, May 27, 2008 12:46 PM
To: Gaugl, Sara C.
Cc: Champney, Steven D.; Hyde, Arlene M.
Subject: RE: Richardson Coverage: Calculated Risk Blog

REDACTED

From: Gaugl, Sara C.
Sent: Tuesday, May 27, 2008 12:31 PM
To: Schneider, David C.; Berens, John; Champney, Steven D.
Cc: Thorn, Ann; Owen, Jan L.; Elias, Alan
Subject: Richardson Coverage: Calculated Risk Blog

All:

As expected, coverage on Congresswoman Richardson's financial situation has continued to evolve after it was reported on Friday that she has defaulted on other loans -- including her primary residence. I'm forwarding the blog posting

embedded below in particular, as it reflects the current viewpoint among other journalists and links to key articles/postings published to date.

- Sara

UPDATED: A Congressional Speculator? – Calculated Risk

by Tanta

<http://calculatedrisk.blogspot.com/2008/05/congressional-speculator.html>

This is an update to post below on Rep. Laura Richardson's foreclosure woes.

Gene Maddaus of the Daily Breeze kindly forwarded today's additions to the saga. There are not two, but three homes owned by Richardson in foreclosure. And yes, she appears to have cashed out her primary residence back in 2006 to fund her campaign for State Assembly. So it looks like a pattern.

* * * * *

I have been watching the story of Representative Laura Richardson and her foreclosure woes for a while now, while heretofore hesitating to post on it. For one thing, the original story--a member of Congress losing her expensive second home to foreclosure--had that kind of celebrity car-crash quality to it that I'm not especially interested in for the purposes of this blog. For another thing, posting about anything even tangentially related to politics invites the kind of comments that personally bore me to tears.

All that is still true, but the story has taken such an unfortunate turn that I feel obligated to weigh in on it. Specifically, Rep. Richardson is threatening us:

Rather than shy away from voting on mortgage-related bills, Richardson said her experiences could help her craft legislation to make sure others don't experience what she did. For example, she sees a need to add steps to inform property owners before their property can be sold.

"We have to ensure that lenders and lendees have the tools with proper timing to resolve this," she said.

If Rep. Richardson is going to base legislative proposals on her own experience, then it matters to the rest of us what that experience was. So click the link below if you can stand to hear about it.

* * * * *

The story was originally reported in the Sacramento Capitol Weekly, and picked up by the Wall Street Journal, and thence covered by a number of blogs, with the storyline being that Rep. Richardson "walked away" from her home, a second home she purchased in Sacramento after being elected to the State Assembly. The "walk away" part came from a remark made by the real estate investor who purchased the home at the foreclosure auction, not Rep. Richardson or anyone who could be expected to understand her financial situation, but that didn't stop the phrase "walk away" from headlining blog posts.

Rep. Richardson has variously claimed at different times that the house was not in foreclosure, that she had worked out a modification with the lender, and that the lender improperly foreclosed after having agreed to accept her payments. Frankly, unless and until Rep. Richardson gives her lender, Washington Mutual, permission to tell its side of the story--I'm not holding my breath on that--we're unlikely to be able to sort out this mess of claims to my satisfaction, at least.

It's possible that WaMu screwed this up--that it accepted payments on a workout plan with the understanding that foreclosure was "on hold" and then sold the property at auction the next week anyway. It's possible that Richardson's version of what went on is muddled, too. Without some more hard information I'm not inclined to assume the servicer did most of the screwing up, if for no other reason that we didn't find out until late yesterday, courtesy of the L.A. Land and Foreclosure Truth blogs, that Richardson's other home--her primary residence--was also in foreclosure proceedings as recently as March of this year, a detail that as far as I can tell Richardson never disclosed in all the previous discussion of the facts surrounding the foreclosure of her second home.

What part of this I am most interested in, right now, is the question of what in the hell exactly Richardson was thinking when she bought the Sacramento home in the first place. Since the story is quite complex, let's get straight on a few

details. Richardson was a Long Beach City Council member who was elected to the state legislature in November of 2006. In January of 2007 she purchased a second home in Sacramento, presumably to live in during the Assembly session. In April 2007, the U.S. Congressional Representative from Richardson's district died, and Richardson entered an expensive race for that seat, winning in a special election in August of 2007. By December 2007 the Sacramento home was in default, and it was foreclosed in early May of 2008. The consensus in the published reports seems to be that Richardson spent what money she had on her campaign, not her bills.

According to the AP:

Richardson, 46, makes nearly \$170,000 as a member of Congress and was paid \$113,000 during the eight months she served in the state Assembly in 2007 before her election to Congress. She also received a per diem total of \$20,000 from California, according to a financial disclosure form she filed with the House of Representatives clerk.

It seems to me that all this focus on what happened after she bought the Sacramento home--running for the suddenly-available Congressional seat, changing jobs, etc.--is obscuring the issue of the original transaction.

In November of 2006, Richardson already owned a home in Long Beach. As a newly-elected state representative, she would have been required to maintain her principal residence in her district, but she would also have had to make some arrangements for staying in Sacramento during Assembly sessions, given the length of the commute from L.A. County to the state capitol. She seems to have told the AP reporter that "Lawmakers are required to maintain two residences while other people don't have to," which is not exactly the way I'd have put it. Lawmakers are required to maintain one primary residence (which need not be owned) in their district. They are not required to buy a home at the capitol (of California or the U.S.); many legislators do rent. Richardson is a single woman with no children, yet she felt "required" to purchase a 3-bedroom, 1 1/2 bathroom home in what sounds like one of Sacramento's pricier neighborhoods for \$535,500, with no downpayment and with \$15,000 in closing cost contributions from the property seller. (The NAR median price in Sacramento in the first quarter of 2007 was \$365,300.)

I have no idea what loan terms Richardson got for a 100% LTV second home purchase in January 2007, but I'm going to guess that if she got something like a 7.00% interest only loan (without additional mortgage insurance), she got a pretty darn good deal. If she got that good a deal, her monthly interest payment would have been \$3123.75. Assuming taxes and insurance of 1.50% of the property value, her total payment would have been \$3793.13.

The AP reports that Richardson's salary as a state representative was \$113,000 in 2007, and she received \$20,000 in per diem payments (which are, of course, intended to offset the additional expense of traveling to and staying in the Capitol during sessions). I assume the per diem is non-taxable, so I'll gross it up to \$25,000. That gives me an annual income of \$138,000 or a gross monthly income of \$11,500.

The total payment on the second home, then, with my sunny assumptions about loan terms, comes to 33% of Richardson's gross income. I have no idea what the payment is for her principal residence in Long Beach. I have no idea what other debt she might have. I am ignoring her congressional race and job changes and all that because at the point she took out this mortgage, that was all in the future and Richardson didn't know that the incumbent would die suddenly and all that. I'm just trying to figure out what went through this woman's mind when she decided it was a wise financial move to spend one-third of her pre-tax income on a second home. (There's no point trying to figure out what went through the lender's mind at the time. There just isn't.)

Now, Richardson has this to say about herself:

"I'm Laura Richardson. I'm an American, I'm a single woman who had four employment changes in less than four months," Richardson told the AP. "I had to figure out just like every other American how I could restructure the obligations that I had with the income I had."

Yeah, well, I'm Tanta, I'm an American, I'm a single woman, and I say you're full of it. You need to show us what your plan for affording this home was *before* the job changes, girlfriend. You might also tell me why you felt you needed such an expensive second home when you had no money to put down on it or even to pay your own closing costs. As it happens, the Mercury News/AP reported that by June of 2007--five months after purchase--you had a lien filed for unpaid utility bills. You didn't budget for the lights?

But what are we going to get? We're going to get Richardson all fired up in Congress about tinkering with foreclosure notice timing, which is last I knew a question of state, not federal, law, and which has as far as I can see squat to do with why this loan failed.

Quite honestly, if WaMu did give Richardson some loan modification deal, I'd really like to know what went through the Loss Mit Department's collective and individual minds when they signed off on that. Sure, Richardson's salary went up to \$170,000 when she became a member of the U.S. Congress, but what does she need a home in Sacramento for after that? Where's she going to live in Washington, DC? And, well, her principal residence was also in the process of foreclosure at the same time. I suppose I might have offered a short sale or deed-in-lieu here, but a modification? Why would anybody do that? Because she's a Congresswoman?

I'm quite sure Richardson wants to be treated like just a plain old American and not get special treatment. Well, I was kind of hard on a plain old American the other day who wrote a "hardship letter" that didn't pass muster with me. I feel obligated to tell Richardson that she sounds like a real estate speculator who bought a home she obviously couldn't afford, defaulted on it, and now wants WaMu to basically subsidize her Congressional campaign by lowering her mortgage payment or forgiving debt. And that's . . . disgusting. At the risk of sounding like Angelo.

I know some of you are thinking that maybe poor Ms. Richardson got taken advantage of by some fast-talking REALTOR who encouraged her to buy more house than she could afford.

According to Pete Viles at L.A. Land, She likes the Realtors, and they like her. She filed financial disclosure forms with the House Ethics Committee reporting the National Assn. of Realtors flew her to Las Vegas in November to help swear in the new president of the association, Realtor Dick Gaylord of Long Beach.

In suggested remarks* at the NAR gathering, also filed with the House, Richardson's script read: "I might be one of the newest members of Congress but I am not a new member of the REALTOR Party. When I needed help to win a tough primary, REALTORS stood up and backed me even though I was the underdog."

--Real estate industry professionals have given her \$39,500 in campaign contributions in the current election cycle, according to Open Secrets.

No wonder she's blaming the lender.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228. cell
sara.gaugl@wamu.net

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From: Gaugl, Sara C.
Sent: Tuesday, May 27, 2008 6:19:03 PM
To: Adams, Carolyn
CC: Cook, Don; Hyde, Arlene M.
Subject: RE: Richardson Coverage: Calculated Risk Blog

Many thanks.

REDACTED

Sara Gaugl
Home Loans Public Relations

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Sent: Tuesday, May 27, 2008 3:01 PM
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Subject: RE: Richardson Coverage: Calculated Risk Blog

REDACTED

Thank you, Carolyn.

Sara Gaugl
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Sent: Tuesday, May 27, 2008 1:17 PM
To: Adams, Carolyn
Cc: Cook, Don; Hyde, Arlene M.; Champney, Steven D.; Elias, Alan
Subject: FW: Richardson Coverage: Calculated Risk Blog

Hi, Carolyn.

REDACTED

Best,

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
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sara.gaugl@wamu.net

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Sent: Tuesday, May 27, 2008 12:46 PM
To: Gaugl, Sara C.
Cc: Champney, Steven D.; Hyde, Arlene M.
Subject: RE: Richardson Coverage: Calculated Risk Blog

Can you get me the information on the original loan? Today please.

You can have this done by the channel that originated the deal.

ds

From: Gaugl, Sara C.
Sent: Tuesday, May 27, 2008 12:31 PM
To: Schneider, David C.; Berens, John; Champney, Steven D.
Cc: Thorn, Ann; Owen, Jan L.; Elias, Alan
Subject: Richardson Coverage: Calculated Risk Blog

All:

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- Sara

UPDATED: A Congressional Speculator? – Calculated Risk
by Tanta

JPMC - 002828
CONFIDENTIAL
CSOC.RICH.004321

<http://calculatedrisk.blogspot.com/2008/05/congressional-speculator.html>

This is an update to post below on Rep. Laura Richardson's foreclosure woes.

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Sent: Tuesday, May 27, 2008 6:09:16 PM
To: Gaugl, Sara C.
CC: Cook, Don; Hyde, Arlene M.
Subject: RE: Richardson Coverage: Calculated Risk Blog

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From: Adams, Carolyn
Sent: Tuesday, May 27, 2008 5:39:31 PM
To: Gaugl, Sara C.
CC: Cook, Don; Hyde, Arlene M.
Subject: RE: Richardson Coverage: Calculated Risk Blog

REDACTED

From: Gaugl, Sara C.
Sent: Tuesday, May 27, 2008 1:17 PM
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From: Cook, Don <don.cook@wamu.net>
Sent: Friday, June 13, 2008 8:56 PM
To: Klein, Jason C. <jason.klein@wamu.net>; Stevens, Lawrence W. <lawrence.stevens@wamu.net>
Cc: Potashnick, Barbara A. <barbara.potashnick@wamu.net>
Subject: FW: 001 Complaint Filed 6-12-08.pdf - Adobe Acrobat Professional
Attach: 001 Complaint Filed 6-12-08.pdf

Here you go...

From: Martin T. McGuinn [mailto:m.mcguinn@kirbyandmcguinn.com]
Sent: Friday, June 13, 2008 5:42 PM
To: Battaglia, Paul J.
Cc: Cook, Don
Subject: 001 Complaint Filed 6-12-08.pdf - Adobe Acrobat Professional

Gentlemen:

REDACTED

Marty

Martin T. McGuinn
Kirby & McGuinn, A P.C.
600 B Street, Ste. 1950
San Diego, CA 92101
mmcguinn@kirbyandmcguinn.com
Direct Dial: (619) 525-1659
Direct Fax: (619) 525-4000

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1 CARL P. BLAINE (State Bar # 65229)
Email: cblaine@
2 THOMAS B. SHERIDAN (State Bar #249306)
Email: tsheridan@
3 **WAGNER KIRKMAN BLAINE**
KLOMPARENS & YOUMANS LLP
4 10640 Mather Blvd., Suite 200
Mather, California 95655
5 Telephone: (916) 920-5286
Facsimile: (916) 920-8608
6

7 Attorneys for Plaintiff
RED ROCK MORTGAGE, INC.

8
9 SUPERIOR COURT OF CALIFORNIA
10 COUNTY OF SACRAMENTO

Department
Assignments
Case Management 43
Law and Motion 54
Minors Compromise 25

11 RED ROCK MORTGAGE, INC.,

12 Plaintiff,

13 v.

14 WASHINGTON MUTUAL BANK,
CALIFORNIA RECONVEYANCE COMPANY,
LAURA RICHARDSON, and all persons
15 unknown, claiming any legal or equitable right,
title, estate, lien, or interest in the property
16 described in the complaint adverse to Plaintiff's
title, or any cloud on Plaintiff's title, and DOES 1
17 through 20, inclusive,

18 Defendants.

Case No.

COMPLAINT FOR:

1. SLANDER OF TITLE
2. CANCELLATION
3. QUIET TITLE
4. UNJUST ENRICHMENT

19
20 Plaintiff, RED ROCK MORTGAGE, INC. alleges as follows:

- 21 1. Plaintiff RED ROCK MORTGAGE, INC. ("Plaintiff") is, and at all times herein
22 mentioned was, a corporation organized and existing under the laws of the State of California
- 23 2. Plaintiff is informed and believes and thereon alleges that Defendant
24 WASHINGTON MUTUAL BANK ("WAMU") is, and at all times herein mentioned was, a
25 federal association organized and existing under the laws of the United States and doing
26 business in the state of California.
- 27 3. Plaintiff is informed and believes and thereon alleges that Defendant
28

FILED
Superior Court Of California,
Sacramento
Dennis Jones, Executive
Officer
06/12/2008
avlaisavich
By _____, Deputy
Case Number: _____

10640 Mather Blvd., Suite 200, Mather, CA 95655
Phone (916) 920-5286 Fax (916) 920-8608

WAGNER KIRKMAN BLAINE
KLOMPARENS & YOUMANS LLP
Attorneys at Law

10640 Mather Blvd., Suite 200, Mather, CA 95655
Phone (916) 920-5286 Fax (916) 920-8608

WAGNER KIRKMAN BLAINE
KLOMPARENS & YOUNG LLP
Attorneys at Law

10640 Maiber Blvd., Suite 200, Maiber, CA 95615
Phone (916) 920-5286 Fax (916) 920-8600

1 CALIFORNIA RECONVEYANCE COMPANY ("CRC") is, and at all times herein
2 mentioned was, a corporation organized and existing under the laws of the State of California.

3 4 The real property that is the subject of this action, 3622 West Curtis Drive,
4 Sacramento, California, Assessor's Parcel No. [REDACTED] ("Subject Property") is
5 located in Sacramento County, California.

6 5. The Defendants named herein as "all persons unknown, claiming any legal or
7 equitable right, title, estate, lien, or interest in the property described in the Complaint adverse
8 to plaintiff's title, or any cloud on plaintiff's title thereto" ("Unknown Defendants") are
9 unknown to Plaintiff. These Unknown Defendants, and each of them, claim some right, title,
10 estate, lien, or interest adverse to Plaintiff's interest in title to the Subject Property; and their
11 claims, and each of them, constitute a cloud on Plaintiff's title to the Subject Property.

12 6. Defendants DOES 1 through 20, inclusive, are sued herein under fictitious
13 names. Their true names and capacities are unknown to Plaintiff. When their true names and
14 capacities are ascertained, Plaintiff will amend this complaint by inserting their true names and
15 capacities herein. Plaintiff is informed and believes and thereon alleges that Does 1-10,
16 inclusive, are responsible in some manner for the occurrences herein alleged, and that
17 Plaintiff's damages as herein alleged were proximately caused by such Defendants. Plaintiff is
18 further informed and believes and thereon alleges that Does 11-20, inclusive, claim some right,
19 title, estate, lien, or interest adverse to Plaintiff's interest in title to the Subject Property; and
20 their claims, and each of them, constitute a cloud on Plaintiff's title to the Subject Property.

21 **COMMON ALLEGATIONS**

22 7. Plaintiff realleges and incorporates by reference each and every allegation set
23 forth in paragraphs 1 through 6 above.

24 8. Plaintiff is informed and believes and thereon alleges that on or about
25 January 10, 2007, a Deed of Trust ("Deed of Trust") was recorded against the Subject Property
26 to secure a loan in the amount \$535,001.00 made by WAMU to LAURA RICHARDSON.
27 CRC is the trustee under the Deed of Trust. (Attached hereto as Exhibit A, incorporated herein
28 by reference, is a true and correct copy of the Deed of Trust.)

1
2 9. Plaintiff is informed and believes and thereon alleges that, at some point prior to
3 December 17, 2007, Defendant RICHARDSON defaulted on the payments due on the loan
4 secured by the Deed of Trust.

5 10. On December 17, 2007, CRC recorded a Notice of Default on the Subject
6 Property. (Attached hereto as Exhibit B, and incorporated herein by this reference, is a true and
7 correct copy of the Notice of Default.) The Notice of Default provides that, as of December
8 13, 2007, the amount of the default was \$18,356.40.

9 11. On March 19, 2008, CRC recorded a Notice of Trustee's sale on the Subject
10 Property, advertising the Trustee's Sale of the Subject Property to the general public.
11 (Attached hereto as Exhibit C, and incorporated herein by this reference, is a true and correct
12 copy of the Notice of Trustee's Sale.) Pursuant to the Notice of Trustee's Sale, the unpaid
13 balance and other charges was approximately \$578,384.52.

14 12. The Notice of Trustee's Sale provides that the sale was to occur on April 7,
15 2008, at 1:30 p.m., at the main entrance to the Sacramento County Courthouse, 720 9th Street,
16 Sacramento, California.

17 13. Plaintiff is informed and believes and thereon alleges that the sale was
18 postponed to May 7, 2008, at 1:30 p.m., to be held at the same location.

19 14. In accordance with the Notice of Trustee's Sale and the duly noticed
20 postponement thereof, on May 7, 2008, Plaintiff appeared at the trustee's sale to bid on the
21 Subject Property. Plaintiff secured a cashier's check in order to qualify to bid at the sale.

22 15. At the noticed time and place, CRC conducted the trustee's sale of the Subject
23 Property. Plaintiff is informed and believes thereon alleges that Defendants complied with all
24 statutory requirements in conducting the trustee's sale of the Subject Property.

25 16. Plaintiff bid at the trustee's sale. Plaintiff is informed and believes and thereon
26 alleges that Plaintiff was the high bidder at the trustee's sale with a bid of \$388,000.01.

27 17. Plaintiff timely delivered a cashier's check in the amount of \$388,000.01 to
28 CRC. CRC accepted the cashier's check from Plaintiff. (Attached hereto as Exhibit D & E,

1 respectively, and incorporated herein by reference, are true and correct copies of the receipt of
2 funds issued to Plaintiff and Plaintiff's cashier's check stub.)

3 18. Plaintiff is informed and believes and thereon alleges that the sale of the Subject
4 Property was final and no further acts were required to consummate the sale.

5 19. Plaintiff is informed and believes and thereon alleges that, on or about May 9,
6 2008, Defendants issued a Trustee's Deed Upon Sale, to be recorded in Sacramento County
7 granting and conveying title and interest in the Subject Property to the Plaintiff. The Trustee's
8 Deed Upon Sale was recorded on May 19, 2008. (Attached hereto as Exhibit F, and
9 incorporated herein by reference, is a true and correct copy of the Trustee's Deed upon sale.)

10 20. Immediately after Plaintiff purchased the Subject Property, Plaintiff
11 immediately began improving the property and preparing to sell it, as Plaintiff is in the
12 business of buying and selling real estate. Among other things, Plaintiff painted select
13 portions of the residence, refurbished the flooring inside the residence, and performed general
14 clean-up and landscaping in and around the Subject Property at its expense. Plaintiff is
15 informed and believes and thereon alleges that the improvements made by Plaintiff enhanced
16 the value of the Subject Property.

17 21. On or about May 28, 2008, WAMU contacted Plaintiff and informed Plaintiff
18 that it wished to rescind the sale. Plaintiff informed WAMU that Plaintiff was the highest
19 bidder at the Trustee's Sale and that it had paid the full consideration in the manner specified
20 by the Notice of Trustee's Sale. Plaintiff also informed WAMU that Plaintiff had been issued
21 the Trustee's Deed, and recorded it, and had no intention of rescinding.

22 22. On or about June 2, 2008, Defendants recorded a Notice of Rescission at the
23 Sacramento County Recorder's Office. (Attached hereto as Exhibit G, and incorporated herein
24 by this reference, is a true and correct copy of the recorded Notice of Rescission.)

25 **FIRST CAUSE OF ACTION**

26 **[Slander of Title]**

27 (Against Defendants WAMU, CRC and Does 1-10, inclusive)

28 23. Plaintiff realleges and incorporates by reference each and every allegation set

1 forth in paragraphs 1 through 22 above.

2 24. On our about May 7, 2008, Plaintiff became the fee owner of the Subject
3 Property based upon its purchase of the Subject Property at the Trustee's Sale.

4 25. Plaintiff is informed and believes and thereon alleges that, on or about June 2,
5 2008, Defendants willfully, wrongfully, without justification, and without privilege caused to
6 be recorded a Notice of Rescission.

7 26. The Notice of Rescission was false and continues to cause doubt to be cast on
8 Plaintiff's title to the Subject Property.

9 27. The recording of the Notice of Rescission directly impairs the vendibility of the
10 property on the open market. Accordingly, Plaintiff has been damaged by Defendants
11 recording of the Notice of Rescission.

12 28. Plaintiff is informed and believes and thereon alleges that, in doing the things
13 herein alleged, WAMU and CRC acted with malice, oppression, and/or fraud as defined under
14 Civ. Code § 3294(c), in conscious disregard of Plaintiff's rights, thereby warranting an
15 assessment of punitive damages in an amount appropriate to punish Defendants and deter
16 others from engaging in similar misconduct.

17 29. The recording of the Notice of Rescission made it necessary for Plaintiff to
18 retain attorneys and to bring this action. Therefore, Plaintiff is entitled to recover attorney's
19 fees and costs incurred. The exact amount of such damages is not known to Plaintiff at this
20 time, and Plaintiff will move to amend this complaint to state such amount when the same
21 becomes known, or on proof thereof.

22 **SECOND CAUSE OF ACTION**

23 **[Cancellation of Cloud on Title]**

24 (Against Defendants WAMU, CRC and Does 1-10, inclusive)

25 30. Plaintiff realleges and incorporates by reference each and every allegation set
26 forth in paragraphs 1 through 29 above.

27 31. Defendants claim an interest in the Subject Property which is adverse to the
28 Plaintiff. Defendants' interest in the Subject Property is purportedly based on the Notice of

1 Rescission, recorded on June 2, 2008, which states that the sale is rescinded.

2 32. The Notice of Rescission is invalid and void because the Defendant has no
3 further rights to the Subject Property after the Trustee Sale was completed and the Trustee's
4 Deed Upon Sale was issued and recorded.

5 33. Defendants' claim to the Subject Property clouds the Plaintiff's title, depreciates
6 the property's market value, and prevents Plaintiff from enjoying the use of the Subject
7 Property.

8 **THIRD CAUSE OF ACTION**

9 **[Quiet Title]**

10 (Against Defendants WAMU, LAURA RICHARDSON, UNKNOWN DEFENDANTS,
11 and DOES 11-20, inclusive)

12 34. Plaintiff realleges and incorporates by reference each and every allegation set
13 forth in paragraphs 1 through 33 above.

14 35. Plaintiff is the sole owner of the fee simple title to the Subject Property.

15 36. The basis of Plaintiff's title is that Plaintiff was the high bidder at the Trustee's
16 Sale of the Subject Property; Plaintiff tendered the full amount of its bid to the trustee; the
17 trustee accepted Plaintiff's tender; and, the trustee issued a Trustee's Deed Upon Sale to
18 Plaintiff, which was subsequently recorded, granting Plaintiff fee simple title to the Subject
19 Property.

20 37. Plaintiff is seeking to quiet title against the claims of WAMU, LAURA
21 RICHARDSON, UNKNOWN DEFENDANTS, and DOES 11-20, inclusive, as follows: a
22 Notice of Rescission was recorded in Sacramento County California, Book 20080602, Page
23 0885, by CRC and WAMU purportedly rescinding the Trustee's Deed Upon Sale issued to
24 Plaintiff which would have the affect of restoring the state of title to the Subject Property to
25 the status quo prior to the recordation of the Trustee's Deed Upon Sale; the claims of all the
26 Unknown Defendants and Does 11-20, inclusive, whether or not the claim or cloud is known
27 to Plaintiff. The claims of Defendants are without any right whatsoever and such Defendants
28 have no right, title, estate, lien, or interest whatever in the Subject Property or any part thereof.

1 38. Plaintiff seeks to quiet title to the Subject Property as of May 7, 2008, which is
2 the date Plaintiff purchased the Subject Property at the Trustee's Sale.

3 **FOURTH CAUSE OF ACTION**

4 **[Unjust Enrichment]**

5 (Against Defendants WAMU, LAURA RICHARDSON, and DOES 1-10, inclusive)

6 39. Plaintiff realleges and incorporates by reference each and every allegation set
7 forth in paragraphs 1 through 38 above.

8 40. Plaintiff has completed numerous improvements to the Subject Property, which
9 have significantly increased its value. If Defendants are permitted to rescind the Trustee's
10 Deed Upon Sale, Defendants will be unjustly enriched by their retention of the increased value
11 of the Subject Property.

12 **PRAYER**

13 Wherefore, Plaintiff prays judgment against Defendants as follow:

- 14 1. For general damages, in an amount to be proven at trial;
- 15 2. For punitive and exemplary damages in an amount to be proven at trial;
- 16 3. For the Notice of Rescission to be delivered to the clerk for the court for
17 cancellation and that it be declared void;
- 18 4. For a judgment that Plaintiff is the owner in fee simple of the Subject Property
19 and that Defendants have no interest in the Subject Property adverse to
20 Plaintiffs;
- 21 5. For restitution;
- 22 6. For attorneys' fees and costs incurred herein; and
- 23 7. For such other and further relief as the court may deem proper.

24 DATED: 6/11/2008

25 WAGNER KIRKMAN BLAINE
26 KLOMPARENS & YOUMANS LLP

27 By: 

28 THOMAS B. SHERIDAN
Attorneys for RED ROCK MORTGAGE,
INC.

EXHIBIT A

Recording Requested By:
Washington Mutual Bank



Return To:
2210 Enterprise Drive
Doc Ops - MS SC00140
Florence, SC 29501

Sacramento County Recording
Craig A Kramer, Clerk/Recorder
BOOK **20070110** PAGE **1818**

Check Number 4266
Wednesday, JAN 10, 2007 2:59:33 PM
Ttl Pd \$53.00 Nbr-0004694371

REB/51/1-19

Prepared By:

[Space Above This Line For Recording Data]

DEED OF TRUST

DEFINITIONS

Words used in multiple sections of this document are defined below and other words are defined in Sections 3, 11, 13, 18, 20 and 21. Certain rules regarding the usage of words used in this document are also provided in Section 16.

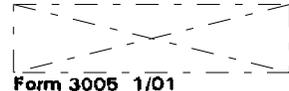
- (A) "Security Instrument" means this document, which is dated January 4, 2007 together with all Riders to this document.
- (B) "Borrower" is Laura Richardson, An Unmarried Woman

Borrower's address is 717 E Vernon St, Long Beach, CA 90806

. Borrower is the trustor under this Security Instrument.

- (C) "Lender" is Washington Mutual Bank

Lender is a federal association
organized and existing under the laws of the United States



CALIFORNIA-Single Family-Fannie Mae/Freddie Mac UNIFORM INSTRUMENT

VMP-6(CA) (0207) 01

Page 1 of 15

Initials

VMP Mortgage Solutions, Inc



A

Lender's address is 1400 South Douglass Road, Suite 100, Anaheim, CA 92806

Lender is the beneficiary under this Security Instrument.

(D) "Trustee" is California Reconveyance Company, a California corporation

(E) "Note" means the promissory note signed by Borrower and dated January 4, 2007

The Note states that Borrower owes Lender Five Hundred Thirty Five Thousand One and No/100 Dollars

(U.S. \$535,001.00) plus interest. Borrower has promised to pay this debt in regular Periodic Payments and to pay the debt in full not later than February 1, 2037

(F) "Property" means the property that is described below under the heading "Transfer of Rights in the Property."

(G) "Loan" means the debt evidenced by the Note, plus interest, any prepayment charges and late charges due under the Note, and all sums due under this Security Instrument, plus interest.

(H) "Riders" means all Riders to this Security Instrument that are executed by Borrower. The following Riders are to be executed by Borrower [check box as applicable]:

- | | | |
|---|---|---|
| <input checked="" type="checkbox"/> Adjustable Rate Rider | <input type="checkbox"/> Condominium Rider | <input type="checkbox"/> Second Home Rider |
| <input type="checkbox"/> Balloon Rider | <input type="checkbox"/> Planned Unit Development Rider | <input type="checkbox"/> 1-4 Family Rider |
| <input type="checkbox"/> VA Rider | <input type="checkbox"/> Biweekly Payment Rider | <input type="checkbox"/> Other(s) [specify] |

(I) "Applicable Law" means all controlling applicable federal, state and local statutes, regulations, ordinances and administrative rules and orders (that have the effect of law) as well as all applicable final, non-appealable judicial opinions

(J) "Community Association Dues, Fees, and Assessments" means all dues, fees, assessments and other charges that are imposed on Borrower or the Property by a condominium association, homeowners association or similar organization.

(K) "Electronic Funds Transfer" means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument, computer, or magnetic tape so as to order, instruct, or authorize a financial institution to debit or credit an account. Such term includes, but is not limited to, point-of-sale transfers, automated teller machine transactions, transfers initiated by telephone, wire transfers, and automated clearinghouse transfers.

(L) "Escrow Items" means those items that are described in Section 3.

(M) "Miscellaneous Proceeds" means any compensation, settlement, award of damages, or proceeds paid by any third party (other than insurance proceeds paid under the coverages described in Section 5) for: (i) damage to, or destruction of, the Property; (ii) condemnation or other taking of all or any part of the Property; (iii) conveyance in lieu of condemnation; or (iv) misrepresentations of, or omissions as to, the value and/or condition of the Property.

(N) "Mortgage Insurance" means insurance protecting Lender against the nonpayment of, or default on, the Loan.

(O) "Periodic Payment" means the regularly scheduled amount due for (i) principal and interest under the Note, plus (ii) any amounts under Section 3 of this Security Instrument.

(P) "RESPA" means the Real Estate Settlement Procedures Act (12 U.S.C. Section 2601 et seq) and its implementing regulation, Regulation X (24 C.F.R. Part 3500), as they might be amended from time to time, or any additional or successor legislation or regulation that governs the same subject matter. As used in this Security Instrument, "RESPA" refers to all requirements and restrictions that are imposed in regard

to a "federally related mortgage loan" even if the Loan does not qualify as a "federally related mortgage loan" under RESPA.

(Q) "Successor in Interest of Borrower" means any party that has taken title to the Property, whether or not that party has assumed Borrower's obligations under the Note and/or this Security Instrument.

TRANSFER OF RIGHTS IN THE PROPERTY

This Security Instrument secures to Lender: (i) the repayment of the Loan, and all renewals, extensions and modifications of the Note; and (ii) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described property located in the County of SACRAMENTO :

[Type of Recording Jurisdiction]

[Name of Recording Jurisdiction]

Legal Description Attached Hereto And Made A Part Hereof

Exhibit A

Parcel ID Number: []
3622 West Curtis Drive
Sacramento
("Property Address").

which currently has the address of
[Street]
[City], California 95818 [Zip Code]

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows.

1. Payment of Principal, Interest, Escrow Items, Prepayment Charges, and Late Charges. Borrower shall pay when due the principal of, and interest on, the debt evidenced by the Note and any prepayment charges and late charges due under the Note. Borrower shall also pay funds for Escrow Items pursuant to Section 3. Payments due under the Note and this Security Instrument shall be made in U.S.

Initials: [Signature]

currency. However, if any check or other instrument received by Lender as payment under the Note or this Security Instrument is returned to Lender unpaid, Lender may require that any or all subsequent payments due under the Note and this Security Instrument be made in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality, or entity; or (d) Electronic Funds Transfer

Payments are deemed received by Lender when received at the location designated in the Note or at such other location as may be designated by Lender in accordance with the notice provisions in Section 15. Lender may return any payment or partial payment if the payment or partial payments are insufficient to bring the Loan current. Lender may accept any payment or partial payment insufficient to bring the Loan current, without waiver of any rights hereunder or prejudice to its rights to refuse such payment or partial payments in the future, but Lender is not obligated to apply such payments at the time such payments are accepted. If each Periodic Payment is applied as of its scheduled due date, then Lender need not pay interest on unapplied funds. Lender may hold such unapplied funds until Borrower makes payment to bring the Loan current. If Borrower does not do so within a reasonable period of time, Lender shall either apply such funds or return them to Borrower. If not applied earlier, such funds will be applied to the outstanding principal balance under the Note immediately prior to foreclosure. No offset or claim which Borrower might have now or in the future against Lender shall relieve Borrower from making payments due under the Note and this Security Instrument or performing the covenants and agreements secured by this Security Instrument.

2. Application of Payments or Proceeds. Except as otherwise described in this Section 2, all payments accepted and applied by Lender shall be applied in the following order of priority: (a) interest due under the Note, (b) principal due under the Note; (c) amounts due under Section 3. Such payments shall be applied to each Periodic Payment in the order in which it became due. Any remaining amounts shall be applied first to late charges, second to any other amounts due under this Security Instrument, and then to reduce the principal balance of the Note.

If Lender receives a payment from Borrower for a delinquent Periodic Payment which includes a sufficient amount to pay any late charge due, the payment may be applied to the delinquent payment and the late charge. If more than one Periodic Payment is outstanding, Lender may apply any payment received from Borrower to the repayment of the Periodic Payments if, and to the extent that, each payment can be paid in full. To the extent that any excess exists after the payment is applied to the full payment of one or more Periodic Payments, such excess may be applied to any late charges due. Voluntary prepayments shall be applied first to any prepayment charges and then as described in the Note

Any application of payments, insurance proceeds, or Miscellaneous Proceeds to principal due under the Note shall not extend or postpone the due date, or change the amount, of the Periodic Payments.

3. Funds for Escrow Items. Borrower shall pay to Lender on the day Periodic Payments are due under the Note, until the Note is paid in full, a sum (the "Funds") to provide for payment of amounts due for: (a) taxes and assessments and other items which can attain priority over this Security Instrument as a lien or encumbrance on the Property; (b) leasehold payments or ground rents on the Property, if any; (c) premiums for any and all insurance required by Lender under Section 5, and (d) Mortgage Insurance premiums, if any, or any sums payable by Borrower to Lender in lieu of the payment of Mortgage Insurance premiums in accordance with the provisions of Section 10. These items are called "Escrow Items." At origination or at any time during the term of the Loan, Lender may require that Community Association Dues, Fees, and Assessments, if any, be escrowed by Borrower, and such dues, fees and assessments shall be an Escrow Item. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this Section. Borrower shall pay Lender the Funds for Escrow Items unless Lender waives Borrower's obligation to pay the Funds for any or all Escrow Items. Lender may waive Borrower's obligation to pay to Lender Funds for any or all Escrow Items at any time. Any such waiver may only be

Initials 



in writing. In the event of such waiver, Borrower shall pay directly, when and where payable, the amounts due for any Escrow Items for which payment of Funds has been waived by Lender and, if Lender requires, shall furnish to Lender receipts evidencing such payment within such time period as Lender may require. Borrower's obligation to make such payments and to provide receipts shall for all purposes be deemed to be a covenant and agreement contained in this Security Instrument, as the phrase "covenant and agreement" is used in Section 9. If Borrower is obligated to pay Escrow Items directly, pursuant to a waiver, and Borrower fails to pay the amount due for an Escrow Item, Lender may exercise its rights under Section 9 and pay such amount and Borrower shall then be obligated under Section 9 to repay to Lender any such amount. Lender may revoke the waiver as to any or all Escrow Items at any time by a notice given in accordance with Section 15 and, upon such revocation, Borrower shall pay to Lender all Funds, and in such amounts, that are then required under this Section 3.

Lender may, at any time, collect and hold Funds in an amount (a) sufficient to permit Lender to apply the Funds at the time specified under RESPA, and (b) not to exceed the maximum amount a lender can require under RESPA. Lender shall estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with Applicable Law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is an institution whose deposits are so insured) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items no later than the time specified under RESPA. Lender shall not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and Applicable Law permits Lender to make such a charge. Unless an agreement is made in writing or Applicable Law requires interest to be paid on the Funds, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender can agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds as required by RESPA.

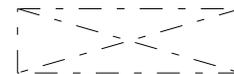
If there is a surplus of Funds held in escrow, as defined under RESPA, Lender shall account to Borrower for the excess funds in accordance with RESPA. If there is a shortage of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the shortage in accordance with RESPA, but in no more than 12 monthly payments. If there is a deficiency of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the deficiency in accordance with RESPA, but in no more than 12 monthly payments.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender

4. Charges; Liens. Borrower shall pay all taxes, assessments, charges, fines, and impositions attributable to the Property which can attain priority over this Security Instrument, leasehold payments or ground rents on the Property, if any, and Community Association Dues, Fees, and Assessments, if any. To the extent that these items are Escrow Items, Borrower shall pay them in the manner provided in Section 3.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender, but only so long as Borrower is performing such agreement; (b) contests the lien in good faith by, or defends against enforcement of the lien in, legal proceedings which in Lender's opinion operate to prevent the enforcement of the lien while those proceedings are pending, but only until such proceedings are concluded, or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which can attain priority over this Security Instrument, Lender may give Borrower a notice identifying the

Initials 



lien. Within 10 days of the date on which that notice is given, Borrower shall satisfy the lien or take one or more of the actions set forth above in this Section 4.

Lender may require Borrower to pay a one-time charge for a real estate tax verification and/or reporting service used by Lender in connection with this Loan.

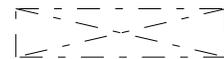
5. Property Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage," and any other hazards including, but not limited to, earthquakes and floods, for which Lender requires insurance. This insurance shall be maintained in the amounts (including deductible levels) and for the periods that Lender requires. What Lender requires pursuant to the preceding sentences can change during the term of the Loan. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's right to disapprove Borrower's choice, which right shall not be exercised unreasonably. Lender may require Borrower to pay, in connection with this Loan, either: (a) a one-time charge for flood zone determination, certification and tracking services; or (b) a one-time charge for flood zone determination and certification services and subsequent charges each time remappings or similar changes occur which reasonably might affect such determination or certification. Borrower shall also be responsible for the payment of any fees imposed by the Federal Emergency Management Agency in connection with the review of any flood zone determination resulting from an objection by Borrower.

If Borrower fails to maintain any of the coverages described above, Lender may obtain insurance coverage, at Lender's option and Borrower's expense. Lender is under no obligation to purchase any particular type or amount of coverage. Therefore, such coverage shall cover Lender, but might or might not protect Borrower, Borrower's equity in the Property, or the contents of the Property, against any risk, hazard or liability and might provide greater or lesser coverage than was previously in effect. Borrower acknowledges that the cost of the insurance coverage so obtained might significantly exceed the cost of insurance that Borrower could have obtained. Any amounts disbursed by Lender under this Section 5 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

All insurance policies required by Lender and renewals of such policies shall be subject to Lender's right to disapprove such policies, shall include a standard mortgage clause, and shall name Lender as mortgagee and/or as an additional loss payee and Borrower further agrees to generally assign rights to insurance proceeds to the holder of the Note up to the amount of the outstanding loan balance. Lender shall have the right to hold the policies and renewal certificates. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. If Borrower obtains any form of insurance coverage, not otherwise required by Lender, for damage to, or destruction of, the Property, such policy shall include a standard mortgage clause and shall name Lender as mortgagee and/or as an additional loss payee and Borrower further agrees to generally assign rights to insurance proceeds to the holder of the Note up to the amount of the outstanding loan balance.

In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower. Unless Lender and Borrower otherwise agree in writing, any insurance proceeds, whether or not the underlying insurance was required by Lender, shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such insurance proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such insurance proceeds, Lender shall not be required to pay Borrower any interest or earnings on such proceeds. Fees for public adjusters, or other third parties, retained by Borrower shall not be paid out of the insurance proceeds and shall be the sole obligation of Borrower. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with

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the excess, if any, paid to Borrower. Such insurance proceeds shall be applied in the order provided for in Section 2

If Borrower abandons the Property, Lender may file, negotiate and settle any available insurance claim and related matters. If Borrower does not respond within 30 days to a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may negotiate and settle the claim. The 30-day period will begin when the notice is given. In either event, or if Lender acquires the Property under Section 22 or otherwise, Borrower hereby assigns to Lender (a) Borrower's rights to any insurance proceeds in an amount not to exceed the amounts unpaid under the Note or this Security Instrument, and (b) any other of Borrower's rights (other than the right to any refund of unearned premiums paid by Borrower) under all insurance policies covering the Property, insofar as such rights are applicable to the coverage of the Property. Lender may use the insurance proceeds either to repair or restore the Property or to pay amounts unpaid under the Note or this Security Instrument, whether or not then due

6. Occupancy. Borrower shall occupy, establish, and use the Property as Borrower's principal residence within 60 days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control.

7. Preservation, Maintenance and Protection of the Property; Inspections. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate or commit waste on the Property. Whether or not Borrower is residing in the Property, Borrower shall maintain the Property in order to prevent the Property from deteriorating or decreasing in value due to its condition. Unless it is determined pursuant to Section 5 that repair or restoration is not economically feasible, Borrower shall promptly repair the Property if damaged to avoid further deterioration or damage. If insurance or condemnation proceeds are paid in connection with damage to, or the taking of, the Property, Borrower shall be responsible for repairing or restoring the Property only if Lender has released proceeds for such purposes. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. If the insurance or condemnation proceeds are not sufficient to repair or restore the Property, Borrower is not relieved of Borrower's obligation for the completion of such repair or restoration.

Lender or its agent may make reasonable entries upon and inspections of the Property. If it has reasonable cause, Lender may inspect the interior of the improvements on the Property. Lender shall give Borrower notice at the time of or prior to such an interior inspection specifying such reasonable cause.

8. Borrower's Loan Application. Borrower shall be in default if, during the Loan application process, Borrower or any persons or entities acting at the direction of Borrower or with Borrower's knowledge or consent gave materially false, misleading, or inaccurate information or statements to Lender (or failed to provide Lender with material information) in connection with the Loan. Material representations include, but are not limited to, representations concerning Borrower's occupancy of the Property as Borrower's principal residence.

9. Protection of Lender's Interest in the Property and Rights Under this Security Instrument. If (a) Borrower fails to perform the covenants and agreements contained in this Security Instrument, (b) there is a legal proceeding that might significantly affect Lender's interest in the Property and/or rights under this Security Instrument (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture, for enforcement of a lien which may attain priority over this Security Instrument or to enforce laws or regulations), or (c) Borrower has abandoned the Property, then Lender may do and pay for whatever is reasonable or appropriate to protect Lender's interest in the Property and rights under this Security Instrument, including protecting and/or assessing the value of the Property, and securing and/or repairing the Property. Lender's actions can include, but are not limited to: (a) paying any sums secured by a lien which has priority over this Security Instrument; (b) appearing in court; and (c) paying reasonable

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attorneys' fees to protect its interest in the Property and/or rights under this Security Instrument, including its secured position in a bankruptcy proceeding. Securing the Property includes, but is not limited to, entering the Property to make repairs, change locks, replace or board up doors and windows, drain water from pipes, eliminate building or other code violations or dangerous conditions, and have utilities turned on or off. Although Lender may take action under this Section 9, Lender does not have to do so and is not under any duty or obligation to do so. It is agreed that Lender incurs no liability for not taking any or all actions authorized under this Section 9.

Any amounts disbursed by Lender under this Section 9 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

10. Mortgage Insurance. If Lender required Mortgage Insurance as a condition of making the Loan, Borrower shall pay the premiums required to maintain the Mortgage Insurance in effect. If, for any reason, the Mortgage Insurance coverage required by Lender ceases to be available from the mortgage insurer that previously provided such insurance and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the Mortgage Insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the Mortgage Insurance previously in effect, from an alternate mortgage insurer selected by Lender. If substantially equivalent Mortgage Insurance coverage is not available, Borrower shall continue to pay to Lender the amount of the separately designated payments that were due when the insurance coverage ceased to be in effect. Lender will accept, use and retain these payments as a non-refundable loss reserve in lieu of Mortgage Insurance. Such loss reserve shall be non-refundable, notwithstanding the fact that the Loan is ultimately paid in full, and Lender shall not be required to pay Borrower any interest or earnings on such loss reserve. Lender can no longer require loss reserve payments if Mortgage Insurance coverage (in the amount and for the period that Lender requires) provided by an insurer selected by Lender again becomes available, is obtained, and Lender requires separately designated payments toward the premiums for Mortgage Insurance. If Lender required Mortgage Insurance as a condition of making the Loan and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to maintain Mortgage Insurance in effect, or to provide a non-refundable loss reserve, until Lender's requirement for Mortgage Insurance ends in accordance with any written agreement between Borrower and Lender providing for such termination or until termination is required by Applicable Law. Nothing in this Section 10 affects Borrower's obligation to pay interest at the rate provided in the Note.

Mortgage Insurance reimburses Lender (or any entity that purchases the Note) for certain losses it may incur if Borrower does not repay the Loan as agreed. Borrower is not a party to the Mortgage Insurance.

Mortgage insurers evaluate their total risk on all such insurance in force from time to time, and may enter into agreements with other parties that share or modify their risk, or reduce losses. These agreements are on terms and conditions that are satisfactory to the mortgage insurer and the other party (or parties) to these agreements. These agreements may require the mortgage insurer to make payments using any source of funds that the mortgage insurer may have available (which may include funds obtained from Mortgage Insurance premiums).

As a result of these agreements, Lender, any purchaser of the Note, another insurer, any reinsurer, any other entity, or any affiliate of any of the foregoing, may receive (directly or indirectly) amounts that derive from (or might be characterized as) a portion of Borrower's payments for Mortgage Insurance, in exchange for sharing or modifying the mortgage insurer's risk, or reducing losses. If such agreement provides that an affiliate of Lender takes a share of the insurer's risk in exchange for a share of the premiums paid to the insurer, the arrangement is often termed "captive reinsurance." Further:

(a) Any such agreements will not affect the amounts that Borrower has agreed to pay for Mortgage Insurance, or any other terms of the Loan. Such agreements will not increase the amount Borrower will owe for Mortgage Insurance, and they will not entitle Borrower to any refund.

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(b) Any such agreements will not affect the rights Borrower has - if any - with respect to the Mortgage Insurance under the Homeowners Protection Act of 1998 or any other law. These rights may include the right to receive certain disclosures, to request and obtain cancellation of the Mortgage Insurance, to have the Mortgage Insurance terminated automatically, and/or to receive a refund of any Mortgage Insurance premiums that were unearned at the time of such cancellation or termination.

11. Assignment of Miscellaneous Proceeds; Forfeiture. All Miscellaneous Proceeds are hereby assigned to and shall be paid to Lender.

If the Property is damaged, such Miscellaneous Proceeds shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such Miscellaneous Proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may pay for the repairs and restoration in a single disbursement or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such Miscellaneous Proceeds, Lender shall not be required to pay Borrower any interest or earnings on such Miscellaneous Proceeds. If the restoration or repair is not economically feasible or Lender's security would be lessened, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such Miscellaneous Proceeds shall be applied in the order provided for in Section 2.

In the event of a total taking, destruction, or loss in value of the Property, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the Miscellaneous Proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the partial taking, destruction, or loss in value divided by (b) the fair market value of the Property immediately before the partial taking, destruction, or loss in value. Any balance shall be paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is less than the amount of the sums secured immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the Opposing Party (as defined in the next sentence) offers to make an award to settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the Miscellaneous Proceeds either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due. "Opposing Party" means the third party that owes Borrower Miscellaneous Proceeds or the party against whom Borrower has a right of action in regard to Miscellaneous Proceeds.

Borrower shall be in default if any action or proceeding, whether civil or criminal, is begun that, in Lender's judgment, could result in forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. Borrower can cure such a default and, if acceleration has occurred, reinstate as provided in Section 19, by causing the action or proceeding to be dismissed with a ruling that, in Lender's judgment, precludes forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. The proceeds of any award or claim for damages that are attributable to the impairment of Lender's interest in the Property are hereby assigned and shall be paid to Lender.

All Miscellaneous Proceeds that are not applied to restoration or repair of the Property shall be applied in the order provided for in Section 2.

12. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender

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to Borrower or any Successor in Interest of Borrower shall not operate to release the liability of Borrower or any Successors in Interest of Borrower. Lender shall not be required to commence proceedings against any Successor in Interest of Borrower or to refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or any Successors in Interest of Borrower. Any forbearance by Lender in exercising any right or remedy including, without limitation, Lender's acceptance of payments from third persons, entities or Successors in Interest of Borrower or in amounts less than the amount then due, shall not be a waiver of or preclude the exercise of any right or remedy

13. Joint and Several Liability; Co-signers; Successors and Assigns Bound. Borrower covenants and agrees that Borrower's obligations and liability shall be joint and several. However, any Borrower who co-signs this Security Instrument but does not execute the Note (a "co-signer"): (a) is co-signing this Security Instrument only to mortgage, grant and convey the co-signer's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower can agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without the co-signer's consent.

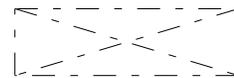
Subject to the provisions of Section 18, any Successor in Interest of Borrower who assumes Borrower's obligations under this Security Instrument in writing, and is approved by Lender, shall obtain all of Borrower's rights and benefits under this Security Instrument. Borrower shall not be released from Borrower's obligations and liability under this Security Instrument unless Lender agrees to such release in writing. The covenants and agreements of this Security Instrument shall bind (except as provided in Section 20) and benefit the successors and assigns of Lender.

14. Loan Charges. Lender may charge Borrower fees for services performed in connection with Borrower's default, for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument, including, but not limited to, attorneys' fees, property inspection and valuation fees. In regard to any other fees, the absence of express authority in this Security Instrument to charge a specific fee to Borrower shall not be construed as a prohibition on the charging of such fee. Lender may not charge fees that are expressly prohibited by this Security Instrument or by Applicable Law.

If the Loan is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the Loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge (whether or not a prepayment charge is provided for under the Note). Borrower's acceptance of any such refund made by direct payment to Borrower will constitute a waiver of any right of action Borrower might have arising out of such overcharge.

15. Notices. All notices given by Borrower or Lender in connection with this Security Instrument must be in writing. Any notice to Borrower in connection with this Security Instrument shall be deemed to have been given to Borrower when mailed by first class mail or when actually delivered to Borrower's notice address if sent by other means. Notice to any one Borrower shall constitute notice to all Borrowers unless Applicable Law expressly requires otherwise. The notice address shall be the Property Address unless Borrower has designated a substitute notice address by notice to Lender. Borrower shall promptly notify Lender of Borrower's change of address. If Lender specifies a procedure for reporting Borrower's change of address, then Borrower shall only report a change of address through that specified procedure. There may be only one designated notice address under this Security Instrument at any one time. Any notice to Lender shall be given by delivering it or by mailing it by first class mail to Lender's address stated herein unless Lender has designated another address by notice to Borrower. Any notice in connection with this Security Instrument shall not be deemed to have been given to Lender until actually received by Lender. If any notice required by this Security Instrument is also required under Applicable Law, the Applicable Law requirement will satisfy the corresponding requirement under this Security Instrument.

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16. Governing Law; Severability; Rules of Construction. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. All rights and obligations contained in this Security Instrument are subject to any requirements and limitations of Applicable Law. Applicable Law might explicitly or implicitly allow the parties to agree by contract or it might be silent, but such silence shall not be construed as a prohibition against agreement by contract. In the event that any provision or clause of this Security Instrument or the Note conflicts with Applicable Law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision.

As used in this Security Instrument: (a) words of the masculine gender shall mean and include corresponding neuter words or words of the feminine gender; (b) words in the singular shall mean and include the plural and vice versa; and (c) the word "may" gives sole discretion without any obligation to take any action.

17. Borrower's Copy. Borrower shall be given one copy of the Note and of this Security Instrument.

18. Transfer of the Property or a Beneficial Interest in Borrower. As used in this Section 18, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

19. Borrower's Right to Reinstate After Acceleration. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earliest of: (a) five days before sale of the Property pursuant to any power of sale contained in this Security Instrument; (b) such other period as Applicable Law might specify for the termination of Borrower's right to reinstate; or (c) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements, (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees, property inspection and valuation fees, and other fees incurred for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument; and (d) takes such action as Lender may reasonably require to assure that Lender's interest in the Property and rights under this Security Instrument, and Borrower's obligation to pay the sums secured by this Security Instrument, shall continue unchanged. Lender may require that Borrower pay such reinstatement sums and expenses in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality or entity; or (d) Electronic Funds Transfer. Upon reinstatement by Borrower, this Security Instrument and obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under Section 18.

20. Sale of Note; Change of Loan Servicer; Notice of Grievance. The Note or a partial interest in the Note (together with this Security Instrument) can be sold one or more times without prior notice to Borrower. A sale might result in a change in the entity (known as the "Loan Servicer") that collects Periodic Payments due under the Note and this Security Instrument and performs other mortgage loan servicing obligations under the Note, this Security Instrument, and Applicable Law. There also might be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change which will state the name and address of the new Loan Servicer, the address to which payments should be made and any other information RESPA

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requires in connection with a notice of transfer of servicing. If the Note is sold and thereafter the Loan is serviced by a Loan Servicer other than the purchaser of the Note, the mortgage loan servicing obligations to Borrower will remain with the Loan Servicer or be transferred to a successor Loan Servicer and are not assumed by the Note purchaser unless otherwise provided by the Note purchaser.

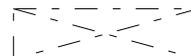
Neither Borrower nor Lender may commence, join, or be joined to any judicial action (as either an individual litigant or the member of a class) that arises from the other party's actions pursuant to this Security Instrument or that alleges that the other party has breached any provision of, or any duty owed by reason of, this Security Instrument, until such Borrower or Lender has notified the other party (with such notice given in compliance with the requirements of Section 15) of such alleged breach and afforded the other party hereto a reasonable period after the giving of such notice to take corrective action. If Applicable Law provides a time period which must elapse before certain action can be taken, that time period will be deemed to be reasonable for purposes of this paragraph. The notice of acceleration and opportunity to cure given to Borrower pursuant to Section 22 and the notice of acceleration given to Borrower pursuant to Section 18 shall be deemed to satisfy the notice and opportunity to take corrective action provisions of this Section 20.

21. Hazardous Substances. As used in this Section 21: (a) "Hazardous Substances" are those substances defined as toxic or hazardous substances, pollutants, or wastes by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials; (b) "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection; (c) "Environmental Cleanup" includes any response action, remedial action, or removal action, as defined in Environmental Law; and (d) an "Environmental Condition" means a condition that can cause, contribute to, or otherwise trigger an Environmental Cleanup.

Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances, or threaten to release any Hazardous Substances, on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property (a) that is in violation of any Environmental Law, (b) which creates an Environmental Condition, or (c) which, due to the presence, use, or release of a Hazardous Substance, creates a condition that adversely affects the value of the Property. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property (including, but not limited to, hazardous substances in consumer products).

Borrower shall promptly give Lender written notice of (a) any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge, (b) any Environmental Condition, including but not limited to, any spilling, leaking, discharge, release or threat of release of any Hazardous Substance, and (c) any condition caused by the presence, use or release of a Hazardous Substance which adversely affects the value of the Property. If Borrower learns, or is notified by any governmental or regulatory authority, or any private party, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law. Nothing herein shall create any obligation on Lender for an Environmental Cleanup.

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NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

22. **Acceleration; Remedies.** Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under Section 18 unless Applicable Law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Borrower to acceleration and sale. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may invoke the power of sale and any other remedies permitted by Applicable Law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this Section 22, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

If Lender invokes the power of sale, Lender shall execute or cause Trustee to execute a written notice of the occurrence of an event of default and of Lender's election to cause the Property to be sold. Trustee shall cause this notice to be recorded in each county in which any part of the Property is located. Lender or Trustee shall mail copies of the notice as prescribed by Applicable Law to Borrower and to the other persons prescribed by Applicable Law. Trustee shall give public notice of sale to the persons and in the manner prescribed by Applicable Law. After the time required by Applicable Law, Trustee, without demand on Borrower, shall sell the Property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in any order Trustee determines. Trustee may postpone sale of all or any parcel of the Property by public announcement at the time and place of any previously scheduled sale. Lender or its designee may purchase the Property at any sale.

Trustee shall deliver to the purchaser Trustee's deed conveying the Property without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable Trustee's and attorneys' fees; (b) to all sums secured by this Security Instrument; and (c) any excess to the person or persons legally entitled to it.

23. **Reconveyance.** Upon payment of all sums secured by this Security Instrument, Lender shall request Trustee to reconvey the Property and shall surrender this Security Instrument and all notes evidencing debt secured by this Security Instrument to Trustee. Trustee shall reconvey the Property without warranty to the person or persons legally entitled to it. Lender may charge such person or persons a reasonable fee for reconveying the Property, but only if the fee is paid to a third party (such as the Trustee) for services rendered and the charging of the fee is permitted under Applicable Law. If the fee charged does not exceed the fee set by Applicable Law, the fee is conclusively presumed to be reasonable.

24. **Substitute Trustee.** Lender, at its option, may from time to time appoint a successor trustee to any Trustee appointed hereunder by an instrument executed and acknowledged by Lender and recorded in the office of the Recorder of the county in which the Property is located. The instrument shall contain the name of the original Lender, Trustee and Borrower, the book and page where this Security Instrument is recorded and the name and address of the successor trustee. Without conveyance of the Property, the successor trustee shall succeed to all the title, powers and duties conferred upon the Trustee herein and by Applicable Law. This procedure for substitution of trustee shall govern to the exclusion of all other provisions for substitution.

25. **Statement of Obligation Fee.** Lender may collect a fee not to exceed the maximum amount permitted by Applicable Law for furnishing the statement of obligation as provided by Section 2943 of the Civil Code of California.



BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any Rider executed by Borrower and recorded with it.

Witnesses:

_____ (Seal)
-Borrower


Laura Richardson (Seal)
-Borrower

_____ (Seal)
-Borrower

_____ (Seal)
-Borrower

_____ (Seal)
-Borrower

_____ (Seal)
-Borrower

State of California
County of Sacramento

} ss.

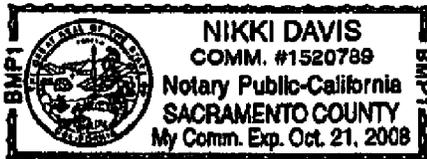
On January 4, 2007

before me, Nikki Davis a notary public
personally appeared

Saura Richardson

, personally known to me
(or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed
to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their
authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity
upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.



[Signature] (Seal)

[Signature]

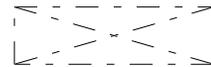


Exhibit "A"
Legal Description

Lot 259 as shown on the official "Plat of South Curtis Oaks Subdivision No. 6", filed in the office of the County Recorder of Sacramento County, February 10, 1927 in Book 19 of Maps, Map No. 18

Apn: 

FIXED/ADJUSTABLE RATE RIDER

THIS FIXED/ADJUSTABLE RATE RIDER is made on this 4th day of January, 2007, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed (the "Security Instrument") of the same date given by the undersigned ("Borrower") to secure Borrower's Fixed/Adjustable Rate Note (the "Note") to Washington Mutual Bank ("Lender") of the same date and covering the property described in the Security Instrument and located at: 3622 West Curtis Drive, Sacramento, CA 95818

[Property Address]

THE NOTE CONTAINS PROVISIONS ALLOWING FOR A CHANGE FROM THE INITIAL FIXED INTEREST RATE TO AN ADJUSTABLE INTEREST RATE AND FOR CHANGES IN THE MONTHLY PAYMENT. THE NOTE LIMITS THE AMOUNT BORROWER'S INTEREST RATE CAN CHANGE AT ANY ONE TIME AND THE MAXIMUM RATE BORROWER MUST PAY.

ADDITIONAL COVENANTS. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

A. INTEREST RATE AND MONTHLY PAYMENT CHANGES

The Note provides for an initial fixed interest rate of 8.800%. The Note provides for a change in the initial fixed interest rate to an adjustable interest rate and for changes in the monthly payments, as follows:

4. INTEREST RATE AND MONTHLY PAYMENT CHANGES

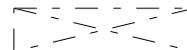
(A) Change Dates

The initial fixed interest rate Borrower will pay will change to an adjustable interest rate on the first day of February, 2009, and the interest rate Borrower will pay may change on that day every 6th month thereafter. Each date on which Borrower's interest rate could change is called a "Change Date."

(B) The Index

Beginning with the first Change Date, Borrower's interest rate will be based on an Index. The "Index" is the average of interbank offered rates for six month U.S. dollar-denominated deposits in the London market ("LIBOR"), as published in *The Wall Street Journal*. The most recent Index figure available as of the date 45 days before the Change Date is called the "Current Index."

Fixed/Adjustable Rate Rider - Libor



4140623 (0509)

Page 1 of 3

If the Index is no longer available, the Note Holder will choose a new index that is based upon comparable information. The Note Holder will give Borrower notice of this choice.

(C) Calculation of Changes

Before each Change Date, the Note Holder will calculate Borrower's new interest rate by adding Four and 99/100 percentage points (4.990 %) to the Current Index. The Note Holder will then round the result of this addition to the nearest one-eighth of one percentage point (0.125%). Subject to the limits stated in Section 4(D) below, this rounded amount will be Borrower's new interest rate until the next Change Date.

The Note Holder will then determine the amount of the monthly payment that would be sufficient to repay the unpaid principal that Borrower is expected to owe at the Change Date in full on the Maturity Date at Borrower's new interest rate in substantially equal payments. The result of this calculation will be the new amount of Borrower's monthly payment.

(D) Limits on Interest Rate Changes

The interest rate Borrower is required to pay at the first Change Date will not be greater than 10.800 % or less than 8.800%. Thereafter, Borrower's interest rate will never be increased or decreased on any single Change Date by more than One percentage point(s) (1.000%) from the rate of interest Borrower has been paying for the preceding months. Borrower's interest rate will never be greater than 14.800 % or less than 8.800 %.

(E) Effective Date of Changes

Borrower's new interest rate will become effective on each Change Date. Borrower will pay the amount of Borrower's new monthly payment beginning on the first monthly payment date after the Change Date until the amount of Borrower's monthly payment changes again.

(F) Notice of Changes

The Note Holder will deliver or mail to Borrower a notice of any changes in Borrower's interest rate and the amount of Borrower's monthly payment before the effective date of any change. The notice will include information required by law to be given to the Borrower and also the title and telephone number of a person who will answer any question Borrower may have regarding the notice.

B. TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN BORROWER

Covenant 18 of the Security Instrument is amended to read as follows:

(A) Until Borrower's initial fixed interest rate changes to an adjustable interest rate under the terms stated in Section A above, Covenant 18 of the Security Instrument provides as follows:

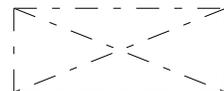
Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property or any interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited Applicable Law.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

Fixed/Adjustable Rate Rider - Libor

4140623 (0509)

Page 2 of 3



(B) When Borrower's initial fixed interest rate changes to an adjustable interest rate under the terms stated in Section A above, Covenant 18 of the Security Instrument shall then instead provide as follows:

Transfer of the Property or a Beneficial Interest in Borrower. As used in this Section 18, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser. If all or any part of the Property or any interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law. Lender also shall not exercise this option if: (a) Borrower causes to be submitted to Lender information required by Lender to evaluate the intended transferee as if a new loan were being made to the transferee; and (b) Lender reasonably determines that Lender's security will not be unpaired by the loan assumption and that the risk of a breach of any covenant or agreement in this Security Instrument is acceptable to Lender.

To the extent permitted by Applicable Law, Lender may charge a reasonable fee as a condition to Lender's consent to the loan assumption. Lender also may require the transferee to sign an assumption agreement that is acceptable to Lender and that obligates the transferee to keep all the promises and agreements made in the Note and in this Security Instrument. Borrower will continue to be obligated under the Note and this Security Instrument unless Lender releases Borrower in writing.

If Lender exercises the option to require immediate payment in full, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Fixed/Adjustable Rate Rider.



Laura Richardson (Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

[Sign Original Only]

Fixed/Adjustable Rate Rider - Libor

4140623 (0509)

Page 3 of 3

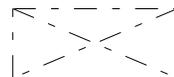


EXHIBIT B

RECORDING REQUESTED BY
 CALIFORNIA RECONVEYANCE COMPANY
 AND WHEN RECORDED MAIL TO
 CALIFORNIA RECONVEYANCE COMPANY
 9200 Oakdale Avenue
 Mail Stop: N 11 06 12
 Chatsworth, CA 91311
 800 892-6902
 (818)775-2258 (Fax)

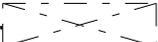


Sacramento County Recording
 Craig A Kramer, Clerk/Recorder
 BOOK 20071214 PAGE 0358

Check Number 9109
 Friday, DEC 14, 2007 8:41:18 AM
 Trl Pd \$12 00 Nbr-0005192112

TMH/74/1-2

Space above this line for recorder's use only

Trustee Sale No. 723397CA Loan No.  Title Order No. M721884

IMPORTANT NOTICE
NOTICE OF DEFAULT AND ELECTION TO SELL UNDER DEED OF TRUST

IF YOUR PROPERTY IS IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR PAYMENTS, IT MAY BE SOLD WITHOUT ANY COURT ACTION, and you may have the legal right to bring your account in good standing by paying all of your past due payments plus permitted costs and expenses within the time permitted by law for reinstatement of your account, which is normally five business days prior to the date set for the sale of your property. No sale date may be set until three months from the date this notice of default may be recorded (which date of recordation appears on this notice).

This amount is \$18,356.40 as of December 13, 2007 and will increase until your account becomes current.

While your property is in foreclosure, you still must pay other obligations (such as insurance and taxes) required by your note and deed of trust or mortgage. If you fail to make future payments on the loan, pay taxes on the property, provide insurance on the property, or pay other obligations as required in the note and deed of trust or mortgage, the beneficiary or mortgagee may insist that you do so in order to reinstate your account in good standing. In addition, the beneficiary or mortgagee may require as a condition to reinstatement that you provide reliable written evidence that you paid all senior liens, property taxes, and hazard insurance premiums.

Upon your written request, the beneficiary or mortgagee will give you a written itemization of the entire amount you must pay. You may not have to pay the entire unpaid portion of your account, even though full payment was demanded, but you must pay all amounts in default at the time payment is made. However, you and your beneficiary or mortgagee may mutually agree in writing prior to the time the notice of sale is posted (which may not be earlier than the end of the three-month period stated above) to, among other things, (1) provide additional time in which to cure the default by transfer of the property or otherwise; or (2) establish a schedule of payments in order to cure your default; or both (1) and (2).

Following the expiration of the time period referred to in the first paragraph of this notice, unless the obligation being foreclosed upon or a separate written agreement between you and your creditor permits a longer period, you have only the legal right to stop the sale of property by paying the entire amount demanded by your creditor.

Trustee Sale No. 723397CA Loan No. Title Order No. M721884

To find out the amount you must pay, or to arrange for payment to stop the foreclosure, or if your property is in foreclosure for any other reason, contact: WASHINGTON MUTUAL BANK, FA at 7301 BAYMEADOWS WAY , JACKSONVILLE, FL 32256, (877) 926-8937.

If you have any questions, you should contact a lawyer or the governmental agency which may have insured your loan. Notwithstanding the fact that your property is in foreclosure, you may offer your property for sale, provided the sale is concluded prior to the conclusion of the foreclosure.

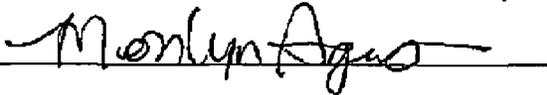
REMEMBER, YOU MAY LOSE LEGAL RIGHTS IF YOU DO NOT TAKE PROMPT ACTION. NOTICE IS HEREBY GIVEN THAT: CALIFORNIA RECONVEYANCE COMPANY is the duly appointed Trustee under a Deed of Trust dated 01/04/2007, executed by LAURA RICHARDSON, AN UNMARRIED WOMAN, as trustor, to secure obligations in favor of WASHINGTON MUTUAL BANK, as Beneficiary Recorded 01/10/2007, Book 20070110, Page 1818, Instrument of official records in the Office of the Recorder of SACRAMENTO County, California, as more fully described on said Deed of Trust. APN: 013-0363-001 Situs: 3622 WEST CURTIS DRIVE, , SACRAMENTO, CA 95818 Including the note(s) for the sum of \$535,001.00 that the beneficial interest under said Deed of Trust and the obligations secured thereby are presently held by the beneficiary; that a breach of, and default in, the obligations for which said Deed of Trust is security has occurred in that the payment has not been made of: THE 08/01/2007 INSTALLMENT OF PRINCIPAL AND INTEREST AND ALL SUBSEQUENT MONTHLY INSTALLMENTS OF PRINCIPAL AND INTEREST; PLUS ANY ADDITIONAL ACCRUED AND UNPAID AMOUNTS INCLUDING, BUT NOT LIMITED TO, LATE CHARGES, ADVANCES, IMPOUNDS, TAXES, HAZARD INSURANCE, ADMINISTRATIVE FEES, INSUFFICIENT AND PARTIAL RETURN CHECK FEES, STATEMENT FEES, AND OBLIGATIONS SECURED BY PRIOR ENCUMBRANCES.

That by reason thereof, the present beneficiary under such Deed of Trust, has executed and delivered to said Trustee, a written Declaration and Demand for Sale, and has deposited with said duly appointed Trustee, such Deed of Trust and all documents evidencing the obligations secured thereby, and has declared and does hereby declare all sums secured thereby immediately due and payable and has elected and does hereby elect to cause the trust property to be sold to satisfy the obligations secured thereby.

DATE: December 13, 2007

CALIFORNIA RECONVEYANCE COMPANY, as authorized agent for Washington Mutual Bank, Beneficiary,

By: FIDELITY NATIONAL TITLE COMPANY, authorized agent of CRC



<p>CALIFORNIA RECONVEYANCE COMPANY IS A DEBT COLLECTOR ATTEMPTING TO COLLECT A DEBT. ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.</p>
--

Merrilyn L. Aguas

EXHIBIT C

RECORDING REQUESTED BY
 CALIFORNIA RECONVEYANCE COMPANY
 AND WHEN RECORDED MAIL TO
 CALIFORNIA RECONVEYANCE COMPANY
 9200 Oakdale Avenue
 Mail Stop: N 11 06 12
 Chatsworth, CA 91311



Sacramento County Recording
 Craig A Kramer, Clerk/Recorder
 BOOK 20080319 PAGE 0358

Check Number 2572
 Wednesday, MAR 19, 2008 9:07:55 AM
 T&I Pd \$11.00 Nbr-000531112

JLW/14/1-1

Trustee Sale No.
 Loan No.
 Title Order No.



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NOTICE OF TRUSTEE'S SALE

YOU ARE IN DEFAULT UNDER A DEED OF TRUST DATED 01/04/2007. UNLESS YOU TAKE ACTION TO PROTECT YOUR PROPERTY, IT MAY BE SOLD AT A PUBLIC SALE. IF YOU NEED AN EXPLANATION OF THE NATURE OF THE PROCEEDINGS AGAINST YOU, YOU SHOULD CONTACT A LAWYER.

On 04/07/2008 at 01:30 PM, CALIFORNIA RECONVEYANCE COMPANY as the duly appointed Trustee under and pursuant to Deed of Trust Recorded 01/10/2007, Book 20070110, Page 1818, Instrument , of official records in the Office of the Recorder of SACRAMENTO County, California, executed by: LAURA RICHARDSON, AN UNMARRIED WOMAN, as Trustor, WASHINGTON MUTUAL BANK, as Beneficiary, will sell at public auction sale to the highest bidder for cash, cashier's check drawn by a state or national bank, a cashier's check drawn by a state or federal credit union, or a cashier's check drawn by a state or federal savings and loan association, savings association, or savings bank specified in section 5102 of the Financial Code and authorized to do business in this state Sale will be held by the duly appointed trustee as shown below, of all right, title, and interest conveyed to and now held by the trustee in the hereinafter described property under and pursuant to the Deed of Trust. The sale will be made, but without covenant or warranty, expressed or implied, regarding title, possession, or encumbrances, to pay the remaining principal sum of the note(s) secured by the Deed of Trust, interest thereon, estimated fees, charges and expenses of the Trustee for the total amount (at the time of the initial publication of the Notice of Sale) reasonably estimated to be set forth below. The amount may be greater on the day of sale

Place of Sale. AT THE MAIN ENTRANCE TO THE COUNTY COURTHOUSE, 720 9TH STREET, SACRAMENTO, CA
 Legal Description LOT 259 AS SHOWN ON THE OFFICIAL "PLAT OF SOUTH CURTIS OAKS SUBDIVISION NOV. 6", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY, FEBRUARY 10, 1927 IN BOOK 19 OF MAPS, MAP NO. 18

Amount of unpaid balance and other charges: \$578,384.52 (estimated)

Street address and other common designation of the real property 3622 WEST CURTIS DRIVE
 SACRAMENTO, CA 95818

APN Number: []

The undersigned Trustee disclaims any liability for any incorrectness of the street address and other common designation, if any, shown herein. The property heretofore described is being sold "as is"

DATE: 03-17-2008

CALIFORNIA RECONVEYANCE COMPANY, as Trustee
 (714) 259-7850 or www.fidelityasap.com
 (714) 573-1965 or www.priorityposting.com

DEBORAH BRIGNAC, VICE PRESIDENT
 9200 OAKDALE AVE
 MAILSTOP N110612
 CHATSWORTH, CA 91311

CALIFORNIA RECONVEYANCE COMPANY IS A DEBT COLLECTOR ATTEMPTING TO COLLECT A DEBT. ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.

EXHIBIT D



PRIORITY
POSTING AND PUBLISHING

TRUSTEE SALE

TRUSTOR PAYMENT

RECEIPT OF FUNDS AND INSTRUCTIONS

T.S. NO. [Redacted] PRIORITY NO. 377335 DATE 5-7-08

TRUSTEE California Reconveyance Co.

ADDRESS 9200 Oakdale Ave, #110612

CITY Chatsworth STATE CA ZIP 91311

PHONE NO. 800-892-6902 CONTACT Deborah Brignal

CHECK NO.	NAME OF BANK	AMOUNT
<u>101233906975</u>	<u>Wells Fargo BK</u>	<u>\$ 388,000.⁰¹</u>
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____

TOTAL OF ANY CASH RECEIVED \$ 0

SUCCESSFUL BID \$ 388,000.⁰¹ TOTAL RECEIVED \$ 388,000.⁰¹

TRANSFER TAX \$ 0 AMOUNT REQUIRED \$ 388,000.⁰¹

RECORDING FEES \$ 0 REFUND AMOUNT \$ 0

REFUND PAYABLE TO N/A

RECEIVED BY [Signature] BUYERS SIGNATURE [Signature]

BUYERS NAME Jim Youk DRIVERS LICENSE NO. [Redacted]

TITLE TO PROPERTY TO BE VESTED AS FOLLOWS Red Rock Mortgage, Inc.

ADDRESS 3600 American River Dr, # 135

CITY Sacramento STATE CA ZIP 958

PHONE NO. [Redacted] 0

EXHIBIT E

00339 11-24
Office AU # 1210(8)

CASHIER'S CHECK

SERIAL # 0033906975
ACCOUNT#

Purchaser: JAMES P YORK
Purchaser Account
Operator I.D.

cv002254

May 07, 2008

PAY TO THE ORDER OF ***CALIFORNIA RECONVEYANCE COMPANY***

Three hundred eighty-eight thousand dollars and 01 cent

\$388,000.01

WELLS FARGO BANK, N.A.
400 CAPITOL MALL
SACRAMENTO, CA 95814
FOR INQUIRIES CALL (480) 394-3122

NOTICE TO PURCHASER - IF THIS INSTRUMENT IS LOST,
STOLEN OR DESTROYED, YOU MAY REQUEST CANCELLATION
AND REISSUANCE. AS A CONDITION TO CANCELLATION AND
REISSUANCE, WELLS FARGO BANK MAY IMPOSE A FEE AND
REQUIRE AN INDEMNITY AGREEMENT AND BOND

VOID IF OVER US \$ 388,000.01

NON-NEGOTIABLE

Purchaser Copy

3-00- 15703 07025021

6

EXHIBIT F

WHEN RECORDED MAIL TO:
RED ROCK MORTGAGE, INC.

MAIL TAX STATEMENTS TO:
RED ROCK MORTGAGE, INC.
3600 AMERICAN RIVER DRIVE #135
SACRAMENTO, CA 95864



Sacramento County Recording
Craig A Kramer, Clerk/Recorder
BOOK 20080519 PAGE 0487

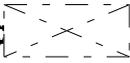
Check Number 9226
Monday, MAY 19, 2008 11:12:43 AM
Tax Pd \$12.00 Nbr-000398838

006-Sacramento Cy DTT PAID

AMH/GB/1-2

Space above this line for recorder's use only

Trustee Sale No. 723397CA

Loan No. 

Title Order No M721884

TRUSTEE'S DEED UPON SALE

APN  T.R.A. No.

The undersigned grantor declares:

- 1) The Grantee herein was not the foreclosing beneficiary.
- 2) The amount of the unpaid debt together with costs was.....\$574,023.87
- 3) The amount paid by the grantee at the trustee sale was.....\$388,000.01
- 4) The documentary transfer tax is.....\$427.35
- 5) Said property is in SACRAMENTO

and CALIFORNIA RECONVEYANCE COMPANY (herein called Trustee), as the duly appointed Trustee or substituted Trustee under the Deed of Trust hereinafter described, does hereby grant and convey, but without covenant or warranty, express or implied, to Red Rock Mortgage, Inc. (herein called Grantee), all of its right, title and interest in and to that certain property situated in the County of SACRAMENTO, State of California, described as follows: LOT 259 AS SHOWN ON THE OFFICIAL "PLAT OF SOUTH CURTIS OAKS SUBDIVISION NOV. 6", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY, FEBRUARY 10, 1927 IN BOOK 19 OF MAPS, MAP NO. 18

Situs: 3622 WEST CURTIS DRIVE, , SACRAMENTO, CA 95818

RECITALS:

This conveyance is made pursuant to the powers conferred upon Trustee by that certain Deed of Trust dated 01/04/2007 and executed by LAURA RICHARDSON, AN UNMARRIED WOMAN, as Trustor, and Recorded 01/10/2007, Book 20070110, Page 1818, Instrument of official records of SACRAMENTO, County, California, and after fulfillment of the conditions specified in said Deed of Trust authorizing this conveyance.

Default occurred as set forth in a Notice of Default and Election to Sell which was recorded in the Office of the Recorder of said County, and such default still existed at the time of sale.

All requirements of law regarding the mailing of copies of notices or the publication of a copy of the Notice of Default or the personal delivery of the copy of the Notice of Default and the posting and publication of copies of the Notice of a Sale have been complied with.

f

Trustee, in compliance with said Notice of Trustee's Sale and in exercise of its powers under said Deed of Trust, sold the herein described property at public auction on 05/07/2008. Grantee, being the highest bidder at said sale, became the purchaser of said property for the amount bid being \$388,000.01 in lawful money of the United States, or by credit bid if the Grantee was the beneficiary of said Deed of Trust at the time of said Trustee's Sale.

DATE: 05/09/2008

CALIFORNIA RECONVEYANCE COMPANY, as Trustee



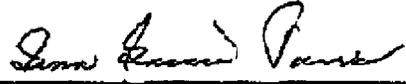
Karime Arias, Assistant Secretary

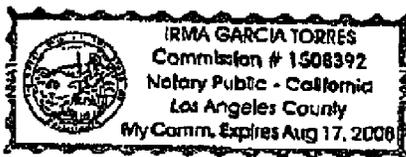
STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

On May 09, 2008 before me, IRMA GARCIA TORRES, "Notary Public" personally appeared KARIME ARIAS, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature  (Seal)



1
EXHIBIT G

RECORDING REQUESTED BY
CALIFORNIA RECONVEYANCE COMPANY
AND WHEN RECORDED MAIL TO
CALIFORNIA RECONVEYANCE COMPANY
9200 Oakdale Avenue
Mail Stop: N 11 06 12
Chatsworth, CA 91311

Sacramento County Recording
Frederick B. Garcia, Clerk/Recorder
BOOK 20080602 PAGE 0885

Check Number 365268
Monday, JUN 02, 2008 10:45:44 AM
Ttl Pd \$14.00 Nbr-0005418923

MCY/82/1-2

Space above this line for recorder's use only

Trustee Sale No 723397CA Loan No  Title Order No M721884

NOTICE OF RESCISSION OF TRUSTEE'S DEED UPON SALE

This Notice of Rescission is made on 05/30/2008 with respect to the following facts

1. That CALIFORNIA RECONVEYANCE COMPANY, a California Corporation as the duly appointed trustee under that certain Deed of Trust dated 01/04/2007, and Recorded 01/10/2007, Book 20070110, Page 1818, Instrument naming LAURA RICHARDSON, AN UNMARRIED WOMAN as trustor and WASHINGTON MUTUAL BANK as beneficiary, securing a Promissory Note in the amount of \$535,001 00.

2. The Deed of Trust encumbers the real property situated in the County of SACRAMENTO, State of CALIFORNIA, described as follows

LOT 259 AS SHOWN ON THE OFFICIAL "PLAT OF SOUTH CURTIS OAKS SUBDIVISION NOV. 6", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY, FEBRUARY 10, 1927 IN BOOK 19 OF MAPS, MAP NO. 18

A P N. 

Situs. 3622 WEST CURTIS DRIVE, SACRAMENTO, CA 95818

3 That by virtue of a Default under the terms of the Deed of Trust the Beneficiary did declare a default, as set forth in a Notice of Default and Election to Sell, which Notice was recorded in the Office of the County Recorder of SACRAMENTO, California.

4 On 05/07/2008, at 01:30 PM the property was purportedly sold to RED ROCK MORTGAGE, INC, being the highest bidder at such sale who bid the amount of \$388,000.01.

5. The Trustee's Sale on 05/07/2008 is being rescinded at the request of the Beneficiary, as the Beneficiary had previously agreed to postpone the foreclosure sale to June 4, 2008. The Trustee's sale of 05/07/2008 is therefore null and void, and of no force and effect

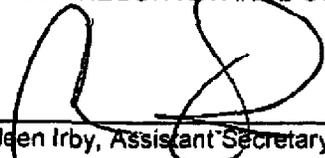
6 The express purpose for this Notice of Rescission is to return the priority and existence of all lien holders to the status quo ante that existed prior to the Trustee's Sale

NOW, THEREFORE, THE UNDERSIGNED HEREBY RESCINDS THE TRUSTEE'S SALE AND PURPORTED TRUSTEE'S DEED UPON SALE AND HEREBY ADVISES ALL PERSONS, WHOMEVER AND WHATSOEVER LOCATED, THAT THE TRUSTEE'S DEED UPON SALE DATED 05/09/2008, FROM CALIFORNIA RECONVEYANCE COMPANY TO RED ROCK MORTGAGE, INC AND RECORDED 05/19/2008 IN BOOK 20080519, PAGE 0487, OF OFFICIAL RECORDS OF SACRAMENTO COUNTY IS HEREBY RESCINDED AND SHALL HAVE NO FURTHER FORCE OR EFFECT WHATSOEVER

IN WITNESS WHEREOF, CALIFORNIA RECONVEYANCE COMPANY, has caused its corporate name and seal to be hereto affixed by its authorized signature.

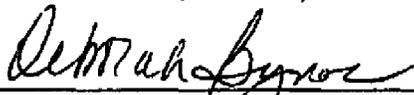
DATE: 05/29/2008

CALIFORNIA RECONVEYANCE COMPANY, as Trustee

BY 
Colleen Irby, Assistant Secretary

BY 
Karime Arias, Assistant Secretary

WASHINGTON MUTUAL BANK, FA

BY 
Deborah Brignac, Vice President

BY 
Huey-Jen Chiu, Vice President

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

On 5/29/08 before me, SIERRIE HERRADURA, "Notary Public" personally appeared DEBORAH BRIGNAC, HUEY-JEN CHIU, COLLEEN IRBY AND KARIME ARIAS, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity (ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature  (Seal)

This document filed for recording
By Fidelity National Title Insurance and Trust
as an accommodation only. It has not been
examined as to its execution or as its effect
upon the title.



From: Cook, Don <don.cook@wamu.net>
Sent: Friday, June 13, 2008 9:20 PM
To: Elias, Alan <alan.elias@wamu.net>; Gaugl, Sara C. <sara.gaugl@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>; Baptista, Geri Ann S. <geriann.baptista@wamu.net>; Parker, Gary L. <gary.parker@wamu.net>
Cc: Berens, John <john.berens@wamu.net>; Champney, Steven D. <steven.champney@wamu.net>; Thorn, Ann <ann.thorn@wamu.net>; Brennan, Carey <carey.brennan@wamu.net>; Potashnick, Barbara A. <barbara.potashnick@wamu.net>
Subject: FW: 001 Complaint Filed 6-12-08.pdf - Adobe Acrobat Professional
Attach: 001 Complaint Filed 6-12-08.pdf

REDACTED

From: Martin T. McGuinn [mailto:m.mcguinn@kirbyandmcguinn.com]
Sent: Friday, June 13, 2008 5:42 PM
To: Battaglia, Paul J.
Cc: Cook, Don
Subject: 001 Complaint Filed 6-12-08.pdf - Adobe Acrobat Professional

REDACTED

Martin T. McGuinn
Kirby & McGuinn, A P.C.
600 B Street, Ste. 1950
San Diego, CA 92101
mmcguinn@kirbyandmcguinn.com
Direct Dial: (619) 525-1659
Direct Fax: (619) 525-1659

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1 CARL P. BLAINE (State Bar # 65229)
Email: cblaine@
2 THOMAS B. SHERIDAN (State Bar #249306)
Email: tsheridan@
3 **WAGNER KIRKMAN BLAINE**
KLOMPARENS & YOUMANS LLP
4 10640 Mather Blvd., Suite 200
Mather, California 95655
5 Telephone: (916) 920-5286
Facsimile: (916) 920-8608

6 Attorneys for Plaintiff
7 RED ROCK MORTGAGE, INC.

8
9 SUPERIOR COURT OF CALIFORNIA
10 COUNTY OF SACRAMENTO

Department
Assignments
Case Management 43
Law and Motion 54
Minors Compromise 25

11 RED ROCK MORTGAGE, INC.,

Case No.

12 Plaintiff,

COMPLAINT FOR:

13 v.

1. SLANDER OF TITLE
2. CANCELLATION
3. QUIET TITLE
4. UNJUST ENRICHMENT

14 WASHINGTON MUTUAL BANK,
CALIFORNIA RECONVEYANCE COMPANY,
LAURA RICHARDSON, and all persons
15 unknown, claiming any legal or equitable right,
title, estate, lien, or interest in the property
16 described in the complaint adverse to Plaintiff's
title, or any cloud on Plaintiff's title, and DOES 1
17 through 20, inclusive,

18 Defendants.

19
20 Plaintiff, RED ROCK MORTGAGE, INC. alleges as follows:

- 21 1. Plaintiff RED ROCK MORTGAGE, INC. ("Plaintiff") is, and at all times herein
22 mentioned was, a corporation organized and existing under the laws of the State of California
- 23 2. Plaintiff is informed and believes and thereon alleges that Defendant
24 WASHINGTON MUTUAL BANK ("WAMU") is, and at all times herein mentioned was, a
25 federal association organized and existing under the laws of the United States and doing
26 business in the state of California.
- 27 3. Plaintiff is informed and believes and thereon alleges that Defendant
28

FILED
Superior Court Of California,
Sacramento
Dennis Jones, Executive
Officer
06/12/2008
avlaisavich
By _____, Deputy
Case Number:

WAGNER KIRKMAN BLAINE
KLOMPARENS & YOUMANS LLP
Attorneys at Law

10640 Mather Blvd., Suite 200, Mather, CA 95655
Phone (916) 920-5286 Fax (916) 920-8608

WAGNER KIRKMAN BLAINE
KLOMPARENS & YOUNG LLP
Attorneys at Law

10640 Maiber Blvd., Suite 200, Maiber, CA 95615
Phone (916) 920-5286 Fax (916) 920-8600

1 CALIFORNIA RECONVEYANCE COMPANY ("CRC") is, and at all times herein
2 mentioned was, a corporation organized and existing under the laws of the State of California.

3 4 The real property that is the subject of this action, 3622 West Curtis Drive,
4 Sacramento, California, Assessor's Parcel No. [REDACTED] ("Subject Property") is
5 located in Sacramento County, California.

6 5. The Defendants named herein as "all persons unknown, claiming any legal or
7 equitable right, title, estate, lien, or interest in the property described in the Complaint adverse
8 to plaintiff's title, or any cloud on plaintiff's title thereto" ("Unknown Defendants") are
9 unknown to Plaintiff. These Unknown Defendants, and each of them, claim some right, title,
10 estate, lien, or interest adverse to Plaintiff's interest in title to the Subject Property; and their
11 claims, and each of them, constitute a cloud on Plaintiff's title to the Subject Property.

12 6. Defendants DOES 1 through 20, inclusive, are sued herein under fictitious
13 names. Their true names and capacities are unknown to Plaintiff. When their true names and
14 capacities are ascertained, Plaintiff will amend this complaint by inserting their true names and
15 capacities herein. Plaintiff is informed and believes and thereon alleges that Does 1-10,
16 inclusive, are responsible in some manner for the occurrences herein alleged, and that
17 Plaintiff's damages as herein alleged were proximately caused by such Defendants. Plaintiff is
18 further informed and believes and thereon alleges that Does 11-20, inclusive, claim some right,
19 title, estate, lien, or interest adverse to Plaintiff's interest in title to the Subject Property; and
20 their claims, and each of them, constitute a cloud on Plaintiff's title to the Subject Property.

21 **COMMON ALLEGATIONS**

22 7. Plaintiff realleges and incorporates by reference each and every allegation set
23 forth in paragraphs 1 through 6 above.

24 8. Plaintiff is informed and believes and thereon alleges that on or about
25 January 10, 2007, a Deed of Trust ("Deed of Trust") was recorded against the Subject Property
26 to secure a loan in the amount \$535,001.00 made by WAMU to LAURA RICHARDSON.
27 CRC is the trustee under the Deed of Trust. (Attached hereto as Exhibit A, incorporated herein
28 by reference, is a true and correct copy of the Deed of Trust.)

1
2 9. Plaintiff is informed and believes and thereon alleges that, at some point prior to
3 December 17, 2007, Defendant RICHARDSON defaulted on the payments due on the loan
4 secured by the Deed of Trust.

5 10. On December 17, 2007, CRC recorded a Notice of Default on the Subject
6 Property. (Attached hereto as Exhibit B, and incorporated herein by this reference, is a true and
7 correct copy of the Notice of Default.) The Notice of Default provides that, as of December
8 13, 2007, the amount of the default was \$18,356.40.

9 11. On March 19, 2008, CRC recorded a Notice of Trustee's sale on the Subject
10 Property, advertising the Trustee's Sale of the Subject Property to the general public.
11 (Attached hereto as Exhibit C, and incorporated herein by this reference, is a true and correct
12 copy of the Notice of Trustee's Sale.) Pursuant to the Notice of Trustee's Sale, the unpaid
13 balance and other charges was approximately \$578,384.52.

14 12. The Notice of Trustee's Sale provides that the sale was to occur on April 7,
15 2008, at 1:30 p.m., at the main entrance to the Sacramento County Courthouse, 720 9th Street,
16 Sacramento, California.

17 13. Plaintiff is informed and believes and thereon alleges that the sale was
18 postponed to May 7, 2008, at 1:30 p.m., to be held at the same location.

19 14. In accordance with the Notice of Trustee's Sale and the duly noticed
20 postponement thereof, on May 7, 2008, Plaintiff appeared at the trustee's sale to bid on the
21 Subject Property. Plaintiff secured a cashier's check in order to qualify to bid at the sale.

22 15. At the noticed time and place, CRC conducted the trustee's sale of the Subject
23 Property. Plaintiff is informed and believes thereon alleges that Defendants complied with all
24 statutory requirements in conducting the trustee's sale of the Subject Property.

25 16. Plaintiff bid at the trustee's sale. Plaintiff is informed and believes and thereon
26 alleges that Plaintiff was the high bidder at the trustee's sale with a bid of \$388,000.01.

27 17. Plaintiff timely delivered a cashier's check in the amount of \$388,000.01 to
28 CRC. CRC accepted the cashier's check from Plaintiff. (Attached hereto as Exhibit D & E,

1 respectively, and incorporated herein by reference, are true and correct copies of the receipt of
2 funds issued to Plaintiff and Plaintiff's cashier's check stub.)

3 18. Plaintiff is informed and believes and thereon alleges that the sale of the Subject
4 Property was final and no further acts were required to consummate the sale.

5 19. Plaintiff is informed and believes and thereon alleges that, on or about May 9,
6 2008, Defendants issued a Trustee's Deed Upon Sale, to be recorded in Sacramento County
7 granting and conveying title and interest in the Subject Property to the Plaintiff. The Trustee's
8 Deed Upon Sale was recorded on May 19, 2008. (Attached hereto as Exhibit F, and
9 incorporated herein by reference, is a true and correct copy of the Trustee's Deed upon sale.)

10 20. Immediately after Plaintiff purchased the Subject Property, Plaintiff
11 immediately began improving the property and preparing to sell it, as Plaintiff is in the
12 business of buying and selling real estate. Among other things, Plaintiff painted select
13 portions of the residence, refurbished the flooring inside the residence, and performed general
14 clean-up and landscaping in and around the Subject Property at its expense. Plaintiff is
15 informed and believes and thereon alleges that the improvements made by Plaintiff enhanced
16 the value of the Subject Property.

17 21. On or about May 28, 2008, WAMU contacted Plaintiff and informed Plaintiff
18 that it wished to rescind the sale. Plaintiff informed WAMU that Plaintiff was the highest
19 bidder at the Trustee's Sale and that it had paid the full consideration in the manner specified
20 by the Notice of Trustee's Sale. Plaintiff also informed WAMU that Plaintiff had been issued
21 the Trustee's Deed, and recorded it, and had no intention of rescinding.

22 22. On or about June 2, 2008, Defendants recorded a Notice of Rescission at the
23 Sacramento County Recorder's Office. (Attached hereto as Exhibit G, and incorporated herein
24 by this reference, is a true and correct copy of the recorded Notice of Rescission.)

25 **FIRST CAUSE OF ACTION**

26 **[Slander of Title]**

27 (Against Defendants WAMU, CRC and Does 1-10, inclusive)

28 23. Plaintiff realleges and incorporates by reference each and every allegation set

1 forth in paragraphs 1 through 22 above.

2 24. On our about May 7, 2008, Plaintiff became the fee owner of the Subject
3 Property based upon its purchase of the Subject Property at the Trustee's Sale.

4 25. Plaintiff is informed and believes and thereon alleges that, on or about June 2,
5 2008, Defendants willfully, wrongfully, without justification, and without privilege caused to
6 be recorded a Notice of Rescission.

7 26. The Notice of Rescission was false and continues to cause doubt to be cast on
8 Plaintiff's title to the Subject Property.

9 27. The recording of the Notice of Rescission directly impairs the vendibility of the
10 property on the open market. Accordingly, Plaintiff has been damaged by Defendants
11 recording of the Notice of Rescission.

12 28. Plaintiff is informed and believes and thereon alleges that, in doing the things
13 herein alleged, WAMU and CRC acted with malice, oppression, and/or fraud as defined under
14 Civ. Code § 3294(c), in conscious disregard of Plaintiff's rights, thereby warranting an
15 assessment of punitive damages in an amount appropriate to punish Defendants and deter
16 others from engaging in similar misconduct.

17 29. The recording of the Notice of Rescission made it necessary for Plaintiff to
18 retain attorneys and to bring this action. Therefore, Plaintiff is entitled to recover attorney's
19 fees and costs incurred. The exact amount of such damages is not known to Plaintiff at this
20 time, and Plaintiff will move to amend this complaint to state such amount when the same
21 becomes known, or on proof thereof.

22 **SECOND CAUSE OF ACTION**

23 **[Cancellation of Cloud on Title]**

24 (Against Defendants WAMU, CRC and Does 1-10, inclusive)

25 30. Plaintiff realleges and incorporates by reference each and every allegation set
26 forth in paragraphs 1 through 29 above.

27 31. Defendants claim an interest in the Subject Property which is adverse to the
28 Plaintiff. Defendants' interest in the Subject Property is purportedly based on the Notice of

1 Rescission, recorded on June 2, 2008, which states that the sale is rescinded.

2 32. The Notice of Rescission is invalid and void because the Defendant has no
3 further rights to the Subject Property after the Trustee Sale was completed and the Trustee's
4 Deed Upon Sale was issued and recorded.

5 33. Defendants' claim to the Subject Property clouds the Plaintiff's title, depreciates
6 the property's market value, and prevents Plaintiff from enjoying the use of the Subject
7 Property.

8 **THIRD CAUSE OF ACTION**

9 **[Quiet Title]**

10 (Against Defendants WAMU, LAURA RICHARDSON, UNKNOWN DEFENDANTS,
11 and DOES 11-20, inclusive)

12 34. Plaintiff realleges and incorporates by reference each and every allegation set
13 forth in paragraphs 1 through 33 above.

14 35. Plaintiff is the sole owner of the fee simple title to the Subject Property.

15 36. The basis of Plaintiff's title is that Plaintiff was the high bidder at the Trustee's
16 Sale of the Subject Property; Plaintiff tendered the full amount of its bid to the trustee; the
17 trustee accepted Plaintiff's tender; and, the trustee issued a Trustee's Deed Upon Sale to
18 Plaintiff, which was subsequently recorded, granting Plaintiff fee simple title to the Subject
19 Property.

20 37. Plaintiff is seeking to quiet title against the claims of WAMU, LAURA
21 RICHARDSON, UNKNOWN DEFENDANTS, and DOES 11-20, inclusive, as follows: a
22 Notice of Rescission was recorded in Sacramento County California, Book 20080602, Page
23 0885, by CRC and WAMU purportedly rescinding the Trustee's Deed Upon Sale issued to
24 Plaintiff which would have the affect of restoring the state of title to the Subject Property to
25 the status quo prior to the recordation of the Trustee's Deed Upon Sale; the claims of all the
26 Unknown Defendants and Does 11-20, inclusive, whether or not the claim or cloud is known
27 to Plaintiff. The claims of Defendants are without any right whatsoever and such Defendants
28 have no right, title, estate, lien, or interest whatever in the Subject Property or any part thereof.

1 38. Plaintiff seeks to quiet title to the Subject Property as of May 7, 2008, which is
2 the date Plaintiff purchased the Subject Property at the Trustee's Sale.

3 **FOURTH CAUSE OF ACTION**

4 **[Unjust Enrichment]**

5 (Against Defendants WAMU, LAURA RICHARDSON, and DOES 1-10, inclusive)

6 39. Plaintiff realleges and incorporates by reference each and every allegation set
7 forth in paragraphs 1 through 38 above.

8 40. Plaintiff has completed numerous improvements to the Subject Property, which
9 have significantly increased its value. If Defendants are permitted to rescind the Trustee's
10 Deed Upon Sale, Defendants will be unjustly enriched by their retention of the increased value
11 of the Subject Property.

12 **PRAYER**

13 Wherefore, Plaintiff prays judgment against Defendants as follow:

- 14 1. For general damages, in an amount to be proven at trial;
- 15 2. For punitive and exemplary damages in an amount to be proven at trial;
- 16 3. For the Notice of Rescission to be delivered to the clerk for the court for
17 cancellation and that it be declared void;
- 18 4. For a judgment that Plaintiff is the owner in fee simple of the Subject Property
19 and that Defendants have no interest in the Subject Property adverse to
20 Plaintiffs;
- 21 5. For restitution;
- 22 6. For attorneys' fees and costs incurred herein; and
- 23 7. For such other and further relief as the court may deem proper.

24 DATED: 6/11/2008

25 WAGNER KIRKMAN BLAINE
KLOMPARENS & YOUNG LLP

26 By: 
27

28 THOMAS B. SHERIDAN
Attorneys for RED ROCK MORTGAGE,
INC.

EXHIBIT A

Recording Requested By:
Washington Mutual Bank

Return To:
2210 Enterprise Drive
Doc Ops - MS SC00140
Florence, SC 29501



Sacramento County Recording
Craig A Kramer, Clerk/Recorder
BOOK 20070110 PAGE 1818

Check Number 4286
Wednesday, JAN 10, 2007 2:59:33 PM
Ttl Pd \$53.00 Nbr-0004694371

REB/51/1-19

Prepared By:

[Space Above This Line For Recording Data]

DEED OF TRUST

DEFINITIONS

Words used in multiple sections of this document are defined below and other words are defined in Sections 3, 11, 13, 18, 20 and 21. Certain rules regarding the usage of words used in this document are also provided in Section 16.

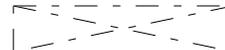
- (A) "Security Instrument" means this document, which is dated January 4, 2007 together with all Riders to this document.
(B) "Borrower" is Laura Richardson, An Unmarried Woman

Borrower's address is 717 E Vernon St, Long Beach, CA 90806

. Borrower is the trustor under this Security Instrument.

(C) "Lender" is Washington Mutual Bank

Lender is a federal association
organized and existing under the laws of the United States



CALIFORNIA-Single Family-Fannie Mae/Freddie Mac UNIFORM INSTRUMENT

Form 3005 1/01

VMP-6(CA) (0207) 01

Page 1 of 15

Initials

VMP Mortgage Solutions, Inc



A

Lender's address is 1400 South Douglass Road, Suite 100, Anaheim, CA 92806

Lender is the beneficiary under this Security Instrument.

(D) "Trustee" is California Reconveyance Company, a California corporation

(E) "Note" means the promissory note signed by Borrower and dated January 4, 2007

The Note states that Borrower owes Lender Five Hundred Thirty Five Thousand One and No/100 Dollars

(U.S. \$535,001.00) plus interest. Borrower has promised to pay this debt in regular Periodic Payments and to pay the debt in full not later than February 1, 2037

(F) "Property" means the property that is described below under the heading "Transfer of Rights in the Property."

(G) "Loan" means the debt evidenced by the Note, plus interest, any prepayment charges and late charges due under the Note, and all sums due under this Security Instrument, plus interest.

(H) "Riders" means all Riders to this Security Instrument that are executed by Borrower. The following Riders are to be executed by Borrower [check box as applicable]:

- | | | |
|---|---|---|
| <input checked="" type="checkbox"/> Adjustable Rate Rider | <input type="checkbox"/> Condominium Rider | <input type="checkbox"/> Second Home Rider |
| <input type="checkbox"/> Balloon Rider | <input type="checkbox"/> Planned Unit Development Rider | <input type="checkbox"/> 1-4 Family Rider |
| <input type="checkbox"/> VA Rider | <input type="checkbox"/> Biweekly Payment Rider | <input type="checkbox"/> Other(s) [specify] |

(I) "Applicable Law" means all controlling applicable federal, state and local statutes, regulations, ordinances and administrative rules and orders (that have the effect of law) as well as all applicable final, non-appealable judicial opinions

(J) "Community Association Dues, Fees, and Assessments" means all dues, fees, assessments and other charges that are imposed on Borrower or the Property by a condominium association, homeowners association or similar organization.

(K) "Electronic Funds Transfer" means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument, computer, or magnetic tape so as to order, instruct, or authorize a financial institution to debit or credit an account. Such term includes, but is not limited to, point-of-sale transfers, automated teller machine transactions, transfers initiated by telephone, wire transfers, and automated clearinghouse transfers.

(L) "Escrow Items" means those items that are described in Section 3.

(M) "Miscellaneous Proceeds" means any compensation, settlement, award of damages, or proceeds paid by any third party (other than insurance proceeds paid under the coverages described in Section 5) for: (i) damage to, or destruction of, the Property; (ii) condemnation or other taking of all or any part of the Property; (iii) conveyance in lieu of condemnation; or (iv) misrepresentations of, or omissions as to, the value and/or condition of the Property.

(N) "Mortgage Insurance" means insurance protecting Lender against the nonpayment of, or default on, the Loan.

(O) "Periodic Payment" means the regularly scheduled amount due for (i) principal and interest under the Note, plus (ii) any amounts under Section 3 of this Security Instrument.

(P) "RESPA" means the Real Estate Settlement Procedures Act (12 U.S.C. Section 2601 et seq) and its implementing regulation, Regulation X (24 C.F.R. Part 3500), as they might be amended from time to time, or any additional or successor legislation or regulation that governs the same subject matter. As used in this Security Instrument, "RESPA" refers to all requirements and restrictions that are imposed in regard

to a "federally related mortgage loan" even if the Loan does not qualify as a "federally related mortgage loan" under RESPA.

(Q) "Successor in Interest of Borrower" means any party that has taken title to the Property, whether or not that party has assumed Borrower's obligations under the Note and/or this Security Instrument.

TRANSFER OF RIGHTS IN THE PROPERTY

This Security Instrument secures to Lender: (i) the repayment of the Loan, and all renewals, extensions and modifications of the Note; and (ii) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described property located in the County of SACRAMENTO :

[Type of Recording Jurisdiction]

[Name of Recording Jurisdiction]

Legal Description Attached Hereto And Made A Part Hereof

Exhibit A

Parcel ID Number: 
3622 West Curtis Drive
Sacramento
("Property Address").

which currently has the address of
[Street]
[City], California 95818 [Zip Code]

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows.

1. Payment of Principal, Interest, Escrow Items, Prepayment Charges, and Late Charges. Borrower shall pay when due the principal of, and interest on, the debt evidenced by the Note and any prepayment charges and late charges due under the Note. Borrower shall also pay funds for Escrow Items pursuant to Section 3. Payments due under the Note and this Security Instrument shall be made in U.S.

Initials: 

currency. However, if any check or other instrument received by Lender as payment under the Note or this Security Instrument is returned to Lender unpaid, Lender may require that any or all subsequent payments due under the Note and this Security Instrument be made in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality, or entity; or (d) Electronic Funds Transfer

Payments are deemed received by Lender when received at the location designated in the Note or at such other location as may be designated by Lender in accordance with the notice provisions in Section 15. Lender may return any payment or partial payment if the payment or partial payments are insufficient to bring the Loan current. Lender may accept any payment or partial payment insufficient to bring the Loan current, without waiver of any rights hereunder or prejudice to its rights to refuse such payment or partial payments in the future, but Lender is not obligated to apply such payments at the time such payments are accepted. If each Periodic Payment is applied as of its scheduled due date, then Lender need not pay interest on unapplied funds. Lender may hold such unapplied funds until Borrower makes payment to bring the Loan current. If Borrower does not do so within a reasonable period of time, Lender shall either apply such funds or return them to Borrower. If not applied earlier, such funds will be applied to the outstanding principal balance under the Note immediately prior to foreclosure. No offset or claim which Borrower might have now or in the future against Lender shall relieve Borrower from making payments due under the Note and this Security Instrument or performing the covenants and agreements secured by this Security Instrument.

2. Application of Payments or Proceeds. Except as otherwise described in this Section 2, all payments accepted and applied by Lender shall be applied in the following order of priority: (a) interest due under the Note, (b) principal due under the Note; (c) amounts due under Section 3. Such payments shall be applied to each Periodic Payment in the order in which it became due. Any remaining amounts shall be applied first to late charges, second to any other amounts due under this Security Instrument, and then to reduce the principal balance of the Note.

If Lender receives a payment from Borrower for a delinquent Periodic Payment which includes a sufficient amount to pay any late charge due, the payment may be applied to the delinquent payment and the late charge. If more than one Periodic Payment is outstanding, Lender may apply any payment received from Borrower to the repayment of the Periodic Payments if, and to the extent that, each payment can be paid in full. To the extent that any excess exists after the payment is applied to the full payment of one or more Periodic Payments, such excess may be applied to any late charges due. Voluntary prepayments shall be applied first to any prepayment charges and then as described in the Note

Any application of payments, insurance proceeds, or Miscellaneous Proceeds to principal due under the Note shall not extend or postpone the due date, or change the amount, of the Periodic Payments.

3. Funds for Escrow Items. Borrower shall pay to Lender on the day Periodic Payments are due under the Note, until the Note is paid in full, a sum (the "Funds") to provide for payment of amounts due for: (a) taxes and assessments and other items which can attain priority over this Security Instrument as a lien or encumbrance on the Property; (b) leasehold payments or ground rents on the Property, if any; (c) premiums for any and all insurance required by Lender under Section 5, and (d) Mortgage Insurance premiums, if any, or any sums payable by Borrower to Lender in lieu of the payment of Mortgage Insurance premiums in accordance with the provisions of Section 10. These items are called "Escrow Items." At origination or at any time during the term of the Loan, Lender may require that Community Association Dues, Fees, and Assessments, if any, be escrowed by Borrower, and such dues, fees and assessments shall be an Escrow Item. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this Section. Borrower shall pay Lender the Funds for Escrow Items unless Lender waives Borrower's obligation to pay the Funds for any or all Escrow Items. Lender may waive Borrower's obligation to pay to Lender Funds for any or all Escrow Items at any time. Any such waiver may only be

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in writing. In the event of such waiver, Borrower shall pay directly, when and where payable, the amounts due for any Escrow Items for which payment of Funds has been waived by Lender and, if Lender requires, shall furnish to Lender receipts evidencing such payment within such time period as Lender may require. Borrower's obligation to make such payments and to provide receipts shall for all purposes be deemed to be a covenant and agreement contained in this Security Instrument, as the phrase "covenant and agreement" is used in Section 9. If Borrower is obligated to pay Escrow Items directly, pursuant to a waiver, and Borrower fails to pay the amount due for an Escrow Item, Lender may exercise its rights under Section 9 and pay such amount and Borrower shall then be obligated under Section 9 to repay to Lender any such amount. Lender may revoke the waiver as to any or all Escrow Items at any time by a notice given in accordance with Section 15 and, upon such revocation, Borrower shall pay to Lender all Funds, and in such amounts, that are then required under this Section 3.

Lender may, at any time, collect and hold Funds in an amount (a) sufficient to permit Lender to apply the Funds at the time specified under RESPA, and (b) not to exceed the maximum amount a lender can require under RESPA. Lender shall estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with Applicable Law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is an institution whose deposits are so insured) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items no later than the time specified under RESPA. Lender shall not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and Applicable Law permits Lender to make such a charge. Unless an agreement is made in writing or Applicable Law requires interest to be paid on the Funds, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender can agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds as required by RESPA.

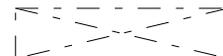
If there is a surplus of Funds held in escrow, as defined under RESPA, Lender shall account to Borrower for the excess funds in accordance with RESPA. If there is a shortage of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the shortage in accordance with RESPA, but in no more than 12 monthly payments. If there is a deficiency of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the deficiency in accordance with RESPA, but in no more than 12 monthly payments.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender

4. Charges; Liens. Borrower shall pay all taxes, assessments, charges, fines, and impositions attributable to the Property which can attain priority over this Security Instrument, leasehold payments or ground rents on the Property, if any, and Community Association Dues, Fees, and Assessments, if any. To the extent that these items are Escrow Items, Borrower shall pay them in the manner provided in Section 3.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender, but only so long as Borrower is performing such agreement; (b) contests the lien in good faith by, or defends against enforcement of the lien in, legal proceedings which in Lender's opinion operate to prevent the enforcement of the lien while those proceedings are pending, but only until such proceedings are concluded, or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which can attain priority over this Security Instrument, Lender may give Borrower a notice identifying the

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lien. Within 10 days of the date on which that notice is given, Borrower shall satisfy the lien or take one or more of the actions set forth above in this Section 4.

Lender may require Borrower to pay a one-time charge for a real estate tax verification and/or reporting service used by Lender in connection with this Loan.

5. Property Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage," and any other hazards including, but not limited to, earthquakes and floods, for which Lender requires insurance. This insurance shall be maintained in the amounts (including deductible levels) and for the periods that Lender requires. What Lender requires pursuant to the preceding sentences can change during the term of the Loan. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's right to disapprove Borrower's choice, which right shall not be exercised unreasonably. Lender may require Borrower to pay, in connection with this Loan, either: (a) a one-time charge for flood zone determination, certification and tracking services; or (b) a one-time charge for flood zone determination and certification services and subsequent charges each time remappings or similar changes occur which reasonably might affect such determination or certification. Borrower shall also be responsible for the payment of any fees imposed by the Federal Emergency Management Agency in connection with the review of any flood zone determination resulting from an objection by Borrower.

If Borrower fails to maintain any of the coverages described above, Lender may obtain insurance coverage, at Lender's option and Borrower's expense. Lender is under no obligation to purchase any particular type or amount of coverage. Therefore, such coverage shall cover Lender, but might or might not protect Borrower, Borrower's equity in the Property, or the contents of the Property, against any risk, hazard or liability and might provide greater or lesser coverage than was previously in effect. Borrower acknowledges that the cost of the insurance coverage so obtained might significantly exceed the cost of insurance that Borrower could have obtained. Any amounts disbursed by Lender under this Section 5 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

All insurance policies required by Lender and renewals of such policies shall be subject to Lender's right to disapprove such policies, shall include a standard mortgage clause, and shall name Lender as mortgagee and/or as an additional loss payee and Borrower further agrees to generally assign rights to insurance proceeds to the holder of the Note up to the amount of the outstanding loan balance. Lender shall have the right to hold the policies and renewal certificates. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. If Borrower obtains any form of insurance coverage, not otherwise required by Lender, for damage to, or destruction of, the Property, such policy shall include a standard mortgage clause and shall name Lender as mortgagee and/or as an additional loss payee and Borrower further agrees to generally assign rights to insurance proceeds to the holder of the Note up to the amount of the outstanding loan balance.

In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower. Unless Lender and Borrower otherwise agree in writing, any insurance proceeds, whether or not the underlying insurance was required by Lender, shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such insurance proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such insurance proceeds, Lender shall not be required to pay Borrower any interest or earnings on such proceeds. Fees for public adjusters, or other third parties, retained by Borrower shall not be paid out of the insurance proceeds and shall be the sole obligation of Borrower. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with

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the excess, if any, paid to Borrower. Such insurance proceeds shall be applied in the order provided for in Section 2

If Borrower abandons the Property, Lender may file, negotiate and settle any available insurance claim and related matters. If Borrower does not respond within 30 days to a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may negotiate and settle the claim. The 30-day period will begin when the notice is given. In either event, or if Lender acquires the Property under Section 22 or otherwise, Borrower hereby assigns to Lender (a) Borrower's rights to any insurance proceeds in an amount not to exceed the amounts unpaid under the Note or this Security Instrument, and (b) any other of Borrower's rights (other than the right to any refund of unearned premiums paid by Borrower) under all insurance policies covering the Property, insofar as such rights are applicable to the coverage of the Property. Lender may use the insurance proceeds either to repair or restore the Property or to pay amounts unpaid under the Note or this Security Instrument, whether or not then due

6. Occupancy. Borrower shall occupy, establish, and use the Property as Borrower's principal residence within 60 days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control.

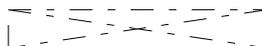
7. Preservation, Maintenance and Protection of the Property; Inspections. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate or commit waste on the Property. Whether or not Borrower is residing in the Property, Borrower shall maintain the Property in order to prevent the Property from deteriorating or decreasing in value due to its condition. Unless it is determined pursuant to Section 5 that repair or restoration is not economically feasible, Borrower shall promptly repair the Property if damaged to avoid further deterioration or damage. If insurance or condemnation proceeds are paid in connection with damage to, or the taking of, the Property, Borrower shall be responsible for repairing or restoring the Property only if Lender has released proceeds for such purposes. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. If the insurance or condemnation proceeds are not sufficient to repair or restore the Property, Borrower is not relieved of Borrower's obligation for the completion of such repair or restoration.

Lender or its agent may make reasonable entries upon and inspections of the Property. If it has reasonable cause, Lender may inspect the interior of the improvements on the Property. Lender shall give Borrower notice at the time of or prior to such an interior inspection specifying such reasonable cause.

8. Borrower's Loan Application. Borrower shall be in default if, during the Loan application process, Borrower or any persons or entities acting at the direction of Borrower or with Borrower's knowledge or consent gave materially false, misleading, or inaccurate information or statements to Lender (or failed to provide Lender with material information) in connection with the Loan. Material representations include, but are not limited to, representations concerning Borrower's occupancy of the Property as Borrower's principal residence.

9. Protection of Lender's Interest in the Property and Rights Under this Security Instrument. If (a) Borrower fails to perform the covenants and agreements contained in this Security Instrument, (b) there is a legal proceeding that might significantly affect Lender's interest in the Property and/or rights under this Security Instrument (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture, for enforcement of a lien which may attain priority over this Security Instrument or to enforce laws or regulations), or (c) Borrower has abandoned the Property, then Lender may do and pay for whatever is reasonable or appropriate to protect Lender's interest in the Property and rights under this Security Instrument, including protecting and/or assessing the value of the Property, and securing and/or repairing the Property. Lender's actions can include, but are not limited to: (a) paying any sums secured by a lien which has priority over this Security Instrument; (b) appearing in court; and (c) paying reasonable

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attorneys' fees to protect its interest in the Property and/or rights under this Security Instrument, including its secured position in a bankruptcy proceeding. Securing the Property includes, but is not limited to, entering the Property to make repairs, change locks, replace or board up doors and windows, drain water from pipes, eliminate building or other code violations or dangerous conditions, and have utilities turned on or off. Although Lender may take action under this Section 9, Lender does not have to do so and is not under any duty or obligation to do so. It is agreed that Lender incurs no liability for not taking any or all actions authorized under this Section 9.

Any amounts disbursed by Lender under this Section 9 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

10. Mortgage Insurance. If Lender required Mortgage Insurance as a condition of making the Loan, Borrower shall pay the premiums required to maintain the Mortgage Insurance in effect. If, for any reason, the Mortgage Insurance coverage required by Lender ceases to be available from the mortgage insurer that previously provided such insurance and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the Mortgage Insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the Mortgage Insurance previously in effect, from an alternate mortgage insurer selected by Lender. If substantially equivalent Mortgage Insurance coverage is not available, Borrower shall continue to pay to Lender the amount of the separately designated payments that were due when the insurance coverage ceased to be in effect. Lender will accept, use and retain these payments as a non-refundable loss reserve in lieu of Mortgage Insurance. Such loss reserve shall be non-refundable, notwithstanding the fact that the Loan is ultimately paid in full, and Lender shall not be required to pay Borrower any interest or earnings on such loss reserve. Lender can no longer require loss reserve payments if Mortgage Insurance coverage (in the amount and for the period that Lender requires) provided by an insurer selected by Lender again becomes available, is obtained, and Lender requires separately designated payments toward the premiums for Mortgage Insurance. If Lender required Mortgage Insurance as a condition of making the Loan and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to maintain Mortgage Insurance in effect, or to provide a non-refundable loss reserve, until Lender's requirement for Mortgage Insurance ends in accordance with any written agreement between Borrower and Lender providing for such termination or until termination is required by Applicable Law. Nothing in this Section 10 affects Borrower's obligation to pay interest at the rate provided in the Note.

Mortgage Insurance reimburses Lender (or any entity that purchases the Note) for certain losses it may incur if Borrower does not repay the Loan as agreed. Borrower is not a party to the Mortgage Insurance.

Mortgage insurers evaluate their total risk on all such insurance in force from time to time, and may enter into agreements with other parties that share or modify their risk, or reduce losses. These agreements are on terms and conditions that are satisfactory to the mortgage insurer and the other party (or parties) to these agreements. These agreements may require the mortgage insurer to make payments using any source of funds that the mortgage insurer may have available (which may include funds obtained from Mortgage Insurance premiums).

As a result of these agreements, Lender, any purchaser of the Note, another insurer, any reinsurer, any other entity, or any affiliate of any of the foregoing, may receive (directly or indirectly) amounts that derive from (or might be characterized as) a portion of Borrower's payments for Mortgage Insurance, in exchange for sharing or modifying the mortgage insurer's risk, or reducing losses. If such agreement provides that an affiliate of Lender takes a share of the insurer's risk in exchange for a share of the premiums paid to the insurer, the arrangement is often termed "captive reinsurance." Further:

(a) Any such agreements will not affect the amounts that Borrower has agreed to pay for Mortgage Insurance, or any other terms of the Loan. Such agreements will not increase the amount Borrower will owe for Mortgage Insurance, and they will not entitle Borrower to any refund.

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(b) Any such agreements will not affect the rights Borrower has - if any - with respect to the Mortgage Insurance under the Homeowners Protection Act of 1998 or any other law. These rights may include the right to receive certain disclosures, to request and obtain cancellation of the Mortgage Insurance, to have the Mortgage Insurance terminated automatically, and/or to receive a refund of any Mortgage Insurance premiums that were unearned at the time of such cancellation or termination.

11. Assignment of Miscellaneous Proceeds; Forfeiture. All Miscellaneous Proceeds are hereby assigned to and shall be paid to Lender.

If the Property is damaged, such Miscellaneous Proceeds shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such Miscellaneous Proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may pay for the repairs and restoration in a single disbursement or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such Miscellaneous Proceeds, Lender shall not be required to pay Borrower any interest or earnings on such Miscellaneous Proceeds. If the restoration or repair is not economically feasible or Lender's security would be lessened, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such Miscellaneous Proceeds shall be applied in the order provided for in Section 2.

In the event of a total taking, destruction, or loss in value of the Property, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the Miscellaneous Proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the partial taking, destruction, or loss in value divided by (b) the fair market value of the Property immediately before the partial taking, destruction, or loss in value. Any balance shall be paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is less than the amount of the sums secured immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the Opposing Party (as defined in the next sentence) offers to make an award to settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the Miscellaneous Proceeds either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due. "Opposing Party" means the third party that owes Borrower Miscellaneous Proceeds or the party against whom Borrower has a right of action in regard to Miscellaneous Proceeds.

Borrower shall be in default if any action or proceeding, whether civil or criminal, is begun that, in Lender's judgment, could result in forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. Borrower can cure such a default and, if acceleration has occurred, reinstate as provided in Section 19, by causing the action or proceeding to be dismissed with a ruling that, in Lender's judgment, precludes forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. The proceeds of any award or claim for damages that are attributable to the impairment of Lender's interest in the Property are hereby assigned and shall be paid to Lender.

All Miscellaneous Proceeds that are not applied to restoration or repair of the Property shall be applied in the order provided for in Section 2.

12. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender

to Borrower or any Successor in Interest of Borrower shall not operate to release the liability of Borrower or any Successors in Interest of Borrower. Lender shall not be required to commence proceedings against any Successor in Interest of Borrower or to refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or any Successors in Interest of Borrower. Any forbearance by Lender in exercising any right or remedy including, without limitation, Lender's acceptance of payments from third persons, entities or Successors in Interest of Borrower or in amounts less than the amount then due, shall not be a waiver of or preclude the exercise of any right or remedy

13. Joint and Several Liability; Co-signers; Successors and Assigns Bound. Borrower covenants and agrees that Borrower's obligations and liability shall be joint and several. However, any Borrower who co-signs this Security Instrument but does not execute the Note (a "co-signer"): (a) is co-signing this Security Instrument only to mortgage, grant and convey the co-signer's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower can agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without the co-signer's consent.

Subject to the provisions of Section 18, any Successor in Interest of Borrower who assumes Borrower's obligations under this Security Instrument in writing, and is approved by Lender, shall obtain all of Borrower's rights and benefits under this Security Instrument. Borrower shall not be released from Borrower's obligations and liability under this Security Instrument unless Lender agrees to such release in writing. The covenants and agreements of this Security Instrument shall bind (except as provided in Section 20) and benefit the successors and assigns of Lender.

14. Loan Charges. Lender may charge Borrower fees for services performed in connection with Borrower's default, for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument, including, but not limited to, attorneys' fees, property inspection and valuation fees. In regard to any other fees, the absence of express authority in this Security Instrument to charge a specific fee to Borrower shall not be construed as a prohibition on the charging of such fee. Lender may not charge fees that are expressly prohibited by this Security Instrument or by Applicable Law.

If the Loan is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the Loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge (whether or not a prepayment charge is provided for under the Note). Borrower's acceptance of any such refund made by direct payment to Borrower will constitute a waiver of any right of action Borrower might have arising out of such overcharge.

15. Notices. All notices given by Borrower or Lender in connection with this Security Instrument must be in writing. Any notice to Borrower in connection with this Security Instrument shall be deemed to have been given to Borrower when mailed by first class mail or when actually delivered to Borrower's notice address if sent by other means. Notice to any one Borrower shall constitute notice to all Borrowers unless Applicable Law expressly requires otherwise. The notice address shall be the Property Address unless Borrower has designated a substitute notice address by notice to Lender. Borrower shall promptly notify Lender of Borrower's change of address. If Lender specifies a procedure for reporting Borrower's change of address, then Borrower shall only report a change of address through that specified procedure. There may be only one designated notice address under this Security Instrument at any one time. Any notice to Lender shall be given by delivering it or by mailing it by first class mail to Lender's address stated herein unless Lender has designated another address by notice to Borrower. Any notice in connection with this Security Instrument shall not be deemed to have been given to Lender until actually received by Lender. If any notice required by this Security Instrument is also required under Applicable Law, the Applicable Law requirement will satisfy the corresponding requirement under this Security Instrument.

16. Governing Law; Severability; Rules of Construction. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. All rights and obligations contained in this Security Instrument are subject to any requirements and limitations of Applicable Law. Applicable Law might explicitly or implicitly allow the parties to agree by contract or it might be silent, but such silence shall not be construed as a prohibition against agreement by contract. In the event that any provision or clause of this Security Instrument or the Note conflicts with Applicable Law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision.

As used in this Security Instrument: (a) words of the masculine gender shall mean and include corresponding neuter words or words of the feminine gender; (b) words in the singular shall mean and include the plural and vice versa; and (c) the word "may" gives sole discretion without any obligation to take any action.

17. Borrower's Copy. Borrower shall be given one copy of the Note and of this Security Instrument.

18. Transfer of the Property or a Beneficial Interest in Borrower. As used in this Section 18, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

19. Borrower's Right to Reinstate After Acceleration. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earliest of: (a) five days before sale of the Property pursuant to any power of sale contained in this Security Instrument; (b) such other period as Applicable Law might specify for the termination of Borrower's right to reinstate; or (c) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements, (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees, property inspection and valuation fees, and other fees incurred for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument; and (d) takes such action as Lender may reasonably require to assure that Lender's interest in the Property and rights under this Security Instrument, and Borrower's obligation to pay the sums secured by this Security Instrument, shall continue unchanged. Lender may require that Borrower pay such reinstatement sums and expenses in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality or entity; or (d) Electronic Funds Transfer. Upon reinstatement by Borrower, this Security Instrument and obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under Section 18.

20. Sale of Note; Change of Loan Servicer; Notice of Grievance. The Note or a partial interest in the Note (together with this Security Instrument) can be sold one or more times without prior notice to Borrower. A sale might result in a change in the entity (known as the "Loan Servicer") that collects Periodic Payments due under the Note and this Security Instrument and performs other mortgage loan servicing obligations under the Note, this Security Instrument, and Applicable Law. There also might be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change which will state the name and address of the new Loan Servicer, the address to which payments should be made and any other information RESPA

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requires in connection with a notice of transfer of servicing. If the Note is sold and thereafter the Loan is serviced by a Loan Servicer other than the purchaser of the Note, the mortgage loan servicing obligations to Borrower will remain with the Loan Servicer or be transferred to a successor Loan Servicer and are not assumed by the Note purchaser unless otherwise provided by the Note purchaser.

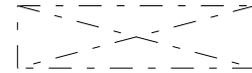
Neither Borrower nor Lender may commence, join, or be joined to any judicial action (as either an individual litigant or the member of a class) that arises from the other party's actions pursuant to this Security Instrument or that alleges that the other party has breached any provision of, or any duty owed by reason of, this Security Instrument, until such Borrower or Lender has notified the other party (with such notice given in compliance with the requirements of Section 15) of such alleged breach and afforded the other party hereto a reasonable period after the giving of such notice to take corrective action. If Applicable Law provides a time period which must elapse before certain action can be taken, that time period will be deemed to be reasonable for purposes of this paragraph. The notice of acceleration and opportunity to cure given to Borrower pursuant to Section 22 and the notice of acceleration given to Borrower pursuant to Section 18 shall be deemed to satisfy the notice and opportunity to take corrective action provisions of this Section 20.

21. Hazardous Substances. As used in this Section 21: (a) "Hazardous Substances" are those substances defined as toxic or hazardous substances, pollutants, or wastes by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials; (b) "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection; (c) "Environmental Cleanup" includes any response action, remedial action, or removal action, as defined in Environmental Law; and (d) an "Environmental Condition" means a condition that can cause, contribute to, or otherwise trigger an Environmental Cleanup.

Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances, or threaten to release any Hazardous Substances, on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property (a) that is in violation of any Environmental Law, (b) which creates an Environmental Condition, or (c) which, due to the presence, use, or release of a Hazardous Substance, creates a condition that adversely affects the value of the Property. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property (including, but not limited to, hazardous substances in consumer products).

Borrower shall promptly give Lender written notice of (a) any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge, (b) any Environmental Condition, including but not limited to, any spilling, leaking, discharge, release or threat of release of any Hazardous Substance, and (c) any condition caused by the presence, use or release of a Hazardous Substance which adversely affects the value of the Property. If Borrower learns, or is notified by any governmental or regulatory authority, or any private party, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law. Nothing herein shall create any obligation on Lender for an Environmental Cleanup.

Initials: 



NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

22. **Acceleration; Remedies.** Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under Section 18 unless Applicable Law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Borrower to acceleration and sale. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may invoke the power of sale and any other remedies permitted by Applicable Law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this Section 22, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

If Lender invokes the power of sale, Lender shall execute or cause Trustee to execute a written notice of the occurrence of an event of default and of Lender's election to cause the Property to be sold. Trustee shall cause this notice to be recorded in each county in which any part of the Property is located. Lender or Trustee shall mail copies of the notice as prescribed by Applicable Law to Borrower and to the other persons prescribed by Applicable Law. Trustee shall give public notice of sale to the persons and in the manner prescribed by Applicable Law. After the time required by Applicable Law, Trustee, without demand on Borrower, shall sell the Property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in any order Trustee determines. Trustee may postpone sale of all or any parcel of the Property by public announcement at the time and place of any previously scheduled sale. Lender or its designee may purchase the Property at any sale.

Trustee shall deliver to the purchaser Trustee's deed conveying the Property without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable Trustee's and attorneys' fees; (b) to all sums secured by this Security Instrument; and (c) any excess to the person or persons legally entitled to it.

23. **Reconveyance.** Upon payment of all sums secured by this Security Instrument, Lender shall request Trustee to reconvey the Property and shall surrender this Security Instrument and all notes evidencing debt secured by this Security Instrument to Trustee. Trustee shall reconvey the Property without warranty to the person or persons legally entitled to it. Lender may charge such person or persons a reasonable fee for reconveying the Property, but only if the fee is paid to a third party (such as the Trustee) for services rendered and the charging of the fee is permitted under Applicable Law. If the fee charged does not exceed the fee set by Applicable Law, the fee is conclusively presumed to be reasonable.

24. **Substitute Trustee.** Lender, at its option, may from time to time appoint a successor trustee to any Trustee appointed hereunder by an instrument executed and acknowledged by Lender and recorded in the office of the Recorder of the county in which the Property is located. The instrument shall contain the name of the original Lender, Trustee and Borrower, the book and page where this Security Instrument is recorded and the name and address of the successor trustee. Without conveyance of the Property, the successor trustee shall succeed to all the title, powers and duties conferred upon the Trustee herein and by Applicable Law. This procedure for substitution of trustee shall govern to the exclusion of all other provisions for substitution.

25. **Statement of Obligation Fee.** Lender may collect a fee not to exceed the maximum amount permitted by Applicable Law for furnishing the statement of obligation as provided by Section 2943 of the Civil Code of California.



BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any Rider executed by Borrower and recorded with it.

Witnesses:

_____ (Seal)
-Borrower


Laura Richardson (Seal)
-Borrower

_____ (Seal)
-Borrower

_____ (Seal)
-Borrower

_____ (Seal)
-Borrower

_____ (Seal)
-Borrower



State of California
County of Sacramento

} ss.

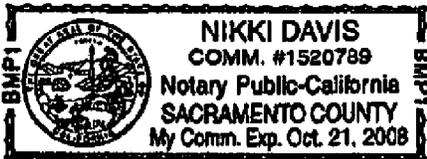
On January 4, 2007

before me, Nikki Davis a notary public
personally appeared

Saura Richardson

, personally known to me
(or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed
to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their
authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity
upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.



Nikki Davis (Seal)

Exhibit "A"
Legal Description

Lot 259 as shown on the official "Plat of South Curtis Oaks Subdivision No. 6", filed in the office of the County Recorder of Sacramento County, February 10, 1927 in Book 19 of Maps, Map No. 18

Apn: 

FIXED/ADJUSTABLE RATE RIDER

THIS FIXED/ADJUSTABLE RATE RIDER is made on this 4th day of January, 2007, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed (the "Security Instrument") of the same date given by the undersigned ("Borrower") to secure Borrower's Fixed/Adjustable Rate Note (the "Note") to Washington Mutual Bank ("Lender") of the same date and covering the property described in the Security Instrument and located at: 3622 West Curtis Drive, Sacramento, CA 95818

[Property Address]

THE NOTE CONTAINS PROVISIONS ALLOWING FOR A CHANGE FROM THE INITIAL FIXED INTEREST RATE TO AN ADJUSTABLE INTEREST RATE AND FOR CHANGES IN THE MONTHLY PAYMENT. THE NOTE LIMITS THE AMOUNT BORROWER'S INTEREST RATE CAN CHANGE AT ANY ONE TIME AND THE MAXIMUM RATE BORROWER MUST PAY.

ADDITIONAL COVENANTS. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

A. INTEREST RATE AND MONTHLY PAYMENT CHANGES

The Note provides for an initial fixed interest rate of 8.800%. The Note provides for a change in the initial fixed interest rate to an adjustable interest rate and for changes in the monthly payments, as follows:

4. INTEREST RATE AND MONTHLY PAYMENT CHANGES

(A) Change Dates

The initial fixed interest rate Borrower will pay will change to an adjustable interest rate on the first day of February, 2009, and the interest rate Borrower will pay may change on that day every 6th month thereafter. Each date on which Borrower's interest rate could change is called a "Change Date."

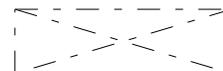
(B) The Index

Beginning with the first Change Date, Borrower's interest rate will be based on an Index. The "Index" is the average of interbank offered rates for six month U.S. dollar-denominated deposits in the London market ("LIBOR"), as published in *The Wall Street Journal*. The most recent Index figure available as of the date 45 days before the Change Date is called the "Current Index."

Fixed/Adjustable Rate Rider - Libor

4140623 (0509)

Page 1 of 3



If the Index is no longer available, the Note Holder will choose a new index that is based upon comparable information. The Note Holder will give Borrower notice of this choice.

(C) Calculation of Changes

Before each Change Date, the Note Holder will calculate Borrower's new interest rate by adding Four and 99/100 percentage points (4.990 %) to the Current Index. The Note Holder will then round the result of this addition to the nearest one-eighth of one percentage point (0.125%). Subject to the limits stated in Section 4(D) below, this rounded amount will be Borrower's new interest rate until the next Change Date.

The Note Holder will then determine the amount of the monthly payment that would be sufficient to repay the unpaid principal that Borrower is expected to owe at the Change Date in full on the Maturity Date at Borrower's new interest rate in substantially equal payments. The result of this calculation will be the new amount of Borrower's monthly payment.

(D) Limits on Interest Rate Changes

The interest rate Borrower is required to pay at the first Change Date will not be greater than 10.800 % or less than 8.800%. Thereafter, Borrower's interest rate will never be increased or decreased on any single Change Date by more than One percentage point(s) (1.000%) from the rate of interest Borrower has been paying for the preceding months. Borrower's interest rate will never be greater than 14.800 % or less than 8.800 %.

(E) Effective Date of Changes

Borrower's new interest rate will become effective on each Change Date. Borrower will pay the amount of Borrower's new monthly payment beginning on the first monthly payment date after the Change Date until the amount of Borrower's monthly payment changes again.

(F) Notice of Changes

The Note Holder will deliver or mail to Borrower a notice of any changes in Borrower's interest rate and the amount of Borrower's monthly payment before the effective date of any change. The notice will include information required by law to be given to the Borrower and also the title and telephone number of a person who will answer any question Borrower may have regarding the notice.

B. TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN BORROWER

Covenant 18 of the Security Instrument is amended to read as follows:

(A) Until Borrower's initial fixed interest rate changes to an adjustable interest rate under the terms stated in Section A above, Covenant 18 of the Security Instrument provides as follows:

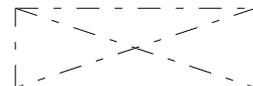
Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property or any interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited Applicable Law.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

Fixed/Adjustable Rate Rider - Libor

4140623 (0509)

Page 2 of 3



(B) When Borrower's initial fixed interest rate changes to an adjustable interest rate under the terms stated in Section A above, Covenant 18 of the Security Instrument shall then instead provide as follows:

Transfer of the Property or a Beneficial Interest in Borrower. As used in this Section 18, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser. If all or any part of the Property or any interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law. Lender also shall not exercise this option if: (a) Borrower causes to be submitted to Lender information required by Lender to evaluate the intended transferee as if a new loan were being made to the transferee; and (b) Lender reasonably determines that Lender's security will not be unpaired by the loan assumption and that the risk of a breach of any covenant or agreement in this Security Instrument is acceptable to Lender.

To the extent permitted by Applicable Law, Lender may charge a reasonable fee as a condition to Lender's consent to the loan assumption. Lender also may require the transferee to sign an assumption agreement that is acceptable to Lender and that obligates the transferee to keep all the promises and agreements made in the Note and in this Security Instrument. Borrower will continue to be obligated under the Note and this Security Instrument unless Lender releases Borrower in writing.

If Lender exercises the option to require immediate payment in full, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Fixed/Adjustable Rate Rider.



Laura Richardson (Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

[Sign Original Only]

Fixed/Adjustable Rate Rider - Libor

4140623 (0509)

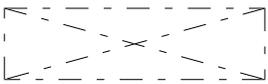


EXHIBIT B

RECORDING REQUESTED BY
 CALIFORNIA RECONVEYANCE COMPANY
 AND WHEN RECORDED MAIL TO
 CALIFORNIA RECONVEYANCE COMPANY
 9200 Oakdale Avenue
 Mail Stop: N 11 06 12
 Chatsworth, CA 91311
 800 892-6902
 (818)775-2258 (Fax)

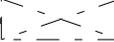


Sacramento County Recording
 Craig A Kramer, Clerk/Recorder
 BOOK 20071214 PAGE 0358

Check Number 9109
 Friday, DEC 14, 2007 8:41:18 AM
 Ttl Pd \$12 00 Nbr-0005192112

TMH/74/1-2

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Trustee Sale No. 723397CA Loan No.  3 Title Order No. M721884

IMPORTANT NOTICE
NOTICE OF DEFAULT AND ELECTION TO SELL UNDER DEED OF TRUST

IF YOUR PROPERTY IS IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR PAYMENTS, IT MAY BE SOLD WITHOUT ANY COURT ACTION, and you may have the legal right to bring your account in good standing by paying all of your past due payments plus permitted costs and expenses within the time permitted by law for reinstatement of your account, which is normally five business days prior to the date set for the sale of your property. No sale date may be set until three months from the date this notice of default may be recorded (which date of recordation appears on this notice).

This amount is \$18,356.40 as of December 13, 2007 and will increase until your account becomes current.

While your property is in foreclosure, you still must pay other obligations (such as insurance and taxes) required by your note and deed of trust or mortgage. If you fail to make future payments on the loan, pay taxes on the property, provide insurance on the property, or pay other obligations as required in the note and deed of trust or mortgage, the beneficiary or mortgagee may insist that you do so in order to reinstate your account in good standing. In addition, the beneficiary or mortgagee may require as a condition to reinstatement that you provide reliable written evidence that you paid all senior liens, property taxes, and hazard insurance premiums.

Upon your written request, the beneficiary or mortgagee will give you a written itemization of the entire amount you must pay. You may not have to pay the entire unpaid portion of your account, even though full payment was demanded, but you must pay all amounts in default at the time payment is made. However, you and your beneficiary or mortgagee may mutually agree in writing prior to the time the notice of sale is posted (which may not be earlier than the end of the three-month period stated above) to, among other things, (1) provide additional time in which to cure the default by transfer of the property or otherwise; or (2) establish a schedule of payments in order to cure your default; or both (1) and (2).

Following the expiration of the time period referred to in the first paragraph of this notice, unless the obligation being foreclosed upon or a separate written agreement between you and your creditor permits a longer period, you have only the legal right to stop the sale of property by paying the entire amount demanded by your creditor.

Trustee Sale No. 723397CA Loan No. [] Title Order No. M721884

To find out the amount you must pay, or to arrange for payment to stop the foreclosure, or if your property is in foreclosure for any other reason, contact: WASHINGTON MUTUAL BANK, FA at 7301 BAYMEADOWS WAY , JACKSONVILLE, FL 32256, (877) 926-8937.

If you have any questions, you should contact a lawyer or the governmental agency which may have insured your loan. Notwithstanding the fact that your property is in foreclosure, you may offer your property for sale, provided the sale is concluded prior to the conclusion of the foreclosure.

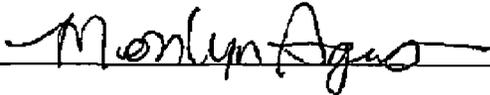
REMEMBER, YOU MAY LOSE LEGAL RIGHTS IF YOU DO NOT TAKE PROMPT ACTION. NOTICE IS HEREBY GIVEN THAT: CALIFORNIA RECONVEYANCE COMPANY is the duly appointed Trustee under a Deed of Trust dated 01/04/2007, executed by LAURA RICHARDSON, AN UNMARRIED WOMAN, as trustor, to secure obligations in favor of WASHINGTON MUTUAL BANK, as Beneficiary Recorded 01/10/2007, Book 20070110, Page 1818, Instrument of official records in the Office of the Recorder of SACRAMENTO County, California, as more fully described on said Deed of Trust. APN: [] Situs: 3622 WEST CURTIS DRIVE, , SACRAMENTO, CA 95818 including the note(s) for the sum of \$535,001.00 that the beneficial interest under said Deed of Trust and the obligations secured thereby are presently held by the beneficiary; that a breach of, and default in, the obligations for which said Deed of Trust is security has occurred in that the payment has not been made of: THE 08/01/2007 INSTALLMENT OF PRINCIPAL AND INTEREST AND ALL SUBSEQUENT MONTHLY INSTALLMENTS OF PRINCIPAL AND INTEREST; PLUS ANY ADDITIONAL ACCRUED AND UNPAID AMOUNTS INCLUDING, BUT NOT LIMITED TO, LATE CHARGES, ADVANCES, IMPOUNDS, TAXES, HAZARD INSURANCE, ADMINISTRATIVE FEES, INSUFFICIENT AND PARTIAL RETURN CHECK FEES, STATEMENT FEES, AND OBLIGATIONS SECURED BY PRIOR ENCUMBRANCES.

That by reason thereof, the present beneficiary under such Deed of Trust, has executed and delivered to said Trustee, a written Declaration and Demand for Sale, and has deposited with said duly appointed Trustee, such Deed of Trust and all documents evidencing the obligations secured thereby, and has declared and does hereby declare all sums secured thereby immediately due and payable and has elected and does hereby elect to cause the trust property to be sold to satisfy the obligations secured thereby.

DATE: December 13, 2007

CALIFORNIA RECONVEYANCE COMPANY, as authorized agent for Washington Mutual Bank, Beneficiary,

By: FIDELITY NATIONAL TITLE COMPANY, authorized agent of CRC



CALIFORNIA RECONVEYANCE COMPANY IS A DEBT COLLECTOR ATTEMPTING TO COLLECT A DEBT. ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.

Merrilyn L. Aguas

EXHIBIT C

RECORDING REQUESTED BY
 CALIFORNIA RECONVEYANCE COMPANY
 AND WHEN RECORDED MAIL TO
 CALIFORNIA RECONVEYANCE COMPANY
 9200 Oakdale Avenue
 Mail Stop: N 11 06 12
 Chatsworth, CA 91311



Sacramento County Recording
 Craig A Kramer, Clerk/Recorder
 BOOK 20080319 PAGE 0358

Check Number 2572
 Wednesday, MAR 19, 2008 9:07:55 AM
 T&I Pd \$11.00 Nbr-000531112

JLW/14/1-1

Trustee Sale No.
 Loan No.
 Title Order No.



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NOTICE OF TRUSTEE'S SALE

YOU ARE IN DEFAULT UNDER A DEED OF TRUST DATED 01/04/2007. UNLESS YOU TAKE ACTION TO PROTECT YOUR PROPERTY, IT MAY BE SOLD AT A PUBLIC SALE. IF YOU NEED AN EXPLANATION OF THE NATURE OF THE PROCEEDINGS AGAINST YOU, YOU SHOULD CONTACT A LAWYER.

On 04/07/2008 at 01:30 PM, CALIFORNIA RECONVEYANCE COMPANY as the duly appointed Trustee under and pursuant to Deed of Trust Recorded 01/10/2007, Book 20070110, Page 1818, Instrument , of official records in the Office of the Recorder of SACRAMENTO County, California, executed by: LAURA RICHARDSON, AN UNMARRIED WOMAN, as Trustor, WASHINGTON MUTUAL BANK, as Beneficiary, will sell at public auction sale to the highest bidder for cash, cashier's check drawn by a state or national bank, a cashier's check drawn by a state or federal credit union, or a cashier's check drawn by a state or federal savings and loan association, savings association, or savings bank specified in section 5102 of the Financial Code and authorized to do business in this state Sale will be held by the duly appointed trustee as shown below, of all right, title, and interest conveyed to and now held by the trustee in the hereinafter described property under and pursuant to the Deed of Trust. The sale will be made, but without covenant or warranty, expressed or implied, regarding title, possession, or encumbrances, to pay the remaining principal sum of the note(s) secured by the Deed of Trust, interest thereon, estimated fees, charges and expenses of the Trustee for the total amount (at the time of the initial publication of the Notice of Sale) reasonably estimated to be set forth below. The amount may be greater on the day of sale

Place of Sale. AT THE MAIN ENTRANCE TO THE COUNTY COURTHOUSE, 720 9TH STREET, SACRAMENTO, CA
 Legal Description LOT 259 AS SHOWN ON THE OFFICIAL "PLAT OF SOUTH CURTIS OAKS SUBDIVISION NOV. 6", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY, FEBRUARY 10, 1927 IN BOOK 19 OF MAPS, MAP NO. 18

Amount of unpaid balance and other charges: \$578,384.52 (estimated)

Street address and other common designation of the real property 3622 WEST CURTIS DRIVE
 SACRAMENTO, CA 95818

APN Number: [REDACTED]

The undersigned Trustee disclaims any liability for any incorrectness of the street address and other common designation, if any, shown herein. The property heretofore described is being sold "as is"

DATE: 03-17-2008

CALIFORNIA RECONVEYANCE COMPANY, as Trustee
 (714) 259-7850 or www.fidelityasap.com
 (714) 573-1965 or www.priorityposting.com

DEBORAH BRIGNAC, VICE PRESIDENT
 9200 OAKDALE AVE
 MAILSTOP N110612
 CHATSWORTH, CA 91311

CALIFORNIA RECONVEYANCE COMPANY IS A DEBT COLLECTOR ATTEMPTING TO COLLECT A DEBT. ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.

EXHIBIT D

EXHIBIT E

00339 11-24
Office AU # 1210(8)

CASHIER'S CHECK

SERIAL # 
ACCOUNT# 

Purchaser: JAMES P YORK
Purchaser Account 
Operator I.D. 

cv002254

May 07, 2008

PAY TO THE ORDER OF ***CALIFORNIA RECONVEYANCE COMPANY***

Three hundred eighty-eight thousand dollars and 01 cent

\$388,000.01

WELLS FARGO BANK, N.A.
400 CAPITOL MALL
SACRAMENTO, CA 95814
FOR INQUIRIES CALL (480) 394-3122

NOTICE TO PURCHASER - IF THIS INSTRUMENT IS LOST,
STOLEN OR DESTROYED, YOU MAY REQUEST CANCELLATION
AND REISSUANCE. AS A CONDITION TO CANCELLATION AND
REISSUANCE, WELLS FARGO BANK MAY IMPOSE A FEE AND
REQUIRE AN INDEMNITY AGREEMENT AND BOND

VOID IF OVER US \$ 388,000.01

NON-NEGOTIABLE

Purchaser Copy

3-00- 15703 07020021

6

EXHIBIT F

WHEN RECORDED MAIL TO:
RED ROCK MORTGAGE, INC.

MAIL TAX STATEMENTS TO:
RED ROCK MORTGAGE, INC.
3600 AMERICAN RIVER DRIVE #135
SACRAMENTO, CA 95864



Sacramento County Recording
Craig A Kramer, Clerk/Recorder
BOOK 20080519 PAGE 0487

Check Number 9226
Monday, MAY 19, 2008 11:12:43 AM
Tax Pd \$12.00 Nbr-000398838

006-Sacramento Cy DTT PAID

AMH/GB/1-2

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Trustee Sale No. 723397CA Loan No. [] Title Order No M721884

TRUSTEE'S DEED UPON SALE

APN [] T.R.A. No.

The undersigned grantor declares:

- 1) The Grantee herein was not the foreclosing beneficiary.
- 2) The amount of the unpaid debt together with costs was.....\$574,023.87
- 3) The amount paid by the grantee at the trustee sale was.....\$388,000.01
- 4) The documentary transfer tax is.....\$427.35
- 5) Said property is in SACRAMENTO

and CALIFORNIA RECONVEYANCE COMPANY (herein called Trustee), as the duly appointed Trustee or substituted Trustee under the Deed of Trust hereinafter described, does hereby grant and convey, but without covenant or warranty, express or implied, to Red Rock Mortgage, Inc. (herein called Grantee), all of its right, title and interest in and to that certain property situated in the County of SACRAMENTO, State of California, described as follows: LOT 259 AS SHOWN ON THE OFFICIAL "PLAT OF SOUTH CURTIS OAKS SUBDIVISION NOV. 6", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY, FEBRUARY 10, 1927 IN BOOK 19 OF MAPS, MAP NO. 18

Site: 3622 WEST CURTIS DRIVE, SACRAMENTO, CA 95818

RECITALS:

This conveyance is made pursuant to the powers conferred upon Trustee by that certain Deed of Trust dated 01/04/2007 and executed by LAURA RICHARDSON, AN UNMARRIED WOMAN, as Trustor, and Recorded 01/10/2007, Book 20070110, Page 1818, Instrument of official records of SACRAMENTO, County, California, and after fulfillment of the conditions specified in said Deed of Trust authorizing this conveyance.

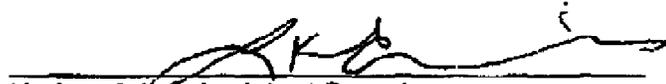
Default occurred as set forth in a Notice of Default and Election to Sell which was recorded in the Office of the Recorder of said County, and such default still existed at the time of sale.

All requirements of law regarding the mailing of copies of notices or the publication of a copy of the Notice of Default or the personal delivery of the copy of the Notice of Default and the posting and publication of copies of the Notice of a Sale have been complied with.

Trustee, in compliance with said Notice of Trustee's Sale and in exercise of its powers under said Deed of Trust, sold the herein described property at public auction on 05/07/2008. Grantee, being the highest bidder at said sale, became the purchaser of said property for the amount bid being \$388,000.01 in lawful money of the United States, or by credit bid if the Grantee was the beneficiary of said Deed of Trust at the time of said Trustee's Sale.

DATE: 05/09/2008

CALIFORNIA RECONVEYANCE COMPANY, as Trustee



Karime Arias, Assistant Secretary

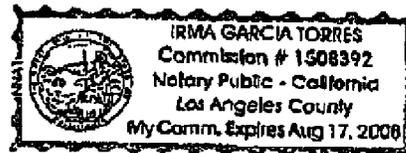
STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

On May 09, 2008 before me, IRMA GARCIA TORRES, "Notary Public" personally appeared KARIME ARIAS, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Irma Garcia Torres (Seal)



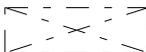
1
EXHIBIT G

RECORDING REQUESTED BY
CALIFORNIA RECONVEYANCE COMPANY
AND WHEN RECORDED MAIL TO
CALIFORNIA RECONVEYANCE COMPANY
9200 Oakdale Avenue
Mail Stop: N 11 06 12
Chatsworth, CA 91311

Sacramento County Recording
Frederick B. Garcia, Clerk/Recorder
BOOK 20080602 PAGE 0885
Check Number 365268
Monday, JUN 02, 2008 10:45:44 AM
Ttl Pd \$14.00 Nbr-0005418923

MCY/82/1-2

Space above this line for recorder's use only

Trustee Sale No 723397CA Loan No  Title Order No M721884

NOTICE OF RESCISSION OF TRUSTEE'S DEED UPON SALE

This Notice of Rescission is made on 05/30/2008 with respect to the following facts

1. That CALIFORNIA RECONVEYANCE COMPANY, a California Corporation as the duly appointed trustee under that certain Deed of Trust dated 01/04/2007, and Recorded 01/10/2007, Book 20070110, Page 1818, Instrument naming LAURA RICHARDSON, AN UNMARRIED WOMAN as trustor and WASHINGTON MUTUAL BANK as beneficiary, securing a Promissory Note in the amount of \$535,001 00.

2. The Deed of Trust encumbers the real property situated in the County of SACRAMENTO, State of CALIFORNIA, described as follows

LOT 259 AS SHOWN ON THE OFFICIAL "PLAT OF SOUTH CURTIS OAKS SUBDIVISION NOV. 6", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY, FEBRUARY 10, 1927 IN BOOK 19 OF MAPS, MAP NO. 18

A P N. 
Situs. 3622 WEST CURTIS DRIVE, SACRAMENTO, CA 95818

3. That by virtue of a Default under the terms of the Deed of Trust the Beneficiary did declare a default, as set forth in a Notice of Default and Election to Sell, which Notice was recorded in the Office of the County Recorder of SACRAMENTO, California.

4. On 05/07/2008, at 01:30 PM the property was purportedly sold to RED ROCK MORTGAGE, INC, being the highest bidder at such sale who bid the amount of \$388,000.01.

5. The Trustee's Sale on 05/07/2008 is being rescinded at the request of the Beneficiary, as the Beneficiary had previously agreed to postpone the foreclosure sale to June 4, 2008. The Trustee's sale of 05/07/2008 is therefore null and void, and of no force and effect

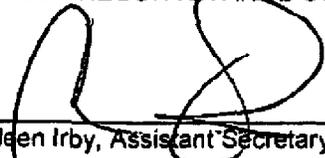
6. The express purpose for this Notice of Rescission is to return the priority and existence of all lien holders to the status quo ante that existed prior to the Trustee's Sale

NOW, THEREFORE, THE UNDERSIGNED HEREBY RESCINDS THE TRUSTEE'S SALE AND PURPORTED TRUSTEE'S DEED UPON SALE AND HEREBY ADVISES ALL PERSONS, WHOMEVER AND WHATSOEVER LOCATED, THAT THE TRUSTEE'S DEED UPON SALE DATED 05/09/2008, FROM CALIFORNIA RECONVEYANCE COMPANY TO RED ROCK MORTGAGE, INC AND RECORDED 05/19/2008 IN BOOK 20080519, PAGE 0487, OF OFFICIAL RECORDS OF SACRAMENTO COUNTY IS HEREBY RESCINDED AND SHALL HAVE NO FURTHER FORCE OR EFFECT WHATSOEVER

IN WITNESS WHEREOF, CALIFORNIA RECONVEYANCE COMPANY, has caused its corporate name and seal to be hereto affixed by its authorized signature.

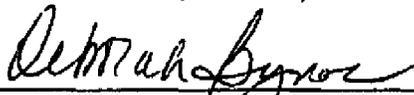
DATE: 05/29/2008

CALIFORNIA RECONVEYANCE COMPANY, as Trustee

BY 
Colleen Irby, Assistant Secretary

BY 
Karime Arias, Assistant Secretary

WASHINGTON MUTUAL BANK, FA

BY 
Deborah Brignac, Vice President

BY 
Huey-Jen Chiu, Vice President

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

On 5/29/08 before me, SIERRIE HERRADURA, "Notary Public" personally appeared DEBORAH BRIGNAC, HUEY-JEN CHIU, COLLEEN IRBY AND KARIME ARIAS, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity (ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature  (Seal)

This document filed for recording
By Fidelity National Title Insurance and Trust
as an accommodation only. It has not been
examined as to its execution or as its effect
upon the title.



From: Gaugl, Sara C.
Sent: Monday, June 02, 2008 4:33:59 PM
To: Baptista, Geri Ann S.; Battaglia, Paul J.; Cook, Don; Elias, Alan; Owen, Jan L.
CC: Thorn, Ann
Subject: RE: Final Review: Richardson Response

Many thanks to all for your quick review and input. I plan to contact Gene in about 15 minutes or so.

Best,

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228[redacted] cell
sara.gaugl@wamu.net

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From: Baptista, Geri Ann S.
Sent: Monday, June 02, 2008 1:28 PM
To: Battaglia, Paul J.; Gaugl, Sara C.; Cook, Don; Elias, Alan; Owen, Jan L.
Cc: Thorn, Ann
Subject: RE: Final Review: Richardson Response

I'm fine with these as well.

Geri Ann S. Baptista – VP, WaMu Corporate Communications
206.500.2875 direct | 206.612[redacted] cell | 206.377.2023 fax | geriann.baptista@wamu.net

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From: Battaglia, Paul J.
Sent: Monday, June 02, 2008 12:45 PM
To: Gaugl, Sara C.; Cook, Don; Elias, Alan; Owen, Jan L.; Baptista, Geri Ann S.
Cc: Thorn, Ann
Subject: RE: Final Review: Richardson Response

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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From: Gaugl, Sara C.
Sent: Monday, June 02, 2008 12:37 PM
To: Cook, Don; Battaglia, Paul J.; Elias, Alan; Owen, Jan L.; Baptista, Geri Ann S.
Cc: Thorn, Ann
Subject: Final Review: Richardson Response

All:

REDACTED

Questions:

- Has Ms. Richardson allowed WaMu to discuss her case publicly? Without violating Congresswoman Laura Richardson's privacy rights, can WaMu state unequivocally that Ms. Richardson has received no preferential treatment in the handling of her loan, and will not receive any preferential treatment in the future?
- Is WaMu aware of situations in which WaMu loans have been foreclosed improperly, either because a loan modification was signed prior to the auction or for some other reason, and if so, what steps is WaMu taking to correct that problem? Would a borrower in that situation be entitled to a refund of any payments made on the loan modification?
- If WaMu determines that a WaMu loan was foreclosed improperly, will WaMu, as a general practice, sue to overturn the foreclosure? Has that ever happened and if so what was the outcome?

- Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228.2222 cell
sara.gaugl@wamu.net

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JPMC - 002937
CONFIDENTIAL
CSOC.RICH.004430

Subject: Accepted: Richardson Update
Location: 877-709 passcode:

Start: 6/2/2008 12:30 PM
End: 6/2/2008 1:00 PM
Show Time As: Busy

Recurrence: (none)

Required Attendees: Owen, Jan L.
Resources: 877-709 passcode:

Subject: Declined: Updated: Richardson update

Location: 877-709- passcode

Start: 5/30/2008 3:30 PM

End: 5/30/2008 4:30 PM

Show Time As: Busy

Recurrence: (none)

Required Attendees: Owen, Jan L.

Resources: 877-709- passcode

I am on other conference calls until 2:00 p.m.

From: Owen, Jan L.
Sent: Friday, May 30, 2008 2:40:04 PM
To: Cook, Don
Subject: RE: Updated: Richardson update

Liza- I am not sure we can reschedule however it is just an update- Monday will be a bigger meeting and we will work with everyone's schedules. Thanks, J

Jan Lynn Owen
First Vice President
State and Local Government and Industry Relations Manager
801 K Street Suite 110
Sacramento, CA 95814
916-553-4961
916-325-4717 fax
jan.owen@wamu.net

-----Original Appointment-----

From: Russo, Elizabeth M. **On Behalf Of** Cook, Don
Sent: Friday, May 30, 2008 11:25 AM
To: Owen, Jan L.
Subject: Declined: Updated: Richardson update
When: Friday, May 30, 2008 12:30 PM-1:30 PM (GMT-08:00) Pacific Time (US & Canada); Tijuana.
Where: 877-709-passcode

Jan - can we please reschedule this meeting? Don has another meeting that will run until 1:00 (and then another one starting at 1:00 that he can't miss), so he won't be able to attend. Sorry for any confusion.

Thanks,
Liza Russo
Legal Assistant

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Wednesday, May 28, 2008 11:36 PM
To: Cook, Don <don.cook@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>; Adams, Carolyn <carolyn.adams@wamu.net>
Subject: Fw: WaMu Follow-Up

REDACTED

Sent from my BlackBerry Wireless Handheld

----- Original Message -----

From: lbreport.com <mail@lbreport.com>
To: Gaugl, Sara C.
Sent: Wed May 28 19:53:14 2008
Subject: WaMu Follow-Up

Thank you for your email. My question doesn't relate to Ms. Richardson's loan situation. I am inquiring regarding WaMu's lending practices during that period.

Under what circumstances did WaMu make no-money-down purchase money home loans in late 2006 and early 2007, and under what circumstances, if any, does it do so now?

Please advise...and thank you.

s/ William Pearl, publisher
LongBeachReport.com
mail@lbreport.com

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Wednesday, May 21, 2008 7:06 PM
To: Owen, Jan L. <jan.owen@wamu.net>; Baptista, Geri Ann S. <geriann.baptista@wamu.net>
Cc: Hutchinson, Libby G. <libby.hutchinson@wamu.net>; Cook, Don <don.cook@wamu.net>; Elias, Alan <alan.elias@wamu.net>
Subject: FW: Media request from AP

Thanks for forwarding, Debbie. I'm currently on the phone with servicing and our attorneys with regard to this situation.

Geri Ann, if you'd like to join the call, here's the conference call number. We're just starting now.
(866) 723-1PQ

Jan, FYI below.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228- cell
sara.gaugl@wamu.net

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From: Gordon, Debbie
Sent: Wednesday, May 21, 2008 3:49 PM
To: Gaugl, Sara C.
Cc: Baptista, Geri Ann S.; Hutchinson, Libby G.
Subject: Media request from AP
Importance: High

Reporter	Samantha Young - speak to anyone if she is not there
Publication	AP
Phone Number	916-448-
Media Request / Scope of the Story	Loan that went into default taken out thru WaMu then referred to the CA Reconveance Company (a subsidiary of WaMu who referred all calls to Corporate). Re: congresswoman Laurie Richardson at 3622 West Curtis Drive, Sacramento, CA. Has documents, wants to confirm what they are looking at. All in the bureau are working on it.
Request Date	5/21/2008
Coverage Date	Not Known
Deadline	ASAP
Lead	S. Gaugl

Debbie Gordon
Executive Assistant
Public Relations
Corporate Communication

Washington Mutual
1301 2nd Ave, WMC2103
Seattle, WA 98101

206.500.2835 direct, 206.377.2023 fax
debbie.j.gordon@wamu.net

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From: Owen, Jan L.
Sent: Wednesday, May 21, 2008 5:08:59 PM
To: Cook, Don; Woodcock, Wendy A.; Gaugl, Sara C.
Subject: FW:

Attachments: Richardson reinstatement.doc

Jan Lynn Owen
First Vice President
State and Local Government and Industry Relations Manager
801 K Street Suite 110
Sacramento, CA 95814
916-553-4961
916-325-4717 fax
jan.owen@wamu.net

From: Alvarez, Rosalva R.
Sent: Wednesday, May 21, 2008 2:08 PM
To: Battaglia, Paul J.; Owen, Jan L.
Subject: FW:

Rosie Alvarez

Executive Response Team
Customer Relations Manager
Washington Mutual Bank
(800) 225-5497 Opt. 1 Ext. 467
Fax (206) 965-3082

" I long to accomplish great and noble tasks, but it is my chief duty to accomplish humble tasks as though they were great and noble. The world is moved along, not only by the mighty shoves of its heroes, but also by the aggregate of the tiny pushes of each honest worker." Helen Keller-

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From: Banks, Donna R.
Sent: Wednesday, May 21, 2008 2:07 PM
To: Alvarez, Rosalva R.
Subject:



Richardson
reinstatement.doc
(25 kB)

Donna Banks
Default Specialist II
Washington Mutual Bank

April 17, 2008

Laura Richardson
717 East Vernon Street
Long Beach, CA 90806

RE: Washington Mutual Loan Number [REDACTED]
Property Address: 3622 West Curtis Drive, Sacramento, CA 95818

WE MAY REPORT/HAVE REPORTED INFORMATION ABOUT YOUR ACCOUNT TO CREDIT BUREAUS. LATE PAYMENTS, MISSED PAYMENTS, OR OTHER DEFAULTS ON YOUR ACCOUNT MAY BE REFLECTED IN YOUR CREDIT REPORT.

WE ARE A DEBT COLLECTOR. THIS IS AN ATTEMPT TO COLLECT A DEBT, AND ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.

Dear Ms. Richardson:

Thank you for your recent contact with our Executive Office. Please find your reinstatement figures enclosed. Please remit the exact reinstatement amount in certified funds to us at the below address:

Washington Mutual
Default Cash Processing
7255 Baymeadows Way
Jacksonville, FL 32256

We have placed a sixty day hold on all foreclosure sale or actions; the hold will expire June 4, 2008.

Should you have any further questions, please feel free to contact me at 904-732-[REDACTED]

Sincerely,

Allison Dolan
Default Specialist II – ERT
Washington Mutual Home Loans

From: Cook, Don <don.cook@wamu.net>
Sent: Saturday, June 14, 2008 4:17 PM
To: Schneider, David C. <david.schneider@wamu.net>
Subject: Re: 001 Complaint Filed 6-12-08.pdf - Adobe Acrobat Professional - Attorney-Client Privileged Communication

Yes. We will be in and out for periods of time, but generally around. My home telephone number is (206) 533-1111 and my cell phone number is (206) 683-1111. It is probably best to reach me on my cell phone unless it is before 10:00 in the morning or after 8:00 at night. Would any particular time be convenient for you?

Sent from my BlackBerry Wireless Handheld

----- Original Message -----

From: Schneider, David C.
To: Cook, Don
Sent: Fri Jun 13 21:46:44 2008
Subject: Re: 001 Complaint Filed 6-12-08.pdf - Adobe Acrobat Professional - Attorney-Client Privileged Communication

REDACTED

----- Original Message -----

From: Cook, Don
To: Schneider, David C.
Cc: Brennan, Carey
Sent: Fri Jun 13 19:42:45 2008
Subject: FW: 001 Complaint Filed 6-12-08.pdf - Adobe Acrobat Professional - Attorney-Client Privileged Communication

REDACTED

From: Martin T. McGuinn [mailto:m.mcguinn@wamu.net]
Sent: Friday, June 13, 2008 5:42 PM
To: Battaglia, Paul J.
Cc: Cook, Don
Subject: 001 Complaint Filed 6-12-08.pdf - Adobe Acrobat Professional

REDACTED

Marty

Martin T. McGuinn

Kirby & McGuinn, A P.C.

600 B Street, Ste. 1950

San Diego, CA 92101

mmcguinn@kirbyandmcguinn.com

Direct Dial: (619) 525-1659

Direct Fax: (619) 525-4000

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From: Cook, Don <don.cook@wamu.net>
Sent: Friday, June 13, 2008 10:43 PM
To: Schneider, David C. <david.schneider@wamu.net>
Cc: Brennan, Carey <carey.brennan@wamu.net>
Subject: FW: 001 Complaint Filed 6-12-08.pdf - Adobe Acrobat Professional - Attorney-Client Privileged Communication
Attach: 001 Complaint Filed 6-12-08.pdf

REDACTED

From: Martin T. McGuinn [mailto:m.mcguinn@kirbyandmcguinn.com]
Sent: Friday, June 13, 2008 5:42 PM
To: Battaglia, Paul J.
Cc: Cook, Don
Subject: 001 Complaint Filed 6-12-08.pdf - Adobe Acrobat Professional

REDACTED

Martin T. McGuinn
Kirby & McGuinn, A P.C.
600 B Street, Ste. 1950
San Diego, CA 92101
mmcguinn [mailto:m.mcguinn@kirbyandmcguinn.com]
Direct Dial: (619) 525- [tel:(619)525-1659]
Direct Fax: (619) 525- [tel:(619)525-4000]

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JPMC - 002949
CONFIDENTIAL
CSOC.RICH.004442

1 CARL P. BLAINE (State Bar # 65229)
Email: cblaine@
2 THOMAS B. SHERIDAN (State Bar #249306)
Email: tsheridan@
3 **WAGNER KIRKMAN BLAINE**
KLOMPARENS & YOUMANS LLP
4 10640 Mather Blvd., Suite 200
Mather, California 95655
5 Telephone: (916) 920-5286
Facsimile: (916) 920-8608
6

7 Attorneys for Plaintiff
RED ROCK MORTGAGE, INC.

8
9 SUPERIOR COURT OF CALIFORNIA
10 COUNTY OF SACRAMENTO

Department
Assignments
Case Management 43
Law and Motion 54
Minors Compromise 25

11 RED ROCK MORTGAGE, INC.,

Case No.

12 Plaintiff,

COMPLAINT FOR:

13 v.

1. SLANDER OF TITLE
2. CANCELLATION
3. QUIET TITLE
4. UNJUST ENRICHMENT

14 WASHINGTON MUTUAL BANK,
CALIFORNIA RECONVEYANCE COMPANY,
LAURA RICHARDSON, and all persons
15 unknown, claiming any legal or equitable right,
title, estate, lien, or interest in the property
16 described in the complaint adverse to Plaintiff's
title, or any cloud on Plaintiff's title, and DOES 1
17 through 20, inclusive,

18 Defendants.

19
20 Plaintiff, RED ROCK MORTGAGE, INC. alleges as follows:

- 21 1. Plaintiff RED ROCK MORTGAGE, INC. ("Plaintiff") is, and at all times herein
22 mentioned was, a corporation organized and existing under the laws of the State of California
- 23 2. Plaintiff is informed and believes and thereon alleges that Defendant
24 WASHINGTON MUTUAL BANK ("WAMU") is, and at all times herein mentioned was, a
25 federal association organized and existing under the laws of the United States and doing
26 business in the state of California.
- 27 3. Plaintiff is informed and believes and thereon alleges that Defendant
28

FILED
Superior Court Of California,
Sacramento
Dennis Jones, Executive
Officer
06/12/2008
avlaisavich
By _____, Deputy
Case Number: _____

10640 Mather Blvd., Suite 200, Mather, CA 95655
Phone (916) 920-5286 Fax (916) 920-8608

WAGNER KIRKMAN BLAINE
KLOMPARENS & YOUMANS LLP
Attorneys at Law

10640 Mather Blvd., Suite 200, Mather, CA 95655
Phone (916) 920-5286 Fax (916) 920-8608

WAGNER KIRKMAN BLAINE
KLOMPARENS & YOUNG LLP
Attorneys at Law

10640 Maiber Blvd., Suite 200, Maiber, CA 95615
Phone (916) 920-5286 Fax (916) 920-8600

1 CALIFORNIA RECONVEYANCE COMPANY ("CRC") is, and at all times herein
2 mentioned was, a corporation organized and existing under the laws of the State of California.

3 4 The real property that is the subject of this action, 3622 West Curtis Drive,
4 Sacramento, California, Assessor's Parcel No. [REDACTED] ("Subject Property") is
5 located in Sacramento County, California.

6 5. The Defendants named herein as "all persons unknown, claiming any legal or
7 equitable right, title, estate, lien, or interest in the property described in the Complaint adverse
8 to plaintiff's title, or any cloud on plaintiff's title thereto" ("Unknown Defendants") are
9 unknown to Plaintiff. These Unknown Defendants, and each of them, claim some right, title,
10 estate, lien, or interest adverse to Plaintiff's interest in title to the Subject Property; and their
11 claims, and each of them, constitute a cloud on Plaintiff's title to the Subject Property.

12 6. Defendants DOES 1 through 20, inclusive, are sued herein under fictitious
13 names. Their true names and capacities are unknown to Plaintiff. When their true names and
14 capacities are ascertained, Plaintiff will amend this complaint by inserting their true names and
15 capacities herein. Plaintiff is informed and believes and thereon alleges that Does 1-10,
16 inclusive, are responsible in some manner for the occurrences herein alleged, and that
17 Plaintiff's damages as herein alleged were proximately caused by such Defendants. Plaintiff is
18 further informed and believes and thereon alleges that Does 11-20, inclusive, claim some right,
19 title, estate, lien, or interest adverse to Plaintiff's interest in title to the Subject Property; and
20 their claims, and each of them, constitute a cloud on Plaintiff's title to the Subject Property.

21 **COMMON ALLEGATIONS**

22 7. Plaintiff realleges and incorporates by reference each and every allegation set
23 forth in paragraphs 1 through 6 above.

24 8. Plaintiff is informed and believes and thereon alleges that on or about
25 January 10, 2007, a Deed of Trust ("Deed of Trust") was recorded against the Subject Property
26 to secure a loan in the amount \$535,001.00 made by WAMU to LAURA RICHARDSON.
27 CRC is the trustee under the Deed of Trust. (Attached hereto as Exhibit A, incorporated herein
28 by reference, is a true and correct copy of the Deed of Trust.)

1
2 9. Plaintiff is informed and believes and thereon alleges that, at some point prior to
3 December 17, 2007, Defendant RICHARDSON defaulted on the payments due on the loan
4 secured by the Deed of Trust.

5 10. On December 17, 2007, CRC recorded a Notice of Default on the Subject
6 Property. (Attached hereto as Exhibit B, and incorporated herein by this reference, is a true and
7 correct copy of the Notice of Default.) The Notice of Default provides that, as of December
8 13, 2007, the amount of the default was \$18,356.40.

9 11. On March 19, 2008, CRC recorded a Notice of Trustee's sale on the Subject
10 Property, advertising the Trustee's Sale of the Subject Property to the general public.
11 (Attached hereto as Exhibit C, and incorporated herein by this reference, is a true and correct
12 copy of the Notice of Trustee's Sale.) Pursuant to the Notice of Trustee's Sale, the unpaid
13 balance and other charges was approximately \$578,384.52.

14 12. The Notice of Trustee's Sale provides that the sale was to occur on April 7,
15 2008, at 1:30 p.m., at the main entrance to the Sacramento County Courthouse, 720 9th Street,
16 Sacramento, California.

17 13. Plaintiff is informed and believes and thereon alleges that the sale was
18 postponed to May 7, 2008, at 1:30 p.m., to be held at the same location.

19 14. In accordance with the Notice of Trustee's Sale and the duly noticed
20 postponement thereof, on May 7, 2008, Plaintiff appeared at the trustee's sale to bid on the
21 Subject Property. Plaintiff secured a cashier's check in order to qualify to bid at the sale.

22 15. At the noticed time and place, CRC conducted the trustee's sale of the Subject
23 Property. Plaintiff is informed and believes thereon alleges that Defendants complied with all
24 statutory requirements in conducting the trustee's sale of the Subject Property.

25 16. Plaintiff bid at the trustee's sale. Plaintiff is informed and believes and thereon
26 alleges that Plaintiff was the high bidder at the trustee's sale with a bid of \$388,000.01.

27 17. Plaintiff timely delivered a cashier's check in the amount of \$388,000.01 to
28 CRC. CRC accepted the cashier's check from Plaintiff. (Attached hereto as Exhibit D & E,

1 respectively, and incorporated herein by reference, are true and correct copies of the receipt of
2 funds issued to Plaintiff and Plaintiff's cashier's check stub.)

3 18. Plaintiff is informed and believes and thereon alleges that the sale of the Subject
4 Property was final and no further acts were required to consummate the sale.

5 19. Plaintiff is informed and believes and thereon alleges that, on or about May 9,
6 2008, Defendants issued a Trustee's Deed Upon Sale, to be recorded in Sacramento County
7 granting and conveying title and interest in the Subject Property to the Plaintiff. The Trustee's
8 Deed Upon Sale was recorded on May 19, 2008. (Attached hereto as Exhibit F, and
9 incorporated herein by reference, is a true and correct copy of the Trustee's Deed upon sale.)

10 20. Immediately after Plaintiff purchased the Subject Property, Plaintiff
11 immediately began improving the property and preparing to sell it, as Plaintiff is in the
12 business of buying and selling real estate. Among other things, Plaintiff painted select
13 portions of the residence, refurbished the flooring inside the residence, and performed general
14 clean-up and landscaping in and around the Subject Property at its expense. Plaintiff is
15 informed and believes and thereon alleges that the improvements made by Plaintiff enhanced
16 the value of the Subject Property.

17 21. On or about May 28, 2008, WAMU contacted Plaintiff and informed Plaintiff
18 that it wished to rescind the sale. Plaintiff informed WAMU that Plaintiff was the highest
19 bidder at the Trustee's Sale and that it had paid the full consideration in the manner specified
20 by the Notice of Trustee's Sale. Plaintiff also informed WAMU that Plaintiff had been issued
21 the Trustee's Deed, and recorded it, and had no intention of rescinding.

22 22. On or about June 2, 2008, Defendants recorded a Notice of Rescission at the
23 Sacramento County Recorder's Office. (Attached hereto as Exhibit G, and incorporated herein
24 by this reference, is a true and correct copy of the recorded Notice of Rescission.)

25 **FIRST CAUSE OF ACTION**

26 **[Slander of Title]**

27 (Against Defendants WAMU, CRC and Does 1-10, inclusive)

28 23. Plaintiff realleges and incorporates by reference each and every allegation set

1 forth in paragraphs 1 through 22 above.

2 24. On our about May 7, 2008, Plaintiff became the fee owner of the Subject
3 Property based upon its purchase of the Subject Property at the Trustee's Sale.

4 25. Plaintiff is informed and believes and thereon alleges that, on or about June 2,
5 2008, Defendants willfully, wrongfully, without justification, and without privilege caused to
6 be recorded a Notice of Rescission.

7 26. The Notice of Rescission was false and continues to cause doubt to be cast on
8 Plaintiff's title to the Subject Property.

9 27. The recording of the Notice of Rescission directly impairs the vendibility of the
10 property on the open market. Accordingly, Plaintiff has been damaged by Defendants
11 recording of the Notice of Rescission.

12 28. Plaintiff is informed and believes and thereon alleges that, in doing the things
13 herein alleged, WAMU and CRC acted with malice, oppression, and/or fraud as defined under
14 Civ. Code § 3294(c), in conscious disregard of Plaintiff's rights, thereby warranting an
15 assessment of punitive damages in an amount appropriate to punish Defendants and deter
16 others from engaging in similar misconduct.

17 29. The recording of the Notice of Rescission made it necessary for Plaintiff to
18 retain attorneys and to bring this action. Therefore, Plaintiff is entitled to recover attorney's
19 fees and costs incurred. The exact amount of such damages is not known to Plaintiff at this
20 time, and Plaintiff will move to amend this complaint to state such amount when the same
21 becomes known, or on proof thereof.

22 **SECOND CAUSE OF ACTION**

23 **[Cancellation of Cloud on Title]**

24 (Against Defendants WAMU, CRC and Does 1-10, inclusive)

25 30. Plaintiff realleges and incorporates by reference each and every allegation set
26 forth in paragraphs 1 through 29 above.

27 31. Defendants claim an interest in the Subject Property which is adverse to the
28 Plaintiff. Defendants' interest in the Subject Property is purportedly based on the Notice of

1 Rescission, recorded on June 2, 2008, which states that the sale is rescinded.

2 32. The Notice of Rescission is invalid and void because the Defendant has no
3 further rights to the Subject Property after the Trustee Sale was completed and the Trustee's
4 Deed Upon Sale was issued and recorded.

5 33. Defendants' claim to the Subject Property clouds the Plaintiff's title, depreciates
6 the property's market value, and prevents Plaintiff from enjoying the use of the Subject
7 Property.

8 **THIRD CAUSE OF ACTION**

9 **[Quiet Title]**

10 (Against Defendants WAMU, LAURA RICHARDSON, UNKNOWN DEFENDANTS,
11 and DOES 11-20, inclusive)

12 34. Plaintiff realleges and incorporates by reference each and every allegation set
13 forth in paragraphs 1 through 33 above.

14 35. Plaintiff is the sole owner of the fee simple title to the Subject Property.

15 36. The basis of Plaintiff's title is that Plaintiff was the high bidder at the Trustee's
16 Sale of the Subject Property; Plaintiff tendered the full amount of its bid to the trustee; the
17 trustee accepted Plaintiff's tender; and, the trustee issued a Trustee's Deed Upon Sale to
18 Plaintiff, which was subsequently recorded, granting Plaintiff fee simple title to the Subject
19 Property.

20 37. Plaintiff is seeking to quiet title against the claims of WAMU, LAURA
21 RICHARDSON, UNKNOWN DEFENDANTS, and DOES 11-20, inclusive, as follows: a
22 Notice of Rescission was recorded in Sacramento County California, Book 20080602, Page
23 0885, by CRC and WAMU purportedly rescinding the Trustee's Deed Upon Sale issued to
24 Plaintiff which would have the affect of restoring the state of title to the Subject Property to
25 the status quo prior to the recordation of the Trustee's Deed Upon Sale; the claims of all the
26 Unknown Defendants and Does 11-20, inclusive, whether or not the claim or cloud is known
27 to Plaintiff. The claims of Defendants are without any right whatsoever and such Defendants
28 have no right, title, estate, lien, or interest whatever in the Subject Property or any part thereof.

1 38. Plaintiff seeks to quiet title to the Subject Property as of May 7, 2008, which is
2 the date Plaintiff purchased the Subject Property at the Trustee's Sale.

3 **FOURTH CAUSE OF ACTION**

4 **[Unjust Enrichment]**

5 (Against Defendants WAMU, LAURA RICHARDSON, and DOES 1-10, inclusive)

6 39. Plaintiff realleges and incorporates by reference each and every allegation set
7 forth in paragraphs 1 through 38 above.

8 40. Plaintiff has completed numerous improvements to the Subject Property, which
9 have significantly increased its value. If Defendants are permitted to rescind the Trustee's
10 Deed Upon Sale, Defendants will be unjustly enriched by their retention of the increased value
11 of the Subject Property.

12 **PRAYER**

13 Wherefore, Plaintiff prays judgment against Defendants as follow:

- 14 1. For general damages, in an amount to be proven at trial;
- 15 2. For punitive and exemplary damages in an amount to be proven at trial;
- 16 3. For the Notice of Rescission to be delivered to the clerk for the court for
17 cancellation and that it be declared void;
- 18 4. For a judgment that Plaintiff is the owner in fee simple of the Subject Property
19 and that Defendants have no interest in the Subject Property adverse to
20 Plaintiffs;
- 21 5. For restitution;
- 22 6. For attorneys' fees and costs incurred herein; and
- 23 7. For such other and further relief as the court may deem proper.

24 DATED: 6/11/2008

25 WAGNER KIRKMAN BLAINE
26 KLOMPARENS & YOUMANS LLP

27 By: 

28 THOMAS B. SHERIDAN
Attorneys for RED ROCK MORTGAGE,
INC.

EXHIBIT A

Recording Requested By:
Washington Mutual Bank

Return To:
2210 Enterprise Drive
Doc Ops - MS SC00140
Florence, SC 29501



Sacramento County Recording
Craig A Kramer, Clerk/Recorder
BOOK **20070110** PAGE **1818**

Check Number 4266
Wednesday, JAN 10, 2007 2:59:33 PM
Ttl Pd \$53.00 Nbr-0004694371

REB/51/1-19

Prepared By:

[Space Above This Line For Recording Data]

DEED OF TRUST

DEFINITIONS

Words used in multiple sections of this document are defined below and other words are defined in Sections 3, 11, 13, 18, 20 and 21. Certain rules regarding the usage of words used in this document are also provided in Section 16.

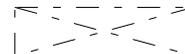
- (A) "**Security Instrument**" means this document, which is dated January 4, 2007 together with all Riders to this document.
(B) "**Borrower**" is Laura Richardson, An Unmarried Woman

Borrower's address is 717 E Vernon St, Long Beach, CA 90806

. Borrower is the trustor under this Security Instrument.

(C) "**Lender**" is Washington Mutual Bank

Lender is a federal association
organized and existing under the laws of the United States



CALIFORNIA-Single Family-Fannie Mae/Freddie Mac UNIFORM INSTRUMENT

Form 3005 1/01

VMP-6(CA) (0207) 01

Page 1 of 15

Initials

VMP Mortgage Solutions, Inc



A

Lender's address is 1400 South Douglass Road, Suite 100, Anaheim, CA 92806

Lender is the beneficiary under this Security Instrument.

(D) "Trustee" is California Reconveyance Company, a California corporation

(E) "Note" means the promissory note signed by Borrower and dated January 4, 2007

The Note states that Borrower owes Lender Five Hundred Thirty Five Thousand One and No/100 Dollars

(U.S. \$535,001.00) plus interest. Borrower has promised to pay this debt in regular Periodic Payments and to pay the debt in full not later than February 1, 2037

(F) "Property" means the property that is described below under the heading "Transfer of Rights in the Property."

(G) "Loan" means the debt evidenced by the Note, plus interest, any prepayment charges and late charges due under the Note, and all sums due under this Security Instrument, plus interest.

(H) "Riders" means all Riders to this Security Instrument that are executed by Borrower. The following Riders are to be executed by Borrower [check box as applicable]:

- | | | |
|---|---|---|
| <input checked="" type="checkbox"/> Adjustable Rate Rider | <input type="checkbox"/> Condominium Rider | <input type="checkbox"/> Second Home Rider |
| <input type="checkbox"/> Balloon Rider | <input type="checkbox"/> Planned Unit Development Rider | <input type="checkbox"/> 1-4 Family Rider |
| <input type="checkbox"/> VA Rider | <input type="checkbox"/> Biweekly Payment Rider | <input type="checkbox"/> Other(s) [specify] |

(I) "Applicable Law" means all controlling applicable federal, state and local statutes, regulations, ordinances and administrative rules and orders (that have the effect of law) as well as all applicable final, non-appealable judicial opinions

(J) "Community Association Dues, Fees, and Assessments" means all dues, fees, assessments and other charges that are imposed on Borrower or the Property by a condominium association, homeowners association or similar organization.

(K) "Electronic Funds Transfer" means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument, computer, or magnetic tape so as to order, instruct, or authorize a financial institution to debit or credit an account. Such term includes, but is not limited to, point-of-sale transfers, automated teller machine transactions, transfers initiated by telephone, wire transfers, and automated clearinghouse transfers.

(L) "Escrow Items" means those items that are described in Section 3.

(M) "Miscellaneous Proceeds" means any compensation, settlement, award of damages, or proceeds paid by any third party (other than insurance proceeds paid under the coverages described in Section 5) for: (i) damage to, or destruction of, the Property; (ii) condemnation or other taking of all or any part of the Property; (iii) conveyance in lieu of condemnation; or (iv) misrepresentations of, or omissions as to, the value and/or condition of the Property.

(N) "Mortgage Insurance" means insurance protecting Lender against the nonpayment of, or default on, the Loan.

(O) "Periodic Payment" means the regularly scheduled amount due for (i) principal and interest under the Note, plus (ii) any amounts under Section 3 of this Security Instrument.

(P) "RESPA" means the Real Estate Settlement Procedures Act (12 U.S.C. Section 2601 et seq) and its implementing regulation, Regulation X (24 C.F.R. Part 3500), as they might be amended from time to time, or any additional or successor legislation or regulation that governs the same subject matter. As used in this Security Instrument, "RESPA" refers to all requirements and restrictions that are imposed in regard

to a "federally related mortgage loan" even if the Loan does not qualify as a "federally related mortgage loan" under RESPA.

(Q) "Successor in Interest of Borrower" means any party that has taken title to the Property, whether or not that party has assumed Borrower's obligations under the Note and/or this Security Instrument.

TRANSFER OF RIGHTS IN THE PROPERTY

This Security Instrument secures to Lender: (i) the repayment of the Loan, and all renewals, extensions and modifications of the Note; and (ii) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described property located in the County of SACRAMENTO :

[Type of Recording Jurisdiction]

[Name of Recording Jurisdiction]

Legal Description Attached Hereto And Made A Part Hereof

Exhibit A

Parcel ID Number []
3622 West Curtis Drive
Sacramento
("Property Address").

which currently has the address of
[Street]
[City], California 95818 [Zip Code]

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows.

1. Payment of Principal, Interest, Escrow Items, Prepayment Charges, and Late Charges. Borrower shall pay when due the principal of, and interest on, the debt evidenced by the Note and any prepayment charges and late charges due under the Note. Borrower shall also pay funds for Escrow Items pursuant to Section 3. Payments due under the Note and this Security Instrument shall be made in U.S.

Initials [Signature]

currency. However, if any check or other instrument received by Lender as payment under the Note or this Security Instrument is returned to Lender unpaid, Lender may require that any or all subsequent payments due under the Note and this Security Instrument be made in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality, or entity; or (d) Electronic Funds Transfer

Payments are deemed received by Lender when received at the location designated in the Note or at such other location as may be designated by Lender in accordance with the notice provisions in Section 15. Lender may return any payment or partial payment if the payment or partial payments are insufficient to bring the Loan current. Lender may accept any payment or partial payment insufficient to bring the Loan current, without waiver of any rights hereunder or prejudice to its rights to refuse such payment or partial payments in the future, but Lender is not obligated to apply such payments at the time such payments are accepted. If each Periodic Payment is applied as of its scheduled due date, then Lender need not pay interest on unapplied funds. Lender may hold such unapplied funds until Borrower makes payment to bring the Loan current. If Borrower does not do so within a reasonable period of time, Lender shall either apply such funds or return them to Borrower. If not applied earlier, such funds will be applied to the outstanding principal balance under the Note immediately prior to foreclosure. No offset or claim which Borrower might have now or in the future against Lender shall relieve Borrower from making payments due under the Note and this Security Instrument or performing the covenants and agreements secured by this Security Instrument.

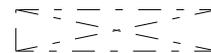
2. Application of Payments or Proceeds. Except as otherwise described in this Section 2, all payments accepted and applied by Lender shall be applied in the following order of priority: (a) interest due under the Note, (b) principal due under the Note; (c) amounts due under Section 3. Such payments shall be applied to each Periodic Payment in the order in which it became due. Any remaining amounts shall be applied first to late charges, second to any other amounts due under this Security Instrument, and then to reduce the principal balance of the Note.

If Lender receives a payment from Borrower for a delinquent Periodic Payment which includes a sufficient amount to pay any late charge due, the payment may be applied to the delinquent payment and the late charge. If more than one Periodic Payment is outstanding, Lender may apply any payment received from Borrower to the repayment of the Periodic Payments if, and to the extent that, each payment can be paid in full. To the extent that any excess exists after the payment is applied to the full payment of one or more Periodic Payments, such excess may be applied to any late charges due. Voluntary prepayments shall be applied first to any prepayment charges and then as described in the Note

Any application of payments, insurance proceeds, or Miscellaneous Proceeds to principal due under the Note shall not extend or postpone the due date, or change the amount, of the Periodic Payments.

3. Funds for Escrow Items. Borrower shall pay to Lender on the day Periodic Payments are due under the Note, until the Note is paid in full, a sum (the "Funds") to provide for payment of amounts due for: (a) taxes and assessments and other items which can attain priority over this Security Instrument as a lien or encumbrance on the Property; (b) leasehold payments or ground rents on the Property, if any; (c) premiums for any and all insurance required by Lender under Section 5, and (d) Mortgage Insurance premiums, if any, or any sums payable by Borrower to Lender in lieu of the payment of Mortgage Insurance premiums in accordance with the provisions of Section 10. These items are called "Escrow Items." At origination or at any time during the term of the Loan, Lender may require that Community Association Dues, Fees, and Assessments, if any, be escrowed by Borrower, and such dues, fees and assessments shall be an Escrow Item. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this Section. Borrower shall pay Lender the Funds for Escrow Items unless Lender waives Borrower's obligation to pay the Funds for any or all Escrow Items. Lender may waive Borrower's obligation to pay to Lender Funds for any or all Escrow Items at any time. Any such waiver may only be

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in writing. In the event of such waiver, Borrower shall pay directly, when and where payable, the amounts due for any Escrow Items for which payment of Funds has been waived by Lender and, if Lender requires, shall furnish to Lender receipts evidencing such payment within such time period as Lender may require. Borrower's obligation to make such payments and to provide receipts shall for all purposes be deemed to be a covenant and agreement contained in this Security Instrument, as the phrase "covenant and agreement" is used in Section 9. If Borrower is obligated to pay Escrow Items directly, pursuant to a waiver, and Borrower fails to pay the amount due for an Escrow Item, Lender may exercise its rights under Section 9 and pay such amount and Borrower shall then be obligated under Section 9 to repay to Lender any such amount. Lender may revoke the waiver as to any or all Escrow Items at any time by a notice given in accordance with Section 15 and, upon such revocation, Borrower shall pay to Lender all Funds, and in such amounts, that are then required under this Section 3.

Lender may, at any time, collect and hold Funds in an amount (a) sufficient to permit Lender to apply the Funds at the time specified under RESPA, and (b) not to exceed the maximum amount a lender can require under RESPA. Lender shall estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with Applicable Law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is an institution whose deposits are so insured) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items no later than the time specified under RESPA. Lender shall not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and Applicable Law permits Lender to make such a charge. Unless an agreement is made in writing or Applicable Law requires interest to be paid on the Funds, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender can agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds as required by RESPA.

If there is a surplus of Funds held in escrow, as defined under RESPA, Lender shall account to Borrower for the excess funds in accordance with RESPA. If there is a shortage of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the shortage in accordance with RESPA, but in no more than 12 monthly payments. If there is a deficiency of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the deficiency in accordance with RESPA, but in no more than 12 monthly payments.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender

4. Charges; Liens. Borrower shall pay all taxes, assessments, charges, fines, and impositions attributable to the Property which can attain priority over this Security Instrument, leasehold payments or ground rents on the Property, if any, and Community Association Dues, Fees, and Assessments, if any. To the extent that these items are Escrow Items, Borrower shall pay them in the manner provided in Section 3.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender, but only so long as Borrower is performing such agreement; (b) contests the lien in good faith by, or defends against enforcement of the lien in, legal proceedings which in Lender's opinion operate to prevent the enforcement of the lien while those proceedings are pending, but only until such proceedings are concluded, or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which can attain priority over this Security Instrument, Lender may give Borrower a notice identifying the

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lien. Within 10 days of the date on which that notice is given, Borrower shall satisfy the lien or take one or more of the actions set forth above in this Section 4.

Lender may require Borrower to pay a one-time charge for a real estate tax verification and/or reporting service used by Lender in connection with this Loan.

5. Property Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage," and any other hazards including, but not limited to, earthquakes and floods, for which Lender requires insurance. This insurance shall be maintained in the amounts (including deductible levels) and for the periods that Lender requires. What Lender requires pursuant to the preceding sentences can change during the term of the Loan. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's right to disapprove Borrower's choice, which right shall not be exercised unreasonably. Lender may require Borrower to pay, in connection with this Loan, either: (a) a one-time charge for flood zone determination, certification and tracking services; or (b) a one-time charge for flood zone determination and certification services and subsequent charges each time remappings or similar changes occur which reasonably might affect such determination or certification. Borrower shall also be responsible for the payment of any fees imposed by the Federal Emergency Management Agency in connection with the review of any flood zone determination resulting from an objection by Borrower.

If Borrower fails to maintain any of the coverages described above, Lender may obtain insurance coverage, at Lender's option and Borrower's expense. Lender is under no obligation to purchase any particular type or amount of coverage. Therefore, such coverage shall cover Lender, but might or might not protect Borrower, Borrower's equity in the Property, or the contents of the Property, against any risk, hazard or liability and might provide greater or lesser coverage than was previously in effect. Borrower acknowledges that the cost of the insurance coverage so obtained might significantly exceed the cost of insurance that Borrower could have obtained. Any amounts disbursed by Lender under this Section 5 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

All insurance policies required by Lender and renewals of such policies shall be subject to Lender's right to disapprove such policies, shall include a standard mortgage clause, and shall name Lender as mortgagee and/or as an additional loss payee and Borrower further agrees to generally assign rights to insurance proceeds to the holder of the Note up to the amount of the outstanding loan balance. Lender shall have the right to hold the policies and renewal certificates. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. If Borrower obtains any form of insurance coverage, not otherwise required by Lender, for damage to, or destruction of, the Property, such policy shall include a standard mortgage clause and shall name Lender as mortgagee and/or as an additional loss payee and Borrower further agrees to generally assign rights to insurance proceeds to the holder of the Note up to the amount of the outstanding loan balance.

In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower. Unless Lender and Borrower otherwise agree in writing, any insurance proceeds, whether or not the underlying insurance was required by Lender, shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such insurance proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such insurance proceeds, Lender shall not be required to pay Borrower any interest or earnings on such proceeds. Fees for public adjusters, or other third parties, retained by Borrower shall not be paid out of the insurance proceeds and shall be the sole obligation of Borrower. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with

Initials 

the excess, if any, paid to Borrower. Such insurance proceeds shall be applied in the order provided for in Section 2

If Borrower abandons the Property, Lender may file, negotiate and settle any available insurance claim and related matters. If Borrower does not respond within 30 days to a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may negotiate and settle the claim. The 30-day period will begin when the notice is given. In either event, or if Lender acquires the Property under Section 22 or otherwise, Borrower hereby assigns to Lender (a) Borrower's rights to any insurance proceeds in an amount not to exceed the amounts unpaid under the Note or this Security Instrument, and (b) any other of Borrower's rights (other than the right to any refund of unearned premiums paid by Borrower) under all insurance policies covering the Property, insofar as such rights are applicable to the coverage of the Property. Lender may use the insurance proceeds either to repair or restore the Property or to pay amounts unpaid under the Note or this Security Instrument, whether or not then due

6. Occupancy. Borrower shall occupy, establish, and use the Property as Borrower's principal residence within 60 days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control.

7. Preservation, Maintenance and Protection of the Property; Inspections. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate or commit waste on the Property. Whether or not Borrower is residing in the Property, Borrower shall maintain the Property in order to prevent the Property from deteriorating or decreasing in value due to its condition. Unless it is determined pursuant to Section 5 that repair or restoration is not economically feasible, Borrower shall promptly repair the Property if damaged to avoid further deterioration or damage. If insurance or condemnation proceeds are paid in connection with damage to, or the taking of, the Property, Borrower shall be responsible for repairing or restoring the Property only if Lender has released proceeds for such purposes. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. If the insurance or condemnation proceeds are not sufficient to repair or restore the Property, Borrower is not relieved of Borrower's obligation for the completion of such repair or restoration.

Lender or its agent may make reasonable entries upon and inspections of the Property. If it has reasonable cause, Lender may inspect the interior of the improvements on the Property. Lender shall give Borrower notice at the time of or prior to such an interior inspection specifying such reasonable cause.

8. Borrower's Loan Application. Borrower shall be in default if, during the Loan application process, Borrower or any persons or entities acting at the direction of Borrower or with Borrower's knowledge or consent gave materially false, misleading, or inaccurate information or statements to Lender (or failed to provide Lender with material information) in connection with the Loan. Material representations include, but are not limited to, representations concerning Borrower's occupancy of the Property as Borrower's principal residence.

9. Protection of Lender's Interest in the Property and Rights Under this Security Instrument. If (a) Borrower fails to perform the covenants and agreements contained in this Security Instrument, (b) there is a legal proceeding that might significantly affect Lender's interest in the Property and/or rights under this Security Instrument (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture, for enforcement of a lien which may attain priority over this Security Instrument or to enforce laws or regulations), or (c) Borrower has abandoned the Property, then Lender may do and pay for whatever is reasonable or appropriate to protect Lender's interest in the Property and rights under this Security Instrument, including protecting and/or assessing the value of the Property, and securing and/or repairing the Property. Lender's actions can include, but are not limited to: (a) paying any sums secured by a lien which has priority over this Security Instrument; (b) appearing in court; and (c) paying reasonable

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attorneys' fees to protect its interest in the Property and/or rights under this Security Instrument, including its secured position in a bankruptcy proceeding. Securing the Property includes, but is not limited to, entering the Property to make repairs, change locks, replace or board up doors and windows, drain water from pipes, eliminate building or other code violations or dangerous conditions, and have utilities turned on or off. Although Lender may take action under this Section 9, Lender does not have to do so and is not under any duty or obligation to do so. It is agreed that Lender incurs no liability for not taking any or all actions authorized under this Section 9.

Any amounts disbursed by Lender under this Section 9 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

10. Mortgage Insurance. If Lender required Mortgage Insurance as a condition of making the Loan, Borrower shall pay the premiums required to maintain the Mortgage Insurance in effect. If, for any reason, the Mortgage Insurance coverage required by Lender ceases to be available from the mortgage insurer that previously provided such insurance and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the Mortgage Insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the Mortgage Insurance previously in effect, from an alternate mortgage insurer selected by Lender. If substantially equivalent Mortgage Insurance coverage is not available, Borrower shall continue to pay to Lender the amount of the separately designated payments that were due when the insurance coverage ceased to be in effect. Lender will accept, use and retain these payments as a non-refundable loss reserve in lieu of Mortgage Insurance. Such loss reserve shall be non-refundable, notwithstanding the fact that the Loan is ultimately paid in full, and Lender shall not be required to pay Borrower any interest or earnings on such loss reserve. Lender can no longer require loss reserve payments if Mortgage Insurance coverage (in the amount and for the period that Lender requires) provided by an insurer selected by Lender again becomes available, is obtained, and Lender requires separately designated payments toward the premiums for Mortgage Insurance. If Lender required Mortgage Insurance as a condition of making the Loan and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to maintain Mortgage Insurance in effect, or to provide a non-refundable loss reserve, until Lender's requirement for Mortgage Insurance ends in accordance with any written agreement between Borrower and Lender providing for such termination or until termination is required by Applicable Law. Nothing in this Section 10 affects Borrower's obligation to pay interest at the rate provided in the Note.

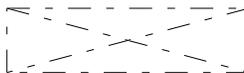
Mortgage Insurance reimburses Lender (or any entity that purchases the Note) for certain losses it may incur if Borrower does not repay the Loan as agreed. Borrower is not a party to the Mortgage Insurance.

Mortgage insurers evaluate their total risk on all such insurance in force from time to time, and may enter into agreements with other parties that share or modify their risk, or reduce losses. These agreements are on terms and conditions that are satisfactory to the mortgage insurer and the other party (or parties) to these agreements. These agreements may require the mortgage insurer to make payments using any source of funds that the mortgage insurer may have available (which may include funds obtained from Mortgage Insurance premiums).

As a result of these agreements, Lender, any purchaser of the Note, another insurer, any reinsurer, any other entity, or any affiliate of any of the foregoing, may receive (directly or indirectly) amounts that derive from (or might be characterized as) a portion of Borrower's payments for Mortgage Insurance, in exchange for sharing or modifying the mortgage insurer's risk, or reducing losses. If such agreement provides that an affiliate of Lender takes a share of the insurer's risk in exchange for a share of the premiums paid to the insurer, the arrangement is often termed "captive reinsurance." Further:

(a) Any such agreements will not affect the amounts that Borrower has agreed to pay for Mortgage Insurance, or any other terms of the Loan. Such agreements will not increase the amount Borrower will owe for Mortgage Insurance, and they will not entitle Borrower to any refund.

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Form 3005 1/01

(b) Any such agreements will not affect the rights Borrower has - if any - with respect to the Mortgage Insurance under the Homeowners Protection Act of 1998 or any other law. These rights may include the right to receive certain disclosures, to request and obtain cancellation of the Mortgage Insurance, to have the Mortgage Insurance terminated automatically, and/or to receive a refund of any Mortgage Insurance premiums that were unearned at the time of such cancellation or termination.

11. Assignment of Miscellaneous Proceeds; Forfeiture. All Miscellaneous Proceeds are hereby assigned to and shall be paid to Lender.

If the Property is damaged, such Miscellaneous Proceeds shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such Miscellaneous Proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may pay for the repairs and restoration in a single disbursement or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such Miscellaneous Proceeds, Lender shall not be required to pay Borrower any interest or earnings on such Miscellaneous Proceeds. If the restoration or repair is not economically feasible or Lender's security would be lessened, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such Miscellaneous Proceeds shall be applied in the order provided for in Section 2.

In the event of a total taking, destruction, or loss in value of the Property, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the Miscellaneous Proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the partial taking, destruction, or loss in value divided by (b) the fair market value of the Property immediately before the partial taking, destruction, or loss in value. Any balance shall be paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is less than the amount of the sums secured immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the Opposing Party (as defined in the next sentence) offers to make an award to settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the Miscellaneous Proceeds either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due. "Opposing Party" means the third party that owes Borrower Miscellaneous Proceeds or the party against whom Borrower has a right of action in regard to Miscellaneous Proceeds.

Borrower shall be in default if any action or proceeding, whether civil or criminal, is begun that, in Lender's judgment, could result in forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. Borrower can cure such a default and, if acceleration has occurred, reinstate as provided in Section 19, by causing the action or proceeding to be dismissed with a ruling that, in Lender's judgment, precludes forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. The proceeds of any award or claim for damages that are attributable to the impairment of Lender's interest in the Property are hereby assigned and shall be paid to Lender.

All Miscellaneous Proceeds that are not applied to restoration or repair of the Property shall be applied in the order provided for in Section 2.

12. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender

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to Borrower or any Successor in Interest of Borrower shall not operate to release the liability of Borrower or any Successors in Interest of Borrower. Lender shall not be required to commence proceedings against any Successor in Interest of Borrower or to refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or any Successors in Interest of Borrower. Any forbearance by Lender in exercising any right or remedy including, without limitation, Lender's acceptance of payments from third persons, entities or Successors in Interest of Borrower or in amounts less than the amount then due, shall not be a waiver of or preclude the exercise of any right or remedy

13. Joint and Several Liability; Co-signers; Successors and Assigns Bound. Borrower covenants and agrees that Borrower's obligations and liability shall be joint and several. However, any Borrower who co-signs this Security Instrument but does not execute the Note (a "co-signer"): (a) is co-signing this Security Instrument only to mortgage, grant and convey the co-signer's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower can agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without the co-signer's consent.

Subject to the provisions of Section 18, any Successor in Interest of Borrower who assumes Borrower's obligations under this Security Instrument in writing, and is approved by Lender, shall obtain all of Borrower's rights and benefits under this Security Instrument. Borrower shall not be released from Borrower's obligations and liability under this Security Instrument unless Lender agrees to such release in writing. The covenants and agreements of this Security Instrument shall bind (except as provided in Section 20) and benefit the successors and assigns of Lender.

14. Loan Charges. Lender may charge Borrower fees for services performed in connection with Borrower's default, for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument, including, but not limited to, attorneys' fees, property inspection and valuation fees. In regard to any other fees, the absence of express authority in this Security Instrument to charge a specific fee to Borrower shall not be construed as a prohibition on the charging of such fee. Lender may not charge fees that are expressly prohibited by this Security Instrument or by Applicable Law.

If the Loan is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the Loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge (whether or not a prepayment charge is provided for under the Note). Borrower's acceptance of any such refund made by direct payment to Borrower will constitute a waiver of any right of action Borrower might have arising out of such overcharge.

15. Notices. All notices given by Borrower or Lender in connection with this Security Instrument must be in writing. Any notice to Borrower in connection with this Security Instrument shall be deemed to have been given to Borrower when mailed by first class mail or when actually delivered to Borrower's notice address if sent by other means. Notice to any one Borrower shall constitute notice to all Borrowers unless Applicable Law expressly requires otherwise. The notice address shall be the Property Address unless Borrower has designated a substitute notice address by notice to Lender. Borrower shall promptly notify Lender of Borrower's change of address. If Lender specifies a procedure for reporting Borrower's change of address, then Borrower shall only report a change of address through that specified procedure. There may be only one designated notice address under this Security Instrument at any one time. Any notice to Lender shall be given by delivering it or by mailing it by first class mail to Lender's address stated herein unless Lender has designated another address by notice to Borrower. Any notice in connection with this Security Instrument shall not be deemed to have been given to Lender until actually received by Lender. If any notice required by this Security Instrument is also required under Applicable Law, the Applicable Law requirement will satisfy the corresponding requirement under this Security Instrument.

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16. Governing Law; Severability; Rules of Construction. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. All rights and obligations contained in this Security Instrument are subject to any requirements and limitations of Applicable Law. Applicable Law might explicitly or implicitly allow the parties to agree by contract or it might be silent, but such silence shall not be construed as a prohibition against agreement by contract. In the event that any provision or clause of this Security Instrument or the Note conflicts with Applicable Law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision.

As used in this Security Instrument: (a) words of the masculine gender shall mean and include corresponding neuter words or words of the feminine gender; (b) words in the singular shall mean and include the plural and vice versa; and (c) the word "may" gives sole discretion without any obligation to take any action.

17. Borrower's Copy. Borrower shall be given one copy of the Note and of this Security Instrument.

18. Transfer of the Property or a Beneficial Interest in Borrower. As used in this Section 18, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

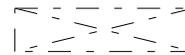
If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

19. Borrower's Right to Reinstate After Acceleration. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earliest of: (a) five days before sale of the Property pursuant to any power of sale contained in this Security Instrument; (b) such other period as Applicable Law might specify for the termination of Borrower's right to reinstate; or (c) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements, (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees, property inspection and valuation fees, and other fees incurred for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument; and (d) takes such action as Lender may reasonably require to assure that Lender's interest in the Property and rights under this Security Instrument, and Borrower's obligation to pay the sums secured by this Security Instrument, shall continue unchanged. Lender may require that Borrower pay such reinstatement sums and expenses in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality or entity; or (d) Electronic Funds Transfer. Upon reinstatement by Borrower, this Security Instrument and obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under Section 18.

20. Sale of Note; Change of Loan Servicer; Notice of Grievance. The Note or a partial interest in the Note (together with this Security Instrument) can be sold one or more times without prior notice to Borrower. A sale might result in a change in the entity (known as the "Loan Servicer") that collects Periodic Payments due under the Note and this Security Instrument and performs other mortgage loan servicing obligations under the Note, this Security Instrument, and Applicable Law. There also might be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change which will state the name and address of the new Loan Servicer, the address to which payments should be made and any other information RESPA

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requires in connection with a notice of transfer of servicing. If the Note is sold and thereafter the Loan is serviced by a Loan Servicer other than the purchaser of the Note, the mortgage loan servicing obligations to Borrower will remain with the Loan Servicer or be transferred to a successor Loan Servicer and are not assumed by the Note purchaser unless otherwise provided by the Note purchaser.

Neither Borrower nor Lender may commence, join, or be joined to any judicial action (as either an individual litigant or the member of a class) that arises from the other party's actions pursuant to this Security Instrument or that alleges that the other party has breached any provision of, or any duty owed by reason of, this Security Instrument, until such Borrower or Lender has notified the other party (with such notice given in compliance with the requirements of Section 15) of such alleged breach and afforded the other party hereto a reasonable period after the giving of such notice to take corrective action. If Applicable Law provides a time period which must elapse before certain action can be taken, that time period will be deemed to be reasonable for purposes of this paragraph. The notice of acceleration and opportunity to cure given to Borrower pursuant to Section 22 and the notice of acceleration given to Borrower pursuant to Section 18 shall be deemed to satisfy the notice and opportunity to take corrective action provisions of this Section 20.

21. Hazardous Substances. As used in this Section 21: (a) "Hazardous Substances" are those substances defined as toxic or hazardous substances, pollutants, or wastes by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials; (b) "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection; (c) "Environmental Cleanup" includes any response action, remedial action, or removal action, as defined in Environmental Law; and (d) an "Environmental Condition" means a condition that can cause, contribute to, or otherwise trigger an Environmental Cleanup.

Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances, or threaten to release any Hazardous Substances, on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property (a) that is in violation of any Environmental Law, (b) which creates an Environmental Condition, or (c) which, due to the presence, use, or release of a Hazardous Substance, creates a condition that adversely affects the value of the Property. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property (including, but not limited to, hazardous substances in consumer products).

Borrower shall promptly give Lender written notice of (a) any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge, (b) any Environmental Condition, including but not limited to, any spilling, leaking, discharge, release or threat of release of any Hazardous Substance, and (c) any condition caused by the presence, use or release of a Hazardous Substance which adversely affects the value of the Property. If Borrower learns, or is notified by any governmental or regulatory authority, or any private party, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law. Nothing herein shall create any obligation on Lender for an Environmental Cleanup.

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NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

22. **Acceleration; Remedies.** Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under Section 18 unless Applicable Law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Borrower to acceleration and sale. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may invoke the power of sale and any other remedies permitted by Applicable Law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this Section 22, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

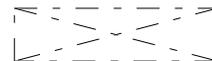
If Lender invokes the power of sale, Lender shall execute or cause Trustee to execute a written notice of the occurrence of an event of default and of Lender's election to cause the Property to be sold. Trustee shall cause this notice to be recorded in each county in which any part of the Property is located. Lender or Trustee shall mail copies of the notice as prescribed by Applicable Law to Borrower and to the other persons prescribed by Applicable Law. Trustee shall give public notice of sale to the persons and in the manner prescribed by Applicable Law. After the time required by Applicable Law, Trustee, without demand on Borrower, shall sell the Property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in any order Trustee determines. Trustee may postpone sale of all or any parcel of the Property by public announcement at the time and place of any previously scheduled sale. Lender or its designee may purchase the Property at any sale.

Trustee shall deliver to the purchaser Trustee's deed conveying the Property without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable Trustee's and attorneys' fees; (b) to all sums secured by this Security Instrument; and (c) any excess to the person or persons legally entitled to it.

23. **Reconveyance.** Upon payment of all sums secured by this Security Instrument, Lender shall request Trustee to reconvey the Property and shall surrender this Security Instrument and all notes evidencing debt secured by this Security Instrument to Trustee. Trustee shall reconvey the Property without warranty to the person or persons legally entitled to it. Lender may charge such person or persons a reasonable fee for reconveying the Property, but only if the fee is paid to a third party (such as the Trustee) for services rendered and the charging of the fee is permitted under Applicable Law. If the fee charged does not exceed the fee set by Applicable Law, the fee is conclusively presumed to be reasonable.

24. **Substitute Trustee.** Lender, at its option, may from time to time appoint a successor trustee to any Trustee appointed hereunder by an instrument executed and acknowledged by Lender and recorded in the office of the Recorder of the county in which the Property is located. The instrument shall contain the name of the original Lender, Trustee and Borrower, the book and page where this Security Instrument is recorded and the name and address of the successor trustee. Without conveyance of the Property, the successor trustee shall succeed to all the title, powers and duties conferred upon the Trustee herein and by Applicable Law. This procedure for substitution of trustee shall govern to the exclusion of all other provisions for substitution.

25. **Statement of Obligation Fee.** Lender may collect a fee not to exceed the maximum amount permitted by Applicable Law for furnishing the statement of obligation as provided by Section 2943 of the Civil Code of California.



BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any Rider executed by Borrower and recorded with it.

Witnesses:

_____ (Seal)
-Borrower

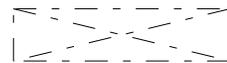

Laura Richardson (Seal)
-Borrower

_____ (Seal)
-Borrower

_____ (Seal)
-Borrower

_____ (Seal)
-Borrower

_____ (Seal)
-Borrower



State of California
County of Sacramento

} ss.

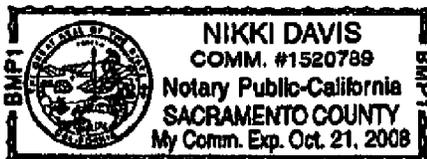
On January 4, 2007

before me, Nikki Davis a notary public
personally appeared

Saura Richardson

, personally known to me
(or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed
to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their
authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity
upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.



Nikki Davis (Seal)

Exhibit "A"
Legal Description

Lot 259 as shown on the official "Plat of South Curtis Oaks Subdivision No. 6", filed in the office of the County Recorder of Sacramento County, February 10, 1927 in Book 19 of Maps, Map No. 18

Apn: 

FIXED/ADJUSTABLE RATE RIDER

THIS FIXED/ADJUSTABLE RATE RIDER is made on this 4th day of January, 2007, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed (the "Security Instrument") of the same date given by the undersigned ("Borrower") to secure Borrower's Fixed/Adjustable Rate Note (the "Note") to Washington Mutual Bank ("Lender") of the same date and covering the property described in the Security Instrument and located at: 3622 West Curtis Drive, Sacramento, CA 95818

[Property Address]

THE NOTE CONTAINS PROVISIONS ALLOWING FOR A CHANGE FROM THE INITIAL FIXED INTEREST RATE TO AN ADJUSTABLE INTEREST RATE AND FOR CHANGES IN THE MONTHLY PAYMENT. THE NOTE LIMITS THE AMOUNT BORROWER'S INTEREST RATE CAN CHANGE AT ANY ONE TIME AND THE MAXIMUM RATE BORROWER MUST PAY.

ADDITIONAL COVENANTS. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

A. INTEREST RATE AND MONTHLY PAYMENT CHANGES

The Note provides for an initial fixed interest rate of 8.800%. The Note provides for a change in the initial fixed interest rate to an adjustable interest rate and for changes in the monthly payments, as follows:

4. INTEREST RATE AND MONTHLY PAYMENT CHANGES

(A) Change Dates

The initial fixed interest rate Borrower will pay will change to an adjustable interest rate on the first day of February, 2009, and the interest rate Borrower will pay may change on that day every 6th month thereafter. Each date on which Borrower's interest rate could change is called a "Change Date."

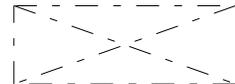
(B) The Index

Beginning with the first Change Date, Borrower's interest rate will be based on an Index. The "Index" is the average of interbank offered rates for six month U.S. dollar-denominated deposits in the London market ("LIBOR"), as published in *The Wall Street Journal*. The most recent Index figure available as of the date 45 days before the Change Date is called the "Current Index."

Fixed/Adjustable Rate Rider - Libor

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If the Index is no longer available, the Note Holder will choose a new index that is based upon comparable information. The Note Holder will give Borrower notice of this choice.

(C) Calculation of Changes

Before each Change Date, the Note Holder will calculate Borrower's new interest rate by adding Four and 99/100 percentage points (4.990 %) to the Current Index. The Note Holder will then round the result of this addition to the nearest one-eighth of one percentage point (0.125%). Subject to the limits stated in Section 4(D) below, this rounded amount will be Borrower's new interest rate until the next Change Date.

The Note Holder will then determine the amount of the monthly payment that would be sufficient to repay the unpaid principal that Borrower is expected to owe at the Change Date in full on the Maturity Date at Borrower's new interest rate in substantially equal payments. The result of this calculation will be the new amount of Borrower's monthly payment.

(D) Limits on Interest Rate Changes

The interest rate Borrower is required to pay at the first Change Date will not be greater than 10.800 % or less than 8.800%. Thereafter, Borrower's interest rate will never be increased or decreased on any single Change Date by more than One percentage point(s) (1.000%) from the rate of interest Borrower has been paying for the preceding months. Borrower's interest rate will never be greater than 14.800 % or less than 8.800 %.

(E) Effective Date of Changes

Borrower's new interest rate will become effective on each Change Date. Borrower will pay the amount of Borrower's new monthly payment beginning on the first monthly payment date after the Change Date until the amount of Borrower's monthly payment changes again.

(F) Notice of Changes

The Note Holder will deliver or mail to Borrower a notice of any changes in Borrower's interest rate and the amount of Borrower's monthly payment before the effective date of any change. The notice will include information required by law to be given to the Borrower and also the title and telephone number of a person who will answer any question Borrower may have regarding the notice.

B. TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN BORROWER

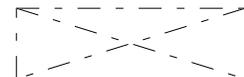
Covenant 18 of the Security Instrument is amended to read as follows:

(A) Until Borrower's initial fixed interest rate changes to an adjustable interest rate under the terms stated in Section A above, Covenant 18 of the Security Instrument provides as follows:

Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property or any interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited Applicable Law.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

Fixed/Adjustable Rate Rider - Libor



(B) When Borrower's initial fixed interest rate changes to an adjustable interest rate under the terms stated in Section A above, Covenant 18 of the Security Instrument shall then instead provide as follows:

Transfer of the Property or a Beneficial Interest in Borrower. As used in this Section 18, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser. If all or any part of the Property or any interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law. Lender also shall not exercise this option if: (a) Borrower causes to be submitted to Lender information required by Lender to evaluate the intended transferee as if a new loan were being made to the transferee; and (b) Lender reasonably determines that Lender's security will not be unpaired by the loan assumption and that the risk of a breach of any covenant or agreement in this Security Instrument is acceptable to Lender

To the extent permitted by Applicable Law, Lender may charge a reasonable fee as a condition to Lender's consent to the loan assumption. Lender also may require the transferee to sign an assumption agreement that is acceptable to Lender and that obligates the transferee to keep all the promises and agreements made in the Note and in this Security Instrument. Borrower will continue to be obligated under the Note and this Security Instrument unless Lender releases Borrower in writing.

If Lender exercises the option to require immediate payment in full, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Fixed/Adjustable Rate Rider.



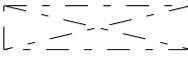
Laura Richardson (Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

[Sign Original Only]



Fixed/Adjustable Rate Rider - Libor

EXHIBIT B

RECORDING REQUESTED BY
 CALIFORNIA RECONVEYANCE COMPANY
 AND WHEN RECORDED MAIL TO
 CALIFORNIA RECONVEYANCE COMPANY
 9200 Oakdale Avenue
 Mail Stop: N 11 06 12
 Chatsworth, CA 91311
 800 892-6902
 (818)775-2258 (Fax)

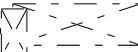


Sacramento County Recording
 Craig A Kramer, Clerk/Recorder
 BOOK 20071214 PAGE 0358

Check Number 9109
 Friday, DEC 14, 2007 8:41:18 AM
 Title Fee \$12.00 Nbr-0005192112

TMH/74/1-2

Space above this line for recorder's use only

Trustee Sale No. 723397CA Loan No.  Title Order No. M721884

IMPORTANT NOTICE
NOTICE OF DEFAULT AND ELECTION TO SELL UNDER DEED OF TRUST

IF YOUR PROPERTY IS IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR PAYMENTS, IT MAY BE SOLD WITHOUT ANY COURT ACTION, and you may have the legal right to bring your account in good standing by paying all of your past due payments plus permitted costs and expenses within the time permitted by law for reinstatement of your account, which is normally five business days prior to the date set for the sale of your property. No sale date may be set until three months from the date this notice of default may be recorded (which date of recordation appears on this notice).

This amount is \$18,356.40 as of December 13, 2007 and will increase until your account becomes current.

While your property is in foreclosure, you still must pay other obligations (such as insurance and taxes) required by your note and deed of trust or mortgage. If you fail to make future payments on the loan, pay taxes on the property, provide insurance on the property, or pay other obligations as required in the note and deed of trust or mortgage, the beneficiary or mortgagee may insist that you do so in order to reinstate your account in good standing. In addition, the beneficiary or mortgagee may require as a condition to reinstatement that you provide reliable written evidence that you paid all senior liens, property taxes, and hazard insurance premiums.

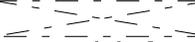
Upon your written request, the beneficiary or mortgagee will give you a written itemization of the entire amount you must pay. You may not have to pay the entire unpaid portion of your account, even though full payment was demanded, but you must pay all amounts in default at the time payment is made. However, you and your beneficiary or mortgagee may mutually agree in writing prior to the time the notice of sale is posted (which may not be earlier than the end of the three-month period stated above) to, among other things, (1) provide additional time in which to cure the default by transfer of the property or otherwise; or (2) establish a schedule of payments in order to cure your default; or both (1) and (2).

Following the expiration of the time period referred to in the first paragraph of this notice, unless the obligation being foreclosed upon or a separate written agreement between you and your creditor permits a longer period, you have only the legal right to stop the sale of property by paying the entire amount demanded by your creditor.

Trustee Sale No. 723397CA Loan No.  Title Order No. M721884

To find out the amount you must pay, or to arrange for payment to stop the foreclosure, or if your property is in foreclosure for any other reason, contact: WASHINGTON MUTUAL BANK, FA at 7301 BAYMEADOWS WAY , JACKSONVILLE, FL 32256, (877) 926-8937.

If you have any questions, you should contact a lawyer or the governmental agency which may have insured your loan. Notwithstanding the fact that your property is in foreclosure, you may offer your property for sale, provided the sale is concluded prior to the conclusion of the foreclosure.

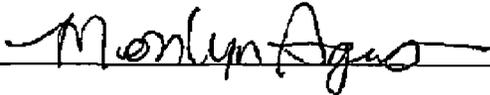
REMEMBER, YOU MAY LOSE LEGAL RIGHTS IF YOU DO NOT TAKE PROMPT ACTION. NOTICE IS HEREBY GIVEN THAT: CALIFORNIA RECONVEYANCE COMPANY is the duly appointed Trustee under a Deed of Trust dated 01/04/2007, executed by LAURA RICHARDSON, AN UNMARRIED WOMAN, as trustor, to secure obligations in favor of WASHINGTON MUTUAL BANK, as Beneficiary Recorded 01/10/2007, Book 20070110, Page 1818, Instrument of official records in the Office of the Recorder of SACRAMENTO County, California, as more fully described on said Deed of Trust. APN:  Situs: 3622 WEST CURTIS DRIVE, , SACRAMENTO, CA 95818 including the note(s) for the sum of \$535,001.00 that the beneficial interest under said Deed of Trust and the obligations secured thereby are presently held by the beneficiary; that a breach of, and default in, the obligations for which said Deed of Trust is security has occurred in that the payment has not been made of: THE 08/01/2007 INSTALLMENT OF PRINCIPAL AND INTEREST AND ALL SUBSEQUENT MONTHLY INSTALLMENTS OF PRINCIPAL AND INTEREST; PLUS ANY ADDITIONAL ACCRUED AND UNPAID AMOUNTS INCLUDING, BUT NOT LIMITED TO, LATE CHARGES, ADVANCES, IMPOUNDS, TAXES, HAZARD INSURANCE, ADMINISTRATIVE FEES, INSUFFICIENT AND PARTIAL RETURN CHECK FEES, STATEMENT FEES, AND OBLIGATIONS SECURED BY PRIOR ENCUMBRANCES.

That by reason thereof, the present beneficiary under such Deed of Trust, has executed and delivered to said Trustee, a written Declaration and Demand for Sale, and has deposited with said duly appointed Trustee, such Deed of Trust and all documents evidencing the obligations secured thereby, and has declared and does hereby declare all sums secured thereby immediately due and payable and has elected and does hereby elect to cause the trust property to be sold to satisfy the obligations secured thereby.

DATE: December 13, 2007

CALIFORNIA RECONVEYANCE COMPANY, as authorized agent for Washington Mutual Bank, Beneficiary,

By: FIDELITY NATIONAL TITLE COMPANY, authorized agent of CRC



CALIFORNIA RECONVEYANCE COMPANY IS A DEBT COLLECTOR ATTEMPTING TO COLLECT A DEBT. ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.

Merrilyn L. Aguas

EXHIBIT C

RECORDING REQUESTED BY
 CALIFORNIA RECONVEYANCE COMPANY
 AND WHEN RECORDED MAIL TO
 CALIFORNIA RECONVEYANCE COMPANY
 9200 Oakdale Avenue
 Mail Stop: N 11 06 12
 Chatsworth, CA 91311

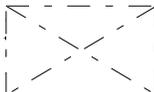


Sacramento County Recording
 Craig A Kramer, Clerk/Recorder
 BOOK 20080319 PAGE 0358

Check Number 2572
 Wednesday, MAR 19, 2008 9:07:55 AM
 T&I Pd \$11.00 Nbr-000531112

JLW/14/1-1

Trustee Sale No.
 Loan No.
 Title Order No.



Space above this line for recorder's use only

NOTICE OF TRUSTEE'S SALE

YOU ARE IN DEFAULT UNDER A DEED OF TRUST DATED 01/04/2007. UNLESS YOU TAKE ACTION TO PROTECT YOUR PROPERTY, IT MAY BE SOLD AT A PUBLIC SALE. IF YOU NEED AN EXPLANATION OF THE NATURE OF THE PROCEEDINGS AGAINST YOU, YOU SHOULD CONTACT A LAWYER.

On 04/07/2008 at 01:30 PM, CALIFORNIA RECONVEYANCE COMPANY as the duly appointed Trustee under and pursuant to Deed of Trust Recorded 01/10/2007, Book 20070110, Page 1818, Instrument , of official records in the Office of the Recorder of SACRAMENTO County, California, executed by: LAURA RICHARDSON, AN UNMARRIED WOMAN, as Trustor, WASHINGTON MUTUAL BANK, as Beneficiary, will sell at public auction sale to the highest bidder for cash, cashier's check drawn by a state or national bank, a cashier's check drawn by a state or federal credit union, or a cashier's check drawn by a state or federal savings and loan association, savings association, or savings bank specified in section 5102 of the Financial Code and authorized to do business in this state Sale will be held by the duly appointed trustee as shown below, of all right, title, and interest conveyed to and now held by the trustee in the hereinafter described property under and pursuant to the Deed of Trust. The sale will be made, but without covenant or warranty, expressed or implied, regarding title, possession, or encumbrances, to pay the remaining principal sum of the note(s) secured by the Deed of Trust, interest thereon, estimated fees, charges and expenses of the Trustee for the total amount (at the time of the initial publication of the Notice of Sale) reasonably estimated to be set forth below. The amount may be greater on the day of sale

Place of Sale. AT THE MAIN ENTRANCE TO THE COUNTY COURTHOUSE, 720 9TH STREET, SACRAMENTO, CA
 Legal Description LOT 259 AS SHOWN ON THE OFFICIAL "PLAT OF SOUTH CURTIS OAKS SUBDIVISION NOV. 6", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY, FEBRUARY 10, 1927 IN BOOK 19 OF MAPS, MAP NO. 18

Amount of unpaid balance and other charges: \$578,384.52 (estimated)

Street address and other common designation of the real property 3622 WEST CURTIS DRIVE
 SACRAMENTO, CA 95818

APN Number: []

The undersigned Trustee disclaims any liability for any incorrectness of the street address and other common designation, if any, shown herein. The property heretofore described is being sold "as is"

DATE: 03-17-2008

CALIFORNIA RECONVEYANCE COMPANY, as Trustee
 (714) 259-7850 or www.fidelityasap.com
 (714) 573-1965 or www.priorityposting.com

DEBORAH BRIGNAC, VICE PRESIDENT
 9200 OAKDALE AVE
 MAILSTOP N110612
 CHATSWORTH, CA 91311

CALIFORNIA RECONVEYANCE COMPANY IS A DEBT COLLECTOR ATTEMPTING TO COLLECT A DEBT. ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.

EXHIBIT D



PRIORITY
POSTING AND PUBLISHING

TRUSTEE SALE

TRUSTOR PAYMENT

RECEIPT OF FUNDS AND INSTRUCTIONS

T.S. NO. 7 PRIORITY NO. 377335 DATE 5-7-08

TRUSTEE California Reconveyance Co.

ADDRESS 9200 Oakdale Ave, #110612

CITY Chatsworth STATE CA ZIP 91311

PHONE NO. 800-892-6902 CONTACT Deborah Brignal

CHECK NO.	NAME OF BANK	AMOUNT
<u>101233906975</u>	<u>Wells Fargo BK</u>	<u>\$ 388,000.⁰¹</u>
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____

TOTAL OF ANY CASH RECEIVED \$ 0

SUCCESSFUL BID \$ 388,000.⁰¹ TOTAL RECEIVED \$ 388,000.⁰¹

TRANSFER TAX \$ 0 AMOUNT REQUIRED \$ 388,000.⁰¹

RECORDING FEES \$ 0 REFUND AMOUNT \$ 0

REFUND PAYABLE TO N/A

RECEIVED BY [Signature] BUYERS SIGNATURE [Signature]

BUYERS NAME Jim Youk DRIVERS LICENSE NO. _____

TITLE TO PROPERTY TO BE VESTED AS FOLLOWS Red Rock Mortgage, Inc.

ADDRESS 3600 American River Dr. # 135

CITY Sacramento STATE CA ZIP 958

PHONE NO. _____

EXHIBIT E

00339 11-24
Office AU # 1210(8)

CASHIER'S CHECK

SERIAL # []
ACCOUNT# []

Purchaser: JAMES P YORK
Purchaser Account []
Operator I.D. []

cv002254

May 07, 2008

PAY TO THE ORDER OF ***CALIFORNIA RECONVEYANCE COMPANY***

Three hundred eighty-eight thousand dollars and 01 cent

\$388,000.01

WELLS FARGO BANK, N.A.
400 CAPITOL MALL
SACRAMENTO, CA 95814
FOR INQUIRIES CALL (480) 394-3122

NOTICE TO PURCHASER - IF THIS INSTRUMENT IS LOST,
STOLEN OR DESTROYED, YOU MAY REQUEST CANCELLATION
AND REISSUANCE. AS A CONDITION TO CANCELLATION AND
REISSUANCE, WELLS FARGO BANK MAY IMPOSE A FEE AND
REQUIRE AN INDEMNITY AGREEMENT AND BOND

VOID IF OVER US \$ 388,000.01

NON-NEGOTIABLE

Purchaser Copy

3-00- 15703 07020021

EXHIBIT F

WHEN RECORDED MAIL TO:
RED ROCK MORTGAGE, INC.

MAIL TAX STATEMENTS TO:
RED ROCK MORTGAGE, INC.
3600 AMERICAN RIVER DRIVE #135
SACRAMENTO, CA 95864



Sacramento County Recording
Craig A Kramer, Clerk/Recorder
BOOK 20080519 PAGE 0487

Check Number 9226
Monday, MAY 19, 2008 11:12:43 AM
Tax Pd \$12.00 Nbr-000398838

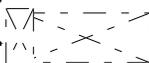
006-Sacramento Cy DTT PAID

AMH/GB/1-2

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Trustee Sale No. 723397CA

Loan No.



Title Order No M721884

TRUSTEE'S DEED UPON SALE

APN [] T.R.A. No.

The undersigned grantor declares:

- 1) The Grantee herein was not the foreclosing beneficiary.
- 2) The amount of the unpaid debt together with costs was.....\$574,023.87
- 3) The amount paid by the grantee at the trustee sale was.....\$388,000.01
- 4) The documentary transfer tax is.....\$427.35
- 5) Said property is in SACRAMENTO

and CALIFORNIA RECONVEYANCE COMPANY (herein called Trustee), as the duly appointed Trustee or substituted Trustee under the Deed of Trust hereinafter described, does hereby grant and convey, but without covenant or warranty, express or implied, to Red Rock Mortgage, Inc. (herein called Grantee), all of its right, title and interest in and to that certain property situated in the County of SACRAMENTO, State of California, described as follows: LOT 259 AS SHOWN ON THE OFFICIAL "PLAT OF SOUTH CURTIS OAKS SUBDIVISION NOV. 6", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY, FEBRUARY 10, 1927 IN BOOK 19 OF MAPS, MAP NO. 18

Site: 3622 WEST CURTIS DRIVE, SACRAMENTO, CA 95818

RECITALS:

This conveyance is made pursuant to the powers conferred upon Trustee by that certain Deed of Trust dated 01/04/2007 and executed by LAURA RICHARDSON, AN UNMARRIED WOMAN, as Trustor, and Recorded 01/10/2007, Book 20070110, Page 1818, Instrument of official records of SACRAMENTO County, California, and after fulfillment of the conditions specified in said Deed of Trust authorizing this conveyance.

Default occurred as set forth in a Notice of Default and Election to Sell which was recorded in the Office of the Recorder of said County, and such default still existed at the time of sale.

All requirements of law regarding the mailing of copies of notices or the publication of a copy of the Notice of Default or the personal delivery of the copy of the Notice of Default and the posting and publication of copies of the Notice of a Sale have been complied with.

f

Trustee, in compliance with said Notice of Trustee's Sale and in exercise of its powers under said Deed of Trust, sold the herein described property at public auction on 05/07/2008. Grantee, being the highest bidder at said sale, became the purchaser of said property for the amount bid being \$388,000.01 in lawful money of the United States, or by credit bid if the Grantee was the beneficiary of said Deed of Trust at the time of said Trustee's Sale.

DATE: 05/09/2008

CALIFORNIA RECONVEYANCE COMPANY, as Trustee



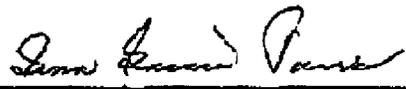
Karime Arias, Assistant Secretary

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

On May 09, 2008 before me, IRMA GARCIA TORRES, "Notary Public" personally appeared KARIME ARIAS, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature  (Seal)



1
EXHIBIT G

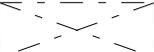
RECORDING REQUESTED BY
CALIFORNIA RECONVEYANCE COMPANY
AND WHEN RECORDED MAIL TO
CALIFORNIA RECONVEYANCE COMPANY
9200 Oakdale Avenue
Mail Stop: N 11 06 12
Chatsworth, CA 91311

Sacramento County Recording
Frederick B. Garcia, Clerk/Recorder
BOOK 20080602 PAGE 0885

Check Number 365268
Monday, JUN 02, 2008 10:45:44 AM
Ttl Pd \$14.00 Nbr-0005418923

MCY/82/1-2

Space above this line for recorder's use only

Trustee Sale No 723397CA Loan No  Title Order No M721884

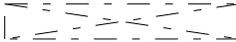
NOTICE OF RESCISSION OF TRUSTEE'S DEED UPON SALE

This Notice of Rescission is made on 05/30/2008 with respect to the following facts

1. That CALIFORNIA RECONVEYANCE COMPANY, a California Corporation as the duly appointed trustee under that certain Deed of Trust dated 01/04/2007, and Recorded 01/10/2007, Book 20070110, Page 1818, Instrument naming LAURA RICHARDSON, AN UNMARRIED WOMAN as trustor and WASHINGTON MUTUAL BANK as beneficiary, securing a Promissory Note in the amount of \$535,001 00.

2. The Deed of Trust encumbers the real property situated in the County of SACRAMENTO, State of CALIFORNIA, described as follows

LOT 259 AS SHOWN ON THE OFFICIAL "PLAT OF SOUTH CURTIS OAKS SUBDIVISION NOV. 6", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY, FEBRUARY 10, 1927 IN BOOK 19 OF MAPS, MAP NO. 18

A P N . 
Situs. 3622 WEST CURTIS DRIVE, SACRAMENTO, CA 95818

3 That by virtue of a Default under the terms of the Deed of Trust the Beneficiary did declare a default, as set forth in a Notice of Default and Election to Sell, which Notice was recorded in the Office of the County Recorder of SACRAMENTO, California.

4 On 05/07/2008, at 01:30 PM the property was purportedly sold to RED ROCK MORTGAGE, INC , being the highest bidder at such sale who bid the amount of \$388,000.01.

5. The Trustee's Sale on 05/07/2008 is being rescinded at the request of the Beneficiary, as the Beneficiary had previously agreed to postpone the foreclosure sale to June 4, 2008. The Trustee's sale of 05/07/2008 is therefore null and void, and of no force and effect

6 The express purpose for this Notice of Rescission is to return the priority and existence of all lien holders to the status quo ante that existed prior to the Trustee's Sale

NOW, THEREFORE, THE UNDERSIGNED HEREBY RESCINDS THE TRUSTEE'S SALE AND PURPORTED TRUSTEE'S DEED UPON SALE AND HEREBY ADVISES ALL PERSONS, WHOMEVER AND WHATSOEVER LOCATED, THAT THE TRUSTEE'S DEED UPON SALE DATED 05/09/2008, FROM CALIFORNIA RECONVEYANCE COMPANY TO RED ROCK MORTGAGE, INC AND RECORDED 05/19/2008 IN BOOK 20080519, PAGE 0487, OF OFFICIAL RECORDS OF SACRAMENTO COUNTY IS HEREBY RESCINDED AND SHALL HAVE NO FURTHER FORCE OR EFFECT WHATSOEVER

IN WITNESS WHEREOF, CALIFORNIA RECONVEYANCE COMPANY, has caused its corporate name and seal to be hereto affixed by its authorized signature.

DATE: 05/29/2008

CALIFORNIA RECONVEYANCE COMPANY, as Trustee

BY [Signature]
Colleen Irby, Assistant Secretary

BY [Signature]
Karime Arias, Assistant Secretary

WASHINGTON MUTUAL BANK, FA

BY [Signature]
Deborah Brignac, Vice President

BY [Signature]
Huey-Jen Chiu, Vice President

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

On 5/29/08 before me, SIERRIE HERRADURA, "Notary Public" personally appeared DEBORAH BRIGNAC, HUEY-JEN CHIU, COLLEEN IRBY AND KARIME ARIAS, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity (ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature [Signature] (Seal)

This document filed for recording
By Fidelity National Title Insurance and Trust
as an accommodation only. It has not been
examined as to its execution or as its effect
upon the title.



From: Gaugl, Sara C.
Sent: Wednesday, May 28, 2008 9:42:21 PM
To: Schneider, David C.; Berens, John; Champney, Steven D.
CC: Cook, Don; Adams, Carolyn; Owen, Jan L.; Elias, Alan
Subject: Richardson/CNN

All:

So you are aware, I just received a call from a producer with CNN re: Congresswoman Richardson's "debacle." Apparently, CNN's Campbell Brown plans to discuss the Congresswoman's situation during tomorrow's 8 p.m Eastern broadcast.

The producer said she's been tasked with cross-checking the accuracy of Ms. Richardson's statements with WaMu, at which point I informed her that we have not received consent from Ms. Richardson that would allow us to discuss her loan situation.

At that point, she informed me that CNN has talked with a forensic accountant. Based on his/her analysis of Ms. Richardson's financial situation, the accountant has "determined" that the Congresswoman probably shouldn't have qualified for the (WaMu) loan in the first place.

I'll keep you informed as I learn more. I expect to receive an update from CNN tomorrow.

Best,

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228[] cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Tuesday, October 21, 2008 2:52 PM
To: Owen, Jan L. <jan.owen@wamu.net>
Subject: RE: Google Alert - Laura Richardson

Thanks for forwarding! Hope all is well.

From: Owen, Jan L.
Sent: Tuesday, October 21, 2008 11:46 AM
To: Gaugl, Sara C.
Subject: FW: Google Alert - Laura Richardson

Fyi.

Jan Lynn Owen
First Vice President
State and Local Government and Industry Relations Manager
801 K Street Suite 110
Sacramento, CA 95814
916-553-4961
916-325-4717 fax
jan.owen@wamu.net

From: Google Alerts [mailto:googlealerts-noreply@google.com]
Sent: Tuesday, October 21, 2008 10:16 AM
To: Owen, Jan L.
Subject: Google Alert - Laura Richardson

Google Blogs Alert for: **Laura Richardson**

Los Angeles News Roundup October 21, 2008

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Business

Family who got WaMu millions had fraud history

John Gittelsohn

John Gittelsohn, The Orange County Register

1505 words

22 September 2008

The Seattle Times

Fourth

E1

English

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In July 2007, Vijay and Supriti Soni of Corona del Mar, Calif., paid \$440,000 for a home at 2129 W. Civic Center Drive in Santa Ana.

Five weeks later, they resold the house to Javier Hernandez, the family gardener and handyman, for \$660,000. That's a 50 percent gain in 38 days -- at a time when real-estate prices in Santa Ana were plunging.

But the lender that financed both mortgages, Washington Mutual, took a bath. Last March, Hernandez's loan went into default and in July the bank foreclosed. On the trustee's deed, the bank listed the home's value at \$377,137 -- \$220,000 less than the outstanding loan.

Records show WaMu, America's largest savings and loan, financed at least 43 mortgages worth \$24.5 million on properties bought and sold by members of the Soni family since 2007.

Of the 22 homes sold in that period, at least six have become problems for WaMu: Four were foreclosed, one received a notice of default and another was listed for sale at a \$260,000 loss. Total value of WaMu's mortgages on the troubled properties: \$2.7 million.

The Seattle-based thrift's lending practices resembled those of many other institutions that have run into trouble. They all offered complex adjustable-rate and subprime mortgages, approving many with limited scrutiny.

WaMu's \$310 billion in assets, its diverse loan portfolio, its large base of depositors and conservative risk management were supposed to protect the thrift from collapse. Now it appears to be the next domino in the row.

WaMu said it is investigating the Soni deals as part of a fraud scheme and maintained that those loans are not a symptom of larger problems.

"We have extensive controls in place to protect the integrity of our portfolio and loan processes," spokeswoman **Sara Gaugl** said. "We are continually enhancing our efforts to identify and prevent any potential illegal activity."

But lending analysts said the Soni case raises questions about standards at WaMu, which could face a federal takeover if it can't find a new source of credit. The distressed properties would then belong to the taxpayers.

"This is a quality-control problem," said Paul Leonard of the Center for Responsible Lending's California office. "It certainly is curious WaMu's fraud-detection system didn't pick this up. It looks very bad and it is bad. The question is how widespread it is."

Leonard and others said the Sonis' deals probably escaped notice because WaMu, like many other lenders:

* Allowed financing of property flips that occur less than 90 days after purchase. The Federal Housing Administration banned financing 90-day flips in 2006. It also required a second appraisal for homes sold at a 100 percent gain less than 180 days after purchase.

* Relied heavily on imperfect fraud-detection software. Computers are good at flagging things like unrealistic income statements but can be deceived by determined insiders.

* Did not check criminal backgrounds. The Sonis had been convicted in 2003 of numerous felonies for a real-estate-fraud scheme. WaMu checks criminal backgrounds of loan originators, such as outside mortgage brokers, but not borrowers.

Last month, District Attorney investigators raided the family's homes and business offices.

"Unfortunately, we are back looking at these characters again," said Doug Brannan, the deputy Orange County District attorney who prosecuted the Sonis in 2003.

WaMu declined to answer questions about the Soni case.

"This is an active investigation and we are fully cooperating with local law enforcement regarding this matter," Gaugl said.

The Soni family's transactions with WaMu indicate it continued making risky loans long after its underwriting standards were supposedly tightened in mid-2007, said James Barth, a senior finance fellow at the Milken Institute in Santa Monica.

"Lending institutions had an obligation to do due diligence to make sure the borrower can repay the loan, especially in 2007 and 2008 when they knew there was a mortgage meltdown taking place," Barth said.

Santa Ana home prices peaked in 2006 and have slid more than 40 percent since.

While those prices were plummeting, members of the Sonis family never sold for a loss. A Register analysis of 22 Santa Ana properties flipped by the family in the past two years shows a total gain on sale of \$3.7 million.

Average gain: 48 percent. Average time between purchase and sale: 92 days.

Todd Lackner, a San Diego mortgage-fraud investigator who has examined the transaction records, said the common thread of WaMu funding makes the Sonis' transactions even more disturbing. "Any idiot can see these sale prices are excessive," he said.

The FBI says mortgage-fraud reports increased 31 percent nationally in fiscal 2007. "During declining markets, mortgage- fraud perpetrators may take advantage of industry personnel attempting to generate loans to maintain current standards of living," the FBI's annual fraud report said.

In the past two years, Soni family members took out a total 14 mortgages with various other lenders, but WaMu was their preferred one, with triple that number of loans.

In August 2003, an Orange County Superior Court jury found Vijay and Supriti Soni guilty of forgery, falsifying real-estate documents, identity theft and grand theft. Vijay Soni was sentenced to a year in jail. He also surrendered his real-estate license. Supriti Soni was sentenced to three years in prison.

Brannan said their scheme "took advantage of their clients' trust when they exploited the unsuspecting customers' information for their own financial gain. They left these families with large

financial liabilities, goods and property purchased in their name without their knowledge, many hidden costs, and a huge amount of grief to clean up their credit."

Last month, investigators from the Orange County District Attorney's office and state Franchise Tax Board served search warrants on nine locations, including the homes of the Sonis, her mother, Sushama Lohia, and the family of her sister Suniti Shah plus four family companies. They carted out 154 cardboard boxes and 40 computers filled with evidence.

Family members declined to comment for this story, citing the advice of attorneys.

"I'm confident that the facts will reveal that Mr. Soni has not engaged in any wrongdoing," said Vincent LaBarbera, Vijay Soni's attorney.

In the past two years, the Soni family essentially created their own market in Santa Ana by flipping enough homes in a small area, said Lackner, the appraisal-fraud specialist. In at least three cases, homes flipped from one family member to another -- sales later used by appraisers to give credibility to high asking prices for other properties.

One example: Lohia bought the bank-owned house at 827 S. Flower for \$249,500 on Jan. 4. She sold it 20 days later for \$575,000 to her daughter, Suniti Shah, who financed the purchase with a \$488,750 WaMu mortgage.

"Selling to each other, that's something an appraiser should definitely discover," said Mike Sanders, a Laguna Beach real-estate appraiser. "If the appraiser finds all the same people's names on transactions, then that's something suspicious."

In an interview with the India Journal in Southern California, Vijay Soni provided another clue to his success at selling homes in a falling market: He said his company made the down payments for the buyers.

Soni said his "liquidation company" bought foreclosed properties in Santa Ana, Riverside and Corona and sold them by offering "10 percent down free money to any qualified buyer. With this big burden out of the way, they only have to worry about coming up with their monthly mortgage."

That would be the equivalent of 100 percent financing, experts said. If loan documents do not fully disclose who made the down payment, it would misrepresent the purchaser's stake in the property and potentially is a form of criminal fraud or theft, said Ann Fulmer, vice president for Interthinx, an Agoura Hills fraud detection company used by lenders.

"Unfortunately, the bank doesn't know it's 100 percent financing," she added.

Documents show that all of the family's sales through Washington Mutual indicated that the buyer paid a down payment of 10 to 20 percent.

But Eljio Servin Rojas said he never made a down payment on the home he bought in November for \$640,000 from Sushama Lohia. Records show he paid at least \$64,200 before closing.

Servin Rojas said he was renting when Lohia persuaded him to buy last year. He said he has fallen behind on payments on WaMu's \$575,800 mortgage. He received a notice of default in July.

The Sonis were positioned to escape detection if in fact no money changed hands -- because Lohia, a licensed real-estate broker, also served as escrow agent.

Finance

Credit lines shrinking in the U.S.

By Bob Tedeschi

The New York Times Media Group

500 words

10 June 2008

International Herald Tribune

2

12

English

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When economists say that American consumers used their homes as automated teller machines during the recent credit boom, they are often talking about home equity lines of credit, a form of second mortgage popular among homeowners looking for a cushion against future cash shortfalls or a way to finance a new kitchen or a vacation.

It is no secret that lines of credit are harder to find these days.

But many homeowners in the United States may not realize that their existing lines of credit can be eliminated at the lender's whim.

Washington Mutual, a major U.S. issuer of second mortgages, said last month that it had reduced or suspended about \$6 billion of available credit under existing home equity lines.

Countrywide Financial, Bank of America and JPMorgan Chase have made similar moves.

Analysts say the cuts have mostly come in regions where real estate values have dropped, but people with poor payment histories can also be affected.

Sara Gaugl, a Washington Mutual spokeswoman, said: "We will increase, decrease or suspend lines based on a number of factors, including a customer's entire relationship with WaMu, their payment status and history, changes to their creditworthiness, and changes in the value of their property. We believe this is part of being a responsible lender."

Home values are a particularly large component of the lender's decision, Gaugl said, and because the U.S. real estate market remains moribund, more credit lines could be cut.

"We will continue to evaluate individual home equity lines of credit in relationship to the amount of equity a customer has in their home," she said, "and if appropriate, we'll lower the line amount."

Like other lenders, Washington Mutual does not publicize its guidelines for making cuts, since they vary, based on the borrower's financial profile and changes in a home's value.

Gaugl said, however, that Washington Mutual customers could appeal the company's decision. Washington Mutual, which as of March 31 still had \$51 billion of undrawn credit line commitments, continues to offer credit lines to qualified borrowers.

According to Cameron Findlay, chief economist at LendingTree, an online mortgage referral and origination service, borrowers with credit lines need not be blindsided by the bank. "If you're wondering if you could be next," he said, "just contact your lender and ask them what your loan-to-value ratio is for that loan."

Traditionally, lenders would offer borrowers credit as long as they had more than 20 percent equity in their homes. That threshold dropped during the credit boom, when real estate values were climbing quickly.

Now traditional lending standards are once again in vogue, and equity is the touchstone.

Lenders have automated systems that can estimate a home's value without a formal appraisal, Findlay said, but they are now most likely underestimating that value "because they're hedging their bets a little bit."

MORTGAGES

Real Estate Desk; SECTRE

Beating Regulators to the Punch

By BOB TEDESCHI

562 words

21 October 2007

The New York Times

Late Edition - Final

12

English

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AS federal regulators and industry groups debate creating standards for explaining mortgage terms to borrowers, Washington Mutual is pushing ahead with its own initiative, which it says will help borrowers avoid bad loans.

The company's new rules apply to its loans marketed through 19,000 independent mortgage brokers, among other outlets, but not through its own branches. Earlier this month, it began requiring brokers to verify that they have disclosed key loan terms, spelled out in simplified language. Washington Mutual will also call borrowers before the mortgage closes to review the terms.

The company would not say whether its initiative was a response to recent criticisms of the mortgage industry, but the timing coincides with similar initiatives intended to make sure borrowers fully understand their mortgages.

Nonetheless, Washington Mutual's new approach signals an effort by one lender to assert greater control over the independent brokers who market loans on behalf of multiple lenders and who sell most of the mortgages taken out by borrowers each year.

Some brokers are bristling at the idea that lenders are getting more involved in their transactions. Speaking of Washington Mutual's new lending policy, Roy DeLoach, the executive director of the National Association of Mortgage Brokers, said, "We think it's flawed in a couple of ways."

Mr. DeLoach said the additional disclosure form required by Washington Mutual merely duplicates information already provided in other disclosure forms that brokers are required, by federal and state laws, to give borrowers within three days after completing a mortgage application.

Mr. DeLoach also said that Washington Mutual should not need to double-check with borrowers to make sure they understand the mortgage. "If you don't trust the mortgage broker you're dealing with, you probably shouldn't be doing business with them," he said.

Sara Gaugl, a Washington Mutual spokeswoman, said that the new forms in fact include information that is not in standard disclosure forms -- for example, the disclosure of prepayment fees and the fact that such fees can inhibit the borrower's ability to sell or refinance the property.

She also said that the company regards the follow-up call as a safety measure of sorts, not a signal that brokers should not be trusted. "We absolutely respect the relationship between the broker and the borrower," she said.

Washington Mutual's disclosure form is in three parts: broker fees paid by the borrower, broker fees paid by the lender, and the loan terms. The terms prominently list the existence of prepayment penalties, which can run into thousands of dollars for those who want to refinance a mortgage or sell the house before the end of the loan.

Washington Mutual's new lending rules also require brokers to arrange tax and insurance escrow accounts for all new subprime loans, to help borrowers keep up with expenses.

Ellen Bitton, the chief executive of the Park Avenue Mortgage Group, a Manhattan brokerage, said she regarded Washington Mutual's new lending standards as duplicative of her current practices. The fact that the company will call borrowers to check on the broker's performance "is a change," she said, adding: "I don't have a problem with it. It just means we're working in tandem to be sure the client gets the best service."

AP Interview: Calif. congresswoman says home sale 'improper'

By ERICA WERNER

Associated Press Writer

1075 words

24 May 2008

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Associated Press Newswires

English

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WASHINGTON (AP) - Rep. Laura Richardson claimed Friday that her Sacramento home was sold into foreclosure without her knowledge and contrary to an agreement with her lender.

She said that she is like any other American suffering in the mortgage crisis and wants to testify to Congress about her experience as lawmakers craft a foreclosure-prevention bill.

In a lengthy interview with The Associated Press on Friday night, the Southern California Democrat struck back against several days of negative publicity over reports she defaulted on her mortgage, allowing the house to be sold at auction.

Richardson, elected in a special election last August, acknowledged turmoil in her life in the months after an incumbent's death in April opened up the Los Angeles-area House seat.

She used her money to finance her campaign and fell behind in mortgage payments. But Richardson said that makes her like other Americans who have to deal with a sudden death or birth that throws a wrench into their finances.

Now, Richardson said, she has renegotiated her loan to pay it off and promised to fully comply with all its terms. She also said she will pay nearly \$9,000 in delinquent property taxes.

She insisted she's not getting special terms because she's a congresswoman.

"I'm Laura Richardson. I'm an American, I'm a single woman who had four employment changes in less than four months," Richardson told the AP. "I had to figure out just like every other American how I could restructure the obligations that I had with the income I had."

Richardson was a member of the Long Beach City Council when she won a California state Assembly seat in November 2006, months before she bought the three-bedroom, 1 1/2-bath Sacramento home. She won the congressional seat the next year in the special election to replace the late Juanita Millender-McDonald.

The problem is that the 1,600-square-foot home she bought for \$535,500 in January 2007 was sold at auction earlier this month to a Sacramento mortgage lender, who paid \$388,000. The sale was officially recorded on Monday, according to documents on file with the Sacramento County Recorder's Office.

A default notice sent to Richardson in March put her unpaid balance at \$578,384.

Richardson, 46, makes nearly \$170,000 as a member of Congress and was paid \$113,000 during the eight months she served in the state Assembly in 2007 before her election to Congress. She also received a per diem total of \$20,000 from California, according to a financial disclosure form she filed with the House of Representatives clerk.

Although others struggling with mortgages make far less, Richardson said it was "very misleading" to compare her earnings to the national median household income of around \$50,000. The reason: Lawmakers are required to maintain two residences while other people don't have to, she said.

Others also don't have to depend on winning an election to ensure their livelihood, she said.

Richardson provided AP with an April letter that appears to be from Washington Mutual Home Loans telling her there was a hold on foreclosure sales on her property until June 4 of this year.

She said she got another letter asking for payments May 2 and paid them, but did not know the sale was going to happen five days later.

Richardson also provided an e-mail dated Thursday she said was from Washington Mutual that appeared to acknowledge an agreement "to facilitate the rescission of foreclosure sale."

She did not provide documentation of the structure of her new loan.

A Washington Mutual spokeswoman, **Sara Gaugl**, told AP earlier in the day that the company had "not received consent from Ms. Richardson that would allow us to discuss her loan situation."

Asked later to respond to Richardson's specific comments, she reiterated that the savings and loan could not discuss the matter without the congresswoman's consent.

Meanwhile, the current owner of the property told AP that his ownership of the house is not in doubt.

James York, owner of Red Rock Mortgage Inc. of Sacramento, declined to discuss any possible negotiations that might be ongoing.

"I've taken possession on the home," York said. "I've been working on it, fixing it up. It had been vacant. It was in cleaner and in better repair than most foreclosures."

The home, built in 1926, is in Sacramento's Curtis Park, a desirable, upper middle-class neighborhood near downtown that sits under a canopy of decades-old trees.

Not long after getting to Congress, Richardson voted in favor of the Mortgage Forgiveness Debt Relief Act of 2007, which subsequently became law. It allows homeowners to escape paying income taxes on debts forgiven by a lender, as happens in foreclosure.

Richardson was absent earlier this month for votes on the Foreclosure Prevention Act, which she said was because of her father's funeral. But she could have another opportunity to vote on the foreclosure package as the House is expected to bring it back up in June once agreement is reached in the Senate.

In most cases, congressional ethics rules don't prevent lawmakers from voting on legislation that might affect or help them economically. Such votes are essentially impossible to avoid.

Rather than shy away from voting on mortgage-related bills, Richardson said her experiences could help her craft legislation to make sure others don't experience what she did. For example, she sees a need to add steps to inform property owners before their property can be sold.

"We have to ensure that lenders and lendees have the tools with proper timing to resolve this," she said.

Melanie Sloan, executive director of the Washington-based Citizens for Responsibility and Ethics, criticized Richardson for falling deeper into debt while choosing to spend more than \$75,000 of her own money on her campaign -- suggesting that it's more important to win a seat in Congress than to be fiscally responsible, a point Richardson disputed.

Sloan also said Richardson should not be in the situation she is while making a congressional salary, when homeowners around the country making \$50,000 or less are struggling to pay their debts.

"Truthfully, it's appalling," Sloan said.

Real Estate; Features Desk

Ask and you may receive; For adjustable-rate- mortgage holders trying to keep their homes, job one is to get help.

Marty Graham

Special to The Times

1386 words

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Los Angeles Times

Home Edition

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The route to negotiating an adjustable-rate-mortgage reset is an obstacle course, according to nonprofit counseling groups trying to help homeowners. And half the people navigating it don't stop to ask for directions.

"The statistic is that 50% of the families experiencing foreclosure never ask for help," said Lori Gay, president and chief executive of Los Angeles Neighborhood Housing Services -- a part of NeighborWorks, a national network of nonprofits that deals with homeownership issues. "A lot of those people could keep their homes if they asked someone for help."

Ask early, ask often and keep asking -- because everyone who can help is swamped with people who also need a hand, while the programs and rules for assistance continue to change.

Asking for help doesn't guarantee smooth sailing, counselors cautioned. Some borrowers aren't going to be able to keep their homes. But many will, especially if the lenders come through with the programs they've promised for up-to-date borrowers.

Last month, the Bush administration won voluntary agreement from lenders on a five-year freeze on interest rate hikes for borrowers who are current with payments, live in the mortgage property, face loan increases between now and July 2010 and meet other criteria. The deal was widely recognized as a good start, but many caution that it helps just a narrow segment of borrowers and isn't enforceable.

Kevin Stein, associate director of the California Reinvestment Coalition, said an October survey of 33 nonprofit groups that counsel borrowers showed that they were having a tough time getting the responses and results from lenders they need for their clients.

"There's a lot of chaos," Stein said. "There's a lot of lost faxes, unreturned phone calls, service representatives changing in the middle." He said lenders' responses seem to be: We'll have someone get back to you.

A jungle out there?

Is any institution doing a fair job of working with customers? "From where we stand, it doesn't look like it," Stein said. "It's a morass: People face incredible hold times when they call, the lenders don't have enough people servicing loans and there's no public information that drives accountability -- who's in trouble, who's in default, what the lenders are actually doing, not just saying they'll do -- to keep homes out of default."

Lenders disagree with Stein's assessment.

For example, Washington Mutual has been working hard to reach its borrowers, according to spokeswoman **Sara Gaugl**. The lender has sent 5 million pieces of mail, including statements with refinancing information, to current borrowers and is implementing a \$2-billion program to get the best-qualified borrowers into better loans.

"As of November, we have refinanced or modified approximately \$720 million in loans and will increase that number in the coming months," she said.

For borrowers facing unaffordable resets in their loans, what is the best way to proceed?

L.A. attorney John Torjesen, who represents people in litigation over such loans and foreclosures, says to start by digging out escrow documents and actually reading them.

The most important terms of the loan -- the frequency and size of increases, possible prepayment penalties or balloon payments -- should be all within the note itself. If homeowners haven't kept the documents and the escrow company can't produce them, a copy of the note is usually filed with the county registrar of deeds as a deed of trust at the same time the deed to the home is filed.

"Most people are surprised by their adjustables," Torjesen said. "Between mobile notaries who brought them the documents at closing and the ease and speed of getting the loans, most people didn't entirely understand what they were getting into.

"I've seen loan documents that say no prepayment penalty on the first page and on page 8 it establishes a prepayment penalty. Most mortgages require that the property have insurance, but I've seen documents that ultimately force the borrower to pay for very expensive insurance selected by the lender," he said. "People didn't know what happened until it was too late."

Once borrowers have slogged through the note, the next step is to decide whether to seek professional help before contacting the lender.

Lawyers such as Torjesen and Dorothy Herrera, senior attorney with the Legal Aid Foundation of Los Angeles, can help some people -- those who can show they were misled by a broker or ended up with a loan containing a clear violation of the Truth in Lending Act, including the failure to disclose key information.

But many of the consumers contacting Legal Aid don't qualify for those protections, Herrera said, and are just in over their heads financially.

Working with a housing counselor can improve the odds of avoiding default and persuading a lender to help. Borrowers may be able to refinance -- with fees -- into lower- or fixed-rate loans, have prepayment penalties waived, freeze their current interest rates, set up repayment schedules or restructure loans.

At the East L.A. Community Corp., home-buying counselor Angelica Rubio works with people at risk of foreclosure. Many families don't understand their loans and need help facing their lender, she said.

"We sit down with them and look at their finances . . . and see if they can afford to keep their homes," Rubio said. "We've started doing foreclosure workshops because this is a big problem in our community that's going to get bigger."

Dialing direct

Some borrowers prefer dealing directly with the lender, usually through its toll-free number. Experts say they should be prepared to wait -- then wait some more. Hold times of more than an hour have been reported, as lenders suffer personnel cuts stemming from the collapse of so many loans.

Herrera, the Legal Aid Foundation attorney, said she's heard of people spending several hours a day, for days, either on hold or being bounced from one service representative to another.

"People can't get through to somebody who has the authorization to look at their adjusting loan," Herrera said. Neighborhood Housing Services received more than a thousand calls from people in

mortgage distress on the day Countrywide announced it would work with borrowers to keep them in their homes, according to chief executive Gay. Countrywide has written about a quarter of the nation's adjustable-rate mortgages since 2005.

Countrywide and Washington Mutual are trying -- if you can reach them, Gay said.

Persistence pays

"Call early and often," Gay said. And if that doesn't work, find muscle, she said. "Call a neutral third party, a free housing counseling service, to help you work through this before the eviction notice is nailed to the door."

Once you find a lender's representative to work with, Gay said, make sure to get that person's name and telephone extension, and insist on letters to document calls and agreements.

"And then follow through. If you're going to negotiate, follow through. If you've set a payment amount, pay it. Whatever you said you would do, make sure you do it, and if you can't, call the lender again."

Sometimes, after all the negotiations and counseling, borrowers conclude they won't be able to keep their homes and must consider drastic options.

"It's very sad, but there are still better ways out of the situation than letting the home slip into foreclosure," Gay said. One client, who had 40% equity in the home, declared bankruptcy so he could have time to sell it.

"It gave him time to work out his debts and sell the house," Gay said. "It was worth marring his credit to be able to recover part of the equity rather than lose it through foreclosure."

Other borrowers, who have little or no equity, may look at short sales, where the lender allows the borrower to sell the house for less than the debt, as a strategy to protect their credit rating so they can buy another home later.

"We call it a soft landing," Gay said. "Sometimes it's the best we can do."

MONEY

Coping with the real estate slump ; Outlook is dire, but you can take steps to stay ahead

Noelle Knox

2307 words

4 January 2008

USA Today

FINAL

B.1

English

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Here are some strategies for sellers, buyers and homeowners in a high-risk real estate market:

If you'd asked housing economist David Seiders at this time last year to forecast the real estate industry's future, he would have told you to expect "a recovery year" in 2008.

"That outlook has been cut dramatically from what I was saying a year ago," Seiders, chief economist for the National Association of Home Builders, concedes. He's slashed his projection for home construction by 35% and says 2008 will be "another down year" for housing overall.

How far down? Most economists caution that their real estate forecasts for this year stand on shaky ground. The depth of the downturn will depend on whether the overall economy slips into recession, how fast and how sharply home prices fall, whether more turmoil rocks the credit markets and how many more foreclosures lie ahead.

"We're really in a danger zone in terms of overall economic activity," says Seiders, who sees a 40% chance of recession this year, up from his earlier estimate of 30%.

Mark Zandi, chief economist at Moody's Economy.com, calls the current real estate recession the gravest since World War II. He expects home sales to hit bottom in the first half of this year, with prices continuing to fall until early 2009.

An even more pessimistic economist, David Rosenberg at Merrill Lynch, goes so far as to warn, "Real estate pricing in general can expect to be in the doldrums through 2012."

The biggest problem is the glut of homes for sale -- more than 10 months' worth. And about 2 million of those homes (about 2.6%) are vacant, with banks or builders trying to get them off their hands.

The number of vacant homes is expected to rise further this year because a record number of homes are entering foreclosure. And hundreds of thousands of homeowners with subprime, adjustable-rate loans will face higher monthly payments. For some, it will be the last financial straw.

Meanwhile, many would-be buyers are having trouble qualifying for loans.

Half of senior loan officers surveyed by the Federal Reserve in October said they had tightened their standards from July. Gone are loans for people who have trouble paying their bills on time. Gone are mortgages for 100% of the home price. Gone are loans requiring no proof of income or assets.

The stricter rules will deliver an especially severe punch to such areas as Arizona, California, Nevada, Florida and in and around Washington, D.C., and Manhattan, where those types of mortgages accounted for about 60% of purchase loans last year, according to Economy.com.

"A lot of (buyers) haven't come to the realization that the subprime market no longer exists," said Ritch Workman of Workman Mortgage in Melbourne, Fla. "Mortgage brokers are turning away more and more borrowers."

That isn't likely to change. The Federal Reserve last month issued hand-slapping rules for all lenders and mortgage brokers to end the riskiest lending practices. The new rules will take effect early this year, after a public comment period.

For buyers who have built up stellar credit and lots of cash in the bank, there are loans aplenty. Interest rates also remain historically low, and falling prices in many areas are making homes more affordable for more families.

In such a risky market, what's a buyer or seller to do? What follows are some strategies for buyers, sellers and homeowners that will help, no matter how grim the housing recession gets.

Buyers

Get that credit score up

If you're among the would-be buyers still finding themselves locked out of the market:

*Raise your credit score by paying your bills on time. Don't open any new credit card accounts or buy a car with a new loan. Don't buy anything, such as furniture, with a "no payments or interest for 90 days"-type of plan. With such plans, even if you pay off the entire amount in three months, your credit score will still take a hit.

*Forget belt-tightening; get a full-fledged corset. Most lenders now require buyers to put down at least 5% of the purchase price (that's about \$10,500 on the national median home price of \$210,200). The main exceptions are loans insured by the Federal Housing Administration, which require only 3%, and loans guaranteed by the Department of Veterans Affairs, which may cover the entire purchase price.

*Don't change jobs, if you can help it, until you've been formally approved for a mortgage. Lenders increasingly see job stability as a vital factor in creditworthiness.

*Recognize that you have the upper hand in bargaining. Consider asking the seller to help pay for any repairs, or to help pay for closing costs or to cover any homeowners' association fees for a few months. If it's a new home, ask the builder for even more freebies than it offered to get you in the door.

Sellers

Wait if you can or spruce it up

Lots of sellers are getting a harsh refresher in a lesson from Economics 101: the relationship between supply and demand. A record 4.3 million existing homes are for sale. In areas where there's too much supply, prices must fall.

This week, economists for Freddie Mac released their latest economic forecasts, which show home prices falling nearly 8% this year and not rising again before the end of 2009.

Prices in 11 major metro areas posted record declines in October, led by Miami, Tampa, Detroit and San Diego, according to the S&P/ Case-Shiller index.

More than 1 million homeowners nationwide are expected to lose their homes through foreclosure. Lenders, trying to cut their costs of maintaining and marketing homes, typically sell foreclosed homes for 20% below the market price.

"I tell sellers if they don't need to sell right now, just remove their home from the market," says Ron Shuffield of Esslinger-Wooten-Maxwell Realtors in Miami.

All of which means that to sell your house, you probably need to get it in near-perfect condition, price it right and market it aggressively.

Of course, not every U.S. real estate market is in the tank. Areas that never saw head-spinning price increases to begin with aren't seeing big price drops now. In the third quarter, government data showed that prices actually rose in 204 of the 287 metro areas surveyed. And in nearly every city, there are neighborhoods, or coveted condo developments, that seem immune to local and national trends.

But for most homeowners who need to sell, here are some tips:

*Start your spring cleaning now. Every surface should sparkle. Every groove should be dirt-free. Above all, wash the windows. Declutter the house by packing up family photos, stacks of paper, medicine bottles on the bathroom counter, the books overflowing the bookcase. Hide trash cans, ashtrays, the laundry hamper, the kitchen sponge, the cat's litter box and food dishes.

*Paint. Dark walls tend to make a house look smaller. Walls should be off-white or have earthy tones if the room draws lots of light. Real estate agents suggest that the carpet be light beige. Open or take down curtains, so the rooms will absorb as much light as possible.

*Most rooms contain too much furniture, which makes rooms look smaller. Reduce the number of pillows on the couch. Remove afghans and blankets. Scale back the number of paintings on the walls. Remove the leaves from your dining table and put no more than four chairs around it. Reduce the number of dishes in the china cabinet, leaving only a few.

*Keep the lawn mowed and the edges neat. Trim shrubs, especially around windows. Put flowering plants near the front door. Does the house need painting? Consider painting or staining the front door; it's one of the least expensive ways to spruce up the entry. If there's furniture on the porch, make sure it isn't plastic but rather good-quality wicker or wrought iron. Power-wash or stain the deck. Remove or hide old cans and bottles, auto parts, boats and RVs.

*What's your marketing strategy? If using an agent, make sure she or he is using the Internet as a major part of the advertising campaign. Tempt buyers by offering to help pay closing costs. Or better still, offer to lend the buyer part of the money they need, with what's called "carry-back financing."

Check your documents

Dig out your mortgage documents and triple-check what kind of loan you have. Specifically, you want to know whether it has an adjustable interest rate, how often the rate can rise and the maximum it can rise to. Is there a penalty for paying off the loan early? If so, when does the penalty expire?

Nearly 2 million homeowners have subprime, adjustable-rate mortgages (ARMs) that will reset before July 2010. The average borrower will see monthly payments jump by about \$350, to \$1,550. Already, one in five homeowners with a subprime ARM was behind at least one payment at the end of the third quarter, according to the Mortgage Bankers Association.

Last month, Treasury Secretary Henry Paulson announced a deal with lenders that would help thousands of homeowners with subprime ARMs. Under the plan, homeowners who got their loans between Jan. 1, 2005, and July 31, 2007, would either be put on a fast-track program to refinance their loan to a fixed-rate mortgage at a lower rate, or have their rate frozen for five years.

But there are many exclusions to the program. In addition, millions of borrowers with prime ARMs aren't eligible. Neither are most of those with exotic adjustable-rate loans that let them pay only the interest portion or even less each month.

Dan Przewlocki is one of them. He refinanced his home outside Detroit in 2004, so he doesn't qualify for the rescue plan. Przewlocki, 52, got what's called an option-ARM. It lets him choose among payment options each month. The less he pays, the more the principal balance grows.

He's been paying the highest option and hasn't missed one payment. Yet his rate has been rising nearly every month, catapulting Przewlocki's monthly payment to \$2,700 from \$1,200 initially.

Washington Mutual, his lender, won't refinance the \$310,000 loan because the home's value has sunk below the value of the loan, to \$250,000, Przewlocki said.

He works in an auto maintenance plant and looks for handyman jobs and temporary work at Kelly Services. But his house payments eat up nearly 70% of his gross income. And Przewlocki, a tech sergeant in the Air Force reserves, knows he'll fall behind on his payments once he's deployed to the Middle East this year.

"If the mortgage company wants to take the house," he says, "the keys are going to be on the kitchen table."

Sara Gaugl, a spokeswoman for Washington Mutual, says the amount of Przewlocki's loan and the current value of his house "put him out of scope for a refinance under WaMu's credit guidelines. However, we will continue to work with Mr. Przewlocki to determine if there are other options available to him."

If you're in a similar situation, or think you might be soon:

*Contact your lender as soon as you know your payment will be late. If you want free credit counseling, you can also call the Homeownership Preservation Foundation at 888-995-HOPE (888-995-4673).

*If you can't renegotiate the terms of your loan, and your home is worth less than you owe, consider a "short sale": If your lender approves, you can sell your property at an agreed upon price, and your lender will forgive the remaining balance on your mortgage.

That's much better than wrecking your credit with a foreclosure. And under a law signed by President Bush last month, sellers no longer have to pay taxes on the amount of the forgiven debt. The law is retroactive to Jan. 1, 2007, and is scheduled to expire at the end of 2009.

Even if you don't keep your New Year's resolution to shed 20 pounds, getting out from under an unaffordable mortgage will take a huge weight off your shoulders.

TEXT OF INFO BOX BEGINS HERE

Subprime ARM loan rates nationwide

Almost half of subprime ARM loans are concentrated in a handful of states, which are expected to suffer increasing foreclosures as the loans reset to higher rates. States and their percentage of the nation's subprime ARMs:

Alabama 0.9%

Alaska 0.1%

Arizona 4.3%

Arkansas 0.4%

California 17.3%
Colorado 1.9%
Connecticut 1.3%
Delaware 0.3%
Dist. of Columbia 0.2%
Florida 12.3%
Georgia 3.3%
Hawaii 0.4%
Idaho 0.5%
Illinois 4.9%
Indiana 1.8%
Iowa 0.5%
Kansas 0.5%
Kentucky 0.7%
Louisiana 0.8%
Maine 0.3%
Maryland 2.9%
Massachusetts 1.8%
Michigan 3.6%
Minnesota 1.7%
Mississippi 0.5%
Missouri 1.8%
Montana 0.1%
Nebraska 0.3%
Nevada 2.0%
New Hampshire 0.4%
New Jersey 2.7%

New Mexico0.4%
New York3.5%
North Carolina1.9%
North Dakota0.1%
Ohio2.6%
Oklahoma0.6%
Oregon1.3%
Pennsylvania2.7%
Rhode Island0.4%
South Carolina0.9%
South Dakota0.1%
Tennessee1.7%
Texas5.7%
Utah1.0%
Vermont0.1%
Virginia2.4%
Washington2.6%
West Virginia0.2%
Wisconsin1.4%
Wyoming0.1%

WaMu Response from David Schneider, President, Home Loans, Regarding Proposal Aimed at Keeping Borrowers in their Homes

302 words

6 December 2007

16:39

Business Wire

English

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SEATTLE - (BUSINESS WIRE) - As a key member of HOPE NOW, WaMu (NYSE: WM) has worked very closely with the Treasury and the American Securitization Forum to develop what we believe is a positive step for borrowers who are unable to handle an increase in their monthly payment. In addition, this proposal establishes a new set of industry best practices making it easier for servicers to modify loans under the existing agreements. WaMu is in the process of implementing the fast-track modification process and expects to have it operational over the coming weeks.

Our firm belief is that early intervention combined with expanded options is instrumental to helping our customers find ways they can overcome financial obstacles to keep their home. We view foreclosure as a last resort and encourage our customers to contact us as soon as they anticipate difficulty in making payments on their mortgage so that we can discuss their various options.

We look forward to continuing our work with the Administration, Congress, state and local officials, our trade groups and community partners to stabilize the housing market and support efforts that will help customers maintain home ownership.

About WaMu

WaMu, through its subsidiaries, is one of the nation's leading consumer and small business banks. At Sept. 30, 2007, WaMu and its subsidiaries had assets of \$330.1 billion. The company has a history dating back to 1889 and its subsidiary banks currently operate approximately 2,700 consumer and small business banking stores throughout the nation. WaMu's press releases are available at <http://newsroom.wamu.com> .

WaMu Media Contacts: Alan Gulick, 206-500-2760 alan.gulick@wamu.net or **Sara Gaugl**, 206-500-2822 sara.gaugl@wamu.net

MAIN

LENDERS REELING FROM BURST SUBPRIME Series: Subprime Fallout

MARY FRICKER

MARY FRICKER FOR THE PRESS DEMOCRAT

1129 words

11 November 2007

Press Democrat

CITY

A13

English

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At the height of subprime lending in Sonoma County, the industry leader was Long Beach Mortgage, a division of Washington Mutual in Seattle.

Long Beach Mortgage made 945 subprime loans in Sonoma County from 2004 through 2006, for \$232 million. That was almost 14 percent of the market and well ahead of its closest competitor.

The No. 2 subprime lender in Sonoma County was New Century Mortgage Corp. of Irvine, which made 635 loans for \$148 million.

Both companies closed this year, victims of the mortgage meltdown.

Long Beach Mortgage became the largest subprime lender in the county by having the most accommodating programs and years of lending experience, said Don Bunch, an account representative at Long Beach Mortgage from 2002 through 2004.

For example, Long Beach Mortgage let homeowners count money from renting out rooms as income, while some lenders did not, Bunch said.

"Mortgage brokers went to lenders who could get the deal done," said Bunch, a mortgage broker for 25 years who has specialized in the subprime market for the past decade.

Long Beach Mortgage had an office on Fourth Street in Santa Rosa, next door to Washington Mutual, but it got all its business through independent mortgage brokers.

Bunch said his job as account rep for Long Beach was to make the rounds of brokers' offices and sell subprime loans.

"We'd take a look at the loans they were working on, see if they fit our programs and show them the benefits of submitting the loan to my company instead of my competitors," Bunch said. Today Bunch is co-owner of Affinity Mortgage, a Santa Rosa company that specializes in mobile- and manufactured-home loans.

Long Beach Mortgage resold most of its loans to Wall Street investors. This resale market is a valuable tool for spreading risk. But it is also the key reason underwriting standards have weakened since the days when banks held onto all loans themselves and had a personal interest in making sure the borrower could repay.

Wall Street investors were eager to buy the high-rate loans because they paid a nice return during a period of historically low interest rates. Long Beach's average rates for its first-lien loans in 2005 and 2006 were 8 percent to 10 percent, compared to about 6 percent for a 30-year, fixed-rate loan.

Investors relied on rating agencies such as Moody's Investors Service and Standard & Poor's to gauge the safety of the securities. In many cases, the agencies were wrong.

This year, rising defaults caused nervous Wall Street investors to stop buying the high-rate loans. With the subprime market essentially dead since August, Washington Mutual absorbed the remnants of Long Beach Mortgage in September.

"Nobody is buying those loans, hence nobody is going to make them," said Bunch. After working at Long Beach Mortgage, he joined two other subprime lenders, BNC Mortgage and Clearpath Lending Solutions. Both have closed.

Sara Gaugl, a spokeswoman for Washington Mutual, said the company is trying to help customers hurt by the downturn, and it wants to avoid similar problems in the future.

It will refinance up to \$2 billion in subprime loans for qualified borrowers. It will no longer make no-documentation loans or loans with initial fixed-rate terms of less than five years. It will require that brokers use a simple, single-page disclosure form to explain their fees and the terms of the loan.

"We fully recognize that no party wins when a lender is forced to foreclose on a borrower," Gaugl said.

Library researcher Teresa Meikle contributed to this report.

INFOBOX:

SUBPRIME LEXICON

A variety of high-risk loans were made in Sonoma County in 2005 and 2006. The following are some of their most common characteristics:

Teaser interest rate: A start rate as low as 1 percent that will shortly reset upward.

Stated income loan: The borrower doesn't have to prove his or her income but is supposed to prove two years of employment and some reserves. Originally intended for the self-employed, but recently used by wage earners. Industry experts often call these "liar loans" because they say borrowers commonly inflated their incomes, sometimes at the direction of brokers or lenders who resold the loans to Wall Street investors. If fraud is present, investors can return the loan to the lender.

No documentation: The borrower doesn't have to document employment or assets but is supposed to have decent credit and a downpayment.

Piggyback loans: Borrower buys a house with a first mortgage that covers 80 percent of the price. A second mortgage covers 20 percent, allowing the borrower to avoid the cost and underwriting of Private Mortgage Insurance.

100 percent financing: Homebuyer borrows the entire cost of the home, instead of making a cash downpayment.

Balloon payment: Loan defers payment of principal, but some day principal will come due all at once.

Prepayment penalties: A fee charged to borrowers who pay off their loan within two to three years, typically 2 to 3 percent of the loan amount for subprime borrowers. Intended to discourage frequent refinancing and ensure that the lender will earn enough money on the loan to pay the broker's commission. In California last year,

91 percent of subprime loans had prepayment penalties, compared to

75 percent nationally.

Interest-only loans: Homebuyers get a lower monthly payment but don't build equity in their property, except through appreciation. At some point the principal will all come due.

40-year fixed-rate loan: Borrower gets lower monthly payments than the traditional 30-year loan, but the total interest cost is much higher.

Negative amortization: Borrowers with good credit can make such a low monthly payment that it doesn't cover their interest, so the principal they owe increases every month. The increase in principal is usually capped at 110 percent to 125 percent of the original loan amount. At that point, borrowers must start making much bigger monthly payments. In California last year, almost 17 percent of prime loans had this feature, compared to 5 percent nationally.

Yield spread premium: The commission the lender may pay its own loan agent or an independent mortgage broker. The higher the interest rate on the loan, and the longer the prepayment penalty period, the higher the commission.

FICO score: A way to score a borrower's creditworthiness, developed by Fair Isaac & Co. to measure risk. Lenders have increasingly come to rely on this score instead of doing their own credit evaluation before making a loan.

Sources: U.S. Department of Housing and Urban Development, The Orange County Register, Federal Deposit Insurance Corp., Press Democrat research.

Personal Finance

WaMu Calls for Mortgage Disclosure

By Lingling Wei

292 words

2 October 2007

The Wall Street Journal

B14

English

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NEW YORK -- Washington Mutual Inc., the U.S.'s sixth-largest home-mortgage lender in terms of volume, is asking mortgage brokers it works with to provide more information to borrowers.

The move comes as lenders as well as brokers are facing pressure from lawmakers and consumer-advocacy groups to beef up customer disclosures, which have been criticized as inadequate and in some cases, misleading. Poor disclosures, critics say, have led many borrowers to take out loans they couldn't afford, contributing to the highest home-loan delinquency rate in five years.

Seattle-based WaMu said starting next Tuesday, brokers who do business with the company must show evidence that they explained to borrowers key terms of the loans they are recommending -- such as the amount, whether the interest rate or the payments may change, and if the loan has a fee for prepayments. In addition, the brokers should disclose the amount of their compensation, WaMu said, adding that it would try to call every borrower represented by a broker before closing to review loan terms.

" WaMu will not close or fund the loan without signed confirmation from the borrower that the key terms of the loan have been disclosed to the borrower by the broker early in the application process," said spokeswoman **Sara Gaugl**.

Like WaMu, many banks sell loans through third-party brokers in addition to their own sales force. Industry data show that mortgage brokers and state-licensed lenders generate about 68% of all residential mortgages in the U.S. In recent months, however, the rising number of soured loans has forced lenders to scrutinize more closely their relationships with brokers.

Washington Mutual seeks to better inform borrowers with new guidelines for mortgage brokers

By LINGLING WEI

Dow Jones Newswires

374 words

1 October 2007

15:43

Associated Press Newswires

English

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NEW YORK (AP) - Washington Mutual Inc., the nation's sixth-largest home-mortgage lender in terms of volume, is asking mortgage brokers it works with to provide more information to borrowers.

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The move comes as lenders and brokers are facing intensifying pressure from lawmakers and consumer-advocacy groups to beef up customer disclosures, which have been criticized as inadequate and, in some cases, misleading. Poor disclosures, critics say, have led many borrowers to take out loans they couldn't afford, contributing to the highest home-loan delinquency rate in five years.

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Gaugl said Washington Mutual, which does business with about 19,000 brokers nationwide, only works with mortgage brokers who are "in good standing" with the appropriate licensing authorities in the states where they do business. Washington Mutual expects the brokers it works with to embrace the new standards, she said, adding that the new procedures will help brokers "ensure that their customers select the loan product and terms that best meet their individual needs."

WaMu Response from David Schneider, President, Home Loans, Regarding Interagency Statement on Subprime Mortgage Lending

239 words

29 June 2007

13:44

Business Wire

English

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SEATTLE - (BUSINESS WIRE) - WaMu (NYSE:WM) fully supports the guidance and the goal of ensuring that mortgage loans are underwritten in a prudent fashion and communicated in an understandable way. No party wins when a lender is forced to foreclose on a borrower. We are well positioned to implement the guidance in our business. We've offered subprime mortgage products for more than 20 years and are focused on providing clear, understandable disclosures for our customers and ongoing training for our sales force.

WaMu remains committed to offering a range of products to meet individual customer needs. We are also committed to helping our current borrowers stay in their homes who may no longer fit current qualifying standards yet have a proven payment history. As part of this commitment, we will refinance or modify up to \$2 billion in subprime loans at discounted interest rates to assist homeowners in stabilizing their finances and avoiding foreclosure. Our goal is to help our customers understand their various options and address their financial needs before they begin having problems making payments.

We remain concerned about the unlevel playing field that exists because the guidance does not apply to all lenders.

WaMu Media Contact: **Sara Gaugl**, 206-500-2822 Sara.gaugl@wamu.net or Investor Relations Contact: Alan Magleby, 212-326-6019 alan.magleby@wamu.net

YOUR HOME
Real Estate Desk; SECT11
Pluses and Minuses Of Option ARM's
By JAY ROMANO
644 words
9 October 2005
The New York Times
Late Edition - Final
10
English
Copyright 2005 The New York Times Company. All Rights Reserved.

A MORTGAGE known as an option ARM has become increasingly popular with borrowers. In fact, financial analysts say, this adjustable-rate mortgage may appear so attractive that borrowers may not fully understand its risks.

"Option ARM's are basically a mishmash of existing products," said Keith T. Gumbinger, vice president of HSH Associates, a financial publisher in Pompton Plains, N.J.

With the loans, Mr. Gumbinger said, the interest rate adjusts up or down in tandem with a financial index like the London Interbank Offered Rate, or Libor. And while rates on traditional ARM's change after a predetermined number of years, with most option ARM's the interest rate is readjusted monthly.

Option ARM's also allow a number of monthly payment options -- and the borrower can change the option each month. For example, Mr. Gumbinger said, the payment can be based on a fully amortizing 15- or 30-year mortgage. With those, the monthly payment includes principal and interest sufficient to pay off the loan over the specified term.

Another possibility, Mr. Gumbinger said, is for the borrower to make an interest-only payment. While that ensures that interest on the mortgage is paid as it accrues, it does not reduce the principal. After five years, the loan is recast and the payment recalculated to include payments against principal sufficient to ensure that the loan is fully satisfied by the end of the term.

The fourth and riskiest option allows the borrower to make a set minimum monthly payment based on an artificially low interest rate. For example, he said, the minimum payment may be based on an interest rate of only 1.25 percent, even though the actual interest rate is 5.5 percent. That, however, typically results in negative amortization, which means that any interest not covered by the monthly payment is added to the outstanding balance.

"You end up paying more interest in the long run because you're paying interest on the interest you should have been paying all along," he said. He added that while option ARM's have a lifetime interest rate cap -- generally 5 or 6 percentage points above the initial rate -- there is no annual cap (other than the lifetime cap) on the interest-rate increases. "So if interest rates rise quickly, things can get really ugly," he said.

That is because a typical option ARM limits the amount the minimum monthly payment can increase from one year to the next -- usually by 7.5 percent. While that may keep the minimum payment relatively low, an increase in the actual interest rate will widen the difference between the minimum payment and the actual amount that should be paid, increasing the negative amortization.

In addition, said **Sara Gaugi**, a spokeswoman for Washington Mutual, a lender in Seattle, the minimum payment can increase beyond the 7.5 percent annual cap when the loan is recast every five years, or any time the outstanding balance exceeds the property value by 125 percent (or, under state law, by 110 percent in New York).

Tim Malburg, president of Capstone Mortgage in Wilton, Conn., said option ARM's may make sense for some borrowers. "The main advantage is payment flexibility," he said, noting that since

borrowers can make any one of the allowable monthly payments each month, such a loan can benefit those whose income varies monthly.

But, Mr. Malburg said, another downside of such a mortgage is the potential for significant negative amortization, which could result, especially if the housing market falters, in the amount owed being more than the market value of the house. That means that if the borrower had to sell the house, he or she could not pay off the mortgage with the proceeds.

WaMu scales back lending operations

The savings-and-loan association exits wholesale lending and closes home-loan centers.

April 8, 2008: 8:30 AM EDT - CNN

NEW YORK (CNN) -- Washington Mutual told employees Monday that it will exit the wholesale lending business and close home-loan centers nationwide.

Washington Mutual, the nation's largest savings-and-loan association, is taking those steps to focus on delivering home-lending products to customers through banking stores and online, a WaMu spokesperson said.

Sara Gaugl, WaMu spokesperson, told CNN that the bank will no longer work with third party brokers. She said WaMu also will close its remaining stand-alone Home Loan Centers.

Gaugl said the company has not posted specific information about how many stores and employees will be affected.

The bank is close to a deal with private-equity firm TPG and other investors to receive a \$5 billion investment, according to The Wall Street Journal.

The infusion would help WaMu meet its pressing capital requirements as the bank faces steep losses stemming from the housing crisis.

WaMu (WM, Fortune 500) shares rose nearly 30% in active trade in Monday's session.

Thomson Financial News

Washington Mutual to cut 3,000 jobs, closes all 186 home loan centers

04.08.08, 1:07 PM ET

NEW YORK (Thomson Financial) - **Washington Mutual Inc.** said it will cut 3,000 jobs and close all 186 of its free-standing home loan centers nationwide, accelerating efforts to align with its retail-focus banking business model.

The cuts are a part of to WaMu's plans, announced earlier Tuesday, to exit the wholesale lending business, and focus on retail banking.

Despite closing its home loan centers, WaMu spokeswoman Sara Gaugl said the lender wants to assure customers that 'we will continue to offer home loans.'

'We are focused on growing our in-store loan consultant network, which serve customers through our retail banking stores, and we will continue to invest in retaining our existing customers through our Consumer Direct channel,' Gaugl said.

'I'd like to emphasize that mortgages are important to our customers and remain an important part of WaMu's retail-focused business strategy.'

The announced actions affect about 3,000 positions in a number of locations throughout the country, including account management and sales positions, as well as home loan fulfillment support.

Earlier Tuesday, the Seattle-based mortgage lender said it secured a total of \$7 billion in financing through a direct sale of equity securities to a group led by private equity firm TPG Capital.

The deal calls for TPG Capital's investment vehicle to buy \$2 billion in newly-issued securities. In total, WaMu agreed to sell about 176 million common shares at \$8.75 each in the deal. It also issued about 55,000 shares of convertible preferred stock carrying a purchase price and liquidation preference of \$100,000 per share.

WaMu also reported a preliminary first-quarter loss of \$1.1 billion, or 40 cents a share, including \$3.5 billion in loan-loss provisions and expected net charge-offs of \$1.4 billion. It expects to report full first-quarter results on April 15. The lender also slashed its quarterly dividend to 1 cent a share from 15 cents a share in an effort to preserve capital.

Shares of Washington Mutual (nyse: WM - news - people) recently fell 8.8% to \$12, paring earlier losses of as much as 13%. Volume was 106.9 million shares in midday trading, compared with the full-day average over the past 30 days of 61.4 million shares.

Michelle Rama

WaMu to offset 1,000 layoffs in home loans with retail hires

Staffing in home loans down 28% since 2005

BY MATT CARTER, FRIDAY, SEPTEMBER 14, 2007.

Inman News

Washington Mutual will lay off about 1,000 employees in its Home Loans Group around the country as it closes its Mortgage Banker Finance business and restricts WaMu Capital Corp. to securitizing only WaMu loans.

A WaMu Home Loans spokeswoman said the layoffs are a response to changing mortgage market conditions, but are taking place in conjunction with hiring that's intended to accelerate growth in the company's core businesses -- retail, consumer direct and wholesale lending.

WaMu plans to hire up to 1,000 retail and banking loan consultants over the next several months, and increase its consumer direct sales force, said WaMu spokeswoman Sara Gaugl.

The Seattle-based company currently employs 1,000 banking loan consultants and 2,000 retail loan consultants, and operates more than 2,200 retail stores, Gaugl said.

"We ... intend to grow our retail, consumer direct and wholesale businesses and are positioning the size of our sales and support organizations to ensure that we capture growth opportunities and address customer needs," Gaugl said.

WaMu will integrate its remaining subprime lending business into its existing prime channels, eliminating the need for a dedicated subprime sales force, Gaugl said. The company will close loan fulfillment centers in Anaheim and San Diego, Calif., and San Antonio, Texas, moving work to other facilities.

WaMu Capital Corp. has "felt the effect of a greatly changed secondary market environment," and has moved away from purchasing and securitizing loans originated by others to managing WaMu loan production.

WaMu will no longer participate in conduit flow operations, Gaugl said, which require ongoing relationships with mortgage bankers to buy loans on a loan-by-loan basis, and will conduct "an orderly wind down" of its Mortgage Banker Finance business. In wholesale lending, WaMu is combining prime and subprime sales channels to create a unified 450-person sales force, she said.

"We remain fully committed to assisting borrowers across the credit spectrum with obtaining new loans as well as with staying in their existing homes," Gaugl said, noting the company's announcement in April of a commitment to refinance up to \$2 billion in subprime loans for WaMu customers who are current on their payments but facing interest-rate resets.

In its last quarterly report to investors, WaMu said second-quarter net income rose 8 percent year-over-year, to \$830 million.

But provisions for loan and lease losses were up 66 percent, to \$372 million, and rising delinquencies on subprime loans the company had previously securitized forced it to write down by \$181 million the value of subprime residuals during the first six months of the year. Total revenue from the sales and servicing of

home mortgage loans for the first half of the year was \$425 million, compared with \$486 million in the first half of 2006.

In a presentation to investors Monday, WaMu Chairman and Chief Executive Officer Kerry Killinger said the company began preparing for a downturn in the housing market two years ago.

Since the fourth quarter of 2005, Killinger said, WaMu has reduced staffing in its home-loan business by 28 percent, and exited the correspondent channel. As a result, Killinger said, WaMu fell from the third-largest mortgage originator in 2006 to sixth in 2007.

"I have commented several times over the past two years that many mortgage players appeared to be blindly adding staffing and capacity, even while mortgage demand was falling," Killinger said. "This overcapacity had to be taken out of the system before satisfactory returns could return to the business."

WaMu sold "nearly all" of its 2004 and 2005 subprime residuals two years ago, Killinger said, and the majority of its pay-option adjustable-rate mortgage (ARM) production during 2005, 2006 and 2007.

At the end of June, WaMu had only about \$107 million in total exposure to subprime mortgage and Alt-A residuals, Killinger said, and just 3 percent of the company's \$106 billion home-loan portfolio had loan-to-value ratios above 80 percent and FICO scores less than 660.

"We feel that our proactive steps have been important in positioning us for the dramatic slowing of the housing market," Killinger said.

Owners caught in grip of market

By Bruce Spence, The Record, Stockton, Calif.

McClatchy-Tribune Regional News

1599 words

9 September 2007

The Record (MCT)

English

Distributed by McClatchy - Tribune Information Services.

Sep. 9--When Louise Wohl bought her one-bedroom, one-bath Lodi condo in August 2005 for \$180,000, she was delighted with her first home purchase.

She financed the entire purchase price at a 6.25 percent annual interest rate, leaving a monthly payment of less than \$1,175 -- not easy to make but doable, she said.

Then in July, she got a letter from the lender saying her adjustable-rate loan was jumping after the initial two-year set rate to the going rate of about 8.25 percent.

This, she said, was news to her, and bad news at that, because she can't afford the \$200 jump in the monthly payment.

Plus, she faces another adjustable-rate mortgage boost in six months, said Wohl -- who asked that she not be identified by her real name because she would be mortified if others knew of her financial straits.

Were the home real estate market still vibrant, she would have a way to respond, at least being able to sell for more than the purchase price, likely leaving some cash in her pocket.

But she went with the current financial wisdom typically offered by the mortgage sector for those struggling to avoid foreclosure: She contacted her lender to try to work out a deal that would allow her to stay in her home.

"I talked to three different people, and none of them could help me," she said. "One was very interested and helpful but said there was nothing he could do because the value of the home was less than the amount owed. He said, sorry, institutionally he couldn't do it."

Another said, well, just try to hang in there.

"I was like, OK, I guess I could make the payments if I don't buy gas and eat."

She isn't sure what will happen now.

"I wish I had never bought," she said. "I would have been better off renting."

Certainly, the pain of foreclosures is climbing for lenders.

Plenty of company

San Joaquin County almost topped the nation in home-foreclosure activity during the first half of the year, with several other California metropolitan areas not far behind, according to a recent report from a company that tracks foreclosure and bank-owned properties.

The Stockton area -- basically all of San Joaquin County -- came in second on the list, with some kind of foreclosure filing hitting one of every 51 households -- more than triple the number reported in the first six months of 2006, reported Irvine-based RealtyTrac, which publishes a national database of foreclosure and bank-owned properties.

Kevin Moran, a Coldwell Banker Grupe real-estate agent who specializes in foreclosure properties, said lenders who end up having to go through the lengthy and costly foreclosure process can end up taking up to a \$200,000 loss when selling a 100 percent-financed home in today's slow market.

(The median sales price in San Joaquin County last month stood at \$370,000, according to a recent Coldwell Banker Grupe-TrendGraphix monthly sales report, based on Multiple Listing Service data.)

Successes are few

Still, the anecdotal feedback is that homeowners trying to work into new mortgage arrangements aren't having much success yet.

The California Association of Mortgage Brokers launched a mortgage hot line to try to advise people struggling with mortgage payments. That includes getting people to contact their loan-service companies to try to make new arrangements.

"It's mixed results," said Cameron Pannabecker, owner of Cal-Pro Mortgage Inc. in Stockton and a board director for the state association. "Some lenders are much more cooperative than others."

There are options out there, he said, including folding missed payments back into the loan principal and re-amortizing, or else setting up, say, a six-month period of interest-only payments in hopes the homeowner will be able to catch a breath.

Loan restructuring seems to be happening only where consumers are getting experienced third parties -- a lawyer, accountant or mortgage broker -- to help them navigate through the system, Pannabecker said.

"Even then, it's challenging."

Typically, there isn't much loan modification going on even with lenders feeling more and more pain from foreclosures, he said.

Much motivation

That may change in the next six months, though, as foreclosure numbers continue to soar, he said.

Lenders will have to find more and better solutions to try to stop the bleeding, Pannabecker said.

"Pain is a wonderful motivator."

The alternative is government intervention, he said.

"If they can't figure out a way to keep people in these homes, it's going to be an economic disaster, an economic tsunami," he said.

Doug Duncan, chief economist for the Mortgage Bankers Association, said that given the costly increases in payment delinquencies and foreclosures, lenders have been staffing up to work with homeowners in trouble, either through restructuring loans or other actions.

But those lenders were lean in the number of employees with the skills needed to handle those situations, he said.

"Firms are staffing up as rapidly as they can," he said, "but that does take some time. And each borrower is a separate case that has to be worked."

Richard Pittman, spokesman for By Design Financial Solutions, a nonprofit loan counseling service doing business in San Joaquin County as Consumer Credit Counseling Service of Mid-Counties, said those in mortgage trouble are advised to call their loan-service company to try to work out a better situation, but statistics indicate that as many as half of those in mortgage trouble don't even try to call.

Typically, homeowners in trouble got sucked into cheap introductory monthly payments in a loan that readjusts in two, three or four years, he said. Then they're shocked when they find they can't get a refinance for better terms because in this current poor real-estate market, their house is worth less than they paid for it, he said.

When credit was easy, others refinanced their homes to tap their equity for cash so many times they end up losing their home because of costly mortgages, Pittman said.

Good times are gone

Before the market slowdown, people could either sell or refinance to get out from under an oppressive mortgage, he said, but it's been a year since most people have been able to achieve that.

He said lenders are becoming more proactive.

"The days are rapidly behind us where they say: 'You're current today. Call us back when you're three months behind,' " he said.

There are "work-out" options out there, he said, including a few cases where the loan-servicing company does lower the interest rates.

But the primary option usually is a repayment plan, where homeowners are expected to get and stay current and also start making up missed payments a bit each month, he said. For most homeowners, this isn't really an option, Pittman said.

Institutions are willing to work with homeowners "if the clients are really tenacious," he said, but most institutions aren't willing at this point to forgive ARM adjustments.

Terry Francisco, a spokesman for Bank of America in the Charlotte, N.C., corporate offices, said the bank was conservative in its home-loan program. Less than 0.1 percent of its mortgage portfolio is in foreclosure territory, low compared with the rest of the industry, he said.

BofA doesn't originate or service subprime home loans and has shied away from exotic mortgages except for "sophisticated borrowers," he said, because the bank didn't want homeowners ending up with loans they couldn't afford.

The bank wants to keep as many options open as possible to prevent foreclosures, Francisco said. That includes refinancing to give a distressed homeowner two or three months off monthly payments, with those missed months folded back into the loan, he said.

"The last thing we want to do is foreclose on someone."

Contact your lender

Sara **Gaugl**, spokeswoman for Washington Mutual, said the bank is encouraging customers to call as soon as they anticipate difficulty in making payments on their mortgage.

WaMu prefers to work out solutions to keep its customers in their homes -- and keep them as customers, she said.

In April, the bank announced a commitment to refinance up to \$2 billion in subprime loans at discounted interest rates but only for subprime customers current on their existing loans.

Under the program, borrowers could qualify for a half-percentage-point discount on a 30-year, fixed-rate subprime loan or explore other refinancing alternatives. If a borrower's credit has improved significantly, the borrower also may be eligible for a lower-priced prime loan.

Gaugl said for borrowers who are already delinquent, the bank offers a number of assistance programs on a case-by-case basis including repayment plans, forbearance plans and loan modifications, which could reduce the interest rate and extend the maturity date of the loan.

The bank also has changed its lending programs. WaMu no longer offers subprime loans without income documentation or subprime adjustable rate mortgage loans with initial fixed-rate terms of fewer than five years.

Gaugl also said WaMu has increased staffing in the "loss-mitigation" department to work with homeowners in mortgage trouble.

Contact reporter Bruce Spence at (209) 943-8581 or bspence@recordnet.com.

From: Owen, Jan L. <jan.owen@wamu.net>
Sent: Wednesday, September 10, 2008 6:02 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: Re: Google Alert - Laura Richardson

I am on a plane back home now- got caught up in a couple of issues. I will call tomorrow. J

----- Original Message -----

From: Gaugl, Sara C.
To: Owen, Jan L.
Sent: Wed Sep 10 14:22:27 2008
Subject: RE: Google Alert - Laura Richardson

Thanks, Jan. Reading now.

How long are you in Seattle?

-----Original Message-----

From: Owen, Jan L.
Sent: Wednesday, September 10, 2008 1:40 PM
To: Gaugl, Sara C.
Subject: Fw: Google Alert - Laura Richardson

FYI

----- Original Message -----

From: Google Alerts <googlealerts-noreply@google.com>
To: Owen, Jan L.
Sent: Wed Sep 10 13:39:23 2008
Subject: Google Alert - Laura Richardson

Google News Alert for: Laura Richardson

Five from CA make 'most corrupt' in Congress list <<http://www.sacbee.com/static/weblogs/capitolalertlatest/015250.html>>
The Sacramento Bee's Capital Alert - Sacramento, CA, USA Laura Richardson, whose housing and financial woes have been heavily covered, made the cut. She is one of only seven Democrats among the 24 lawmakers the ...

See all stories on this topic <<http://news.google.com/news?hl=en&nel=http://www.sacbee.com/static/weblogs/capitolalertlatest/015250.html>>

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Remove <<http://www.google.com/alerts/remove?s=FAAAAGz0onYDp17gZa6sA0VAeRM&hl=en&gl=>>> this alert.
Create <<http://www.google.com/alerts?hl=en&gl=>>> another alert.
Manage <<http://www.google.com/alerts/manage?hl=en&gl=>>> your alerts.

From: Gaugl, Sara C.
Sent: Thursday, September 04, 2008 8:46:41 PM
To: Gaugl, Sara C.
Subject:

Attachments: GL-CRC QAs.doc



GL-CRC
QAs.doc
(157 kB)

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The Greenlining Institute & California Reinvestment Coalition (CRC) Partnership Meetings

Date:

Location:

F. Servicing. Please describe in detail any changes to WaMu's current servicing policies and practices. WaMu, as part of its outreach to distressed homeowners and in an attempt to positively impact rising foreclosures, created a team of "on the ground" Community Outreach Managers (COM) in various locations in the country, with a priority focus on our highest foreclosure volume areas. In California those outreach managers are:

<i>California Area</i>	<i>Name and Location</i>
<i>Los Angeles</i>	Angelica Arredondo 19850 Plummer Street Chatsworth, CA 91311 (818) 268-8816
<i>San Diego/Bakersfield/San Bernardino</i>	Cynthia Thompson 707 Broadway, 15 th Floor, Suite C San Diego, CA 92101 (619) 687-0202
<i>Stockton/Sacramento/Modesto</i>	Patty Lepe 400 East Main Street, 3 rd Floor M/S: STA3COM Stockton, CA 95202-3000 (209) 460-6505
<i>Oakland/San Jose</i>	Sondra Edwards 5050 Broadway Oakland, CA 94611 (510) 452-6550

Our COMs attend Homeownership Preservation Events and meet with our homeowners to determine if a workout is possible.

Data related to WaMu's servicing portfolio and foreclosure-related outcomes, including loan modifications, short sales, etc. I would like to begin this section by stating that we do not provide specific data about loan modifications outside of what we provide through the HOPE NOW Alliance. Our current policy and practice are to only disclose information that we provide publicly, such as in our financial

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statement filings with regulatory agencies (e.g., Washington Mutual Bank files its Form 10-K with the Office of Thrift Supervision). I can inform CRC however, that 80 percent of our customers who are offered workout solutions accept them.

Loan mitigation activities have been a normal business practice at WaMu for many years, and our focus is to help our customers discover alternative solutions to foreclosure and ways they can overcome financial obstacles that could result in the loss of their home. To the extent feasible, WaMu works to preserve homeownership, although this is not always a realistic alternative.

It's important to note that despite the best efforts of lenders and servicers to help borrowers avoid foreclosure, the industry faces challenges. For example, the terms and conditions of applicable pooling and servicing or other servicing agreements, as well as tax law and accounting rules, determine the requirements regarding the loans we service on behalf of securitizations and third-party investors. These factors significantly define the parameters of our servicing and loss mitigation activities with respect to those loans. Declining home values (lack of equity), subordination of junior liens and securitized seconds also affect our ability to assist borrowers.

What are the incentives offered to servicers for loan modifications, workouts, short sales, deeds in lieu, and repayment plans? We vigilantly pursue the best workout options for all of our customers, regardless of any incentive that may be offered from an investor. For more information on available incentives to servicers, CRC may wish to contact either Freddie Mac or Fannie Mae.

How does WaMu partner with nonprofit counseling agencies to contact delinquent borrowers? WaMu continues to take a multi-pronged approach in our commitment to minimize borrower foreclosures and the resulting impact on our communities, and we are involved in amelioration efforts locally, regionally, and nationally with our nonprofit partners, including housing counseling agencies.

Our biggest challenge, however, is simply reaching borrowers who are most in need. If we can't reach them directly or indirectly such as through community organizations, we cannot help them. Several strategies have been developed for reaching out to our borrowers, including:

- As part of the HOPE NOW alliance we have sent thousands of letters to our borrowers encouraging them to contact us or the HOPE NOW Hotline to discuss workout solutions.
- Developing DVDs and CDs for borrowers who are in foreclosure, explaining various workout options and what they mean to the borrowers.
- Printing materials in both English and Spanish that identify contact information for our *WaMu Cares* team and Hope Now.
- Creating messaging on our general customer service line directing borrowers to contact us or the HOPE NOW Hotline if they are experiencing payment difficulties.
- Locating posters in our branches identifying options for assistance for individuals experiencing payment difficulties.

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In addition, through our Loss Mitigation department and the WaMu Cares team and as part of this effort we are working hard to build relationships with housing agencies and nonprofits to keep them apprised of our programs so they can provide valuable information and assistance to homeowners.

One such example of our relationship building efforts was the June 2008 webinars on our loss mitigation practices. Developed at the request of CRC, these webinars offered nonprofit housing counselors tips on assisting WaMu borrowers that are in foreclosure or who are delinquent on their home loan. A total of 31 California nonprofit agencies represented by over 98 housing counselors attended the webinars.

Last, WaMu will consider fee-for-service relationships with qualified community organizations that can assist borrowers who our loss mitigation team has not been able to reach by using our standard practices and that can provide effective and cost-efficient delinquency counseling.

G. Loan document translation. At this time, WaMu has no plans to translate loan documents in languages other than English.

Our desire is to ensure that our customers are equipped with the tools needed to select the loan product and terms that best meet their individual needs and to simplify the process of obtaining a home loan. They also reflect our on-going efforts to be a responsible and ethical lender and ensure that the bank continues its efforts to achieve the intent of our Responsible Mortgage Lending Principles, which we originally announced in 2001 and subsequently revised.

- While I don't have any figures to share with regard to how many of our borrowers we expect to help through this program, it is important to note that this is just one element of our broader assistance efforts. We view foreclosure as a last resort and are focused on keeping as many of our borrowers as possible in their homes.

- "As an active member of HOPE NOW, Washington Mutual (NYSE: WM) is pleased to provide our support for a coordinated, national approach among servicers and other industry participants aimed at helping at-risk homeowners avoid foreclosure.

The implementation of a standardized set of servicing best practices represents another important step WaMu and the industry is taking ensure that more borrowers receive assistance faster, while also bringing added consistency and transparency to the process.

We remain committed in our efforts to help borrowers with the financial ability and personal desire to keep their homes, but who require assistance given the challenging market conditions. WaMu plans to make an additional announcement about this effort later this week."

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Potential Issues

Mortgage Lending Strategy		<u>Point Person</u>	
<u>Topic</u>	<u>Question</u>	<u>Talking Points</u>	
Home Loans Strategy	<i>What steps has WaMu taken to adjust to the challenging mortgage lending and credit environment?</i>	<ul style="list-style-type: none"> • WaMu has taken a number of actions to prepare for this challenging environment, including diversifying our business, reducing market risk and lowering expenses. And, we continue to adjust to the changing market. • In terms of our Home Loans business, we've been proactive in adjusting to the ongoing declines of the mortgage and credit markets, and earlier this year, we announced a plan to substantially adjust and resize our business to reflect a smaller overall market. • From an origination standpoint, we exited the wholesale lending business. We also closed our remaining stand-alone home loan centers to enhance our focus on delivering home lending products to customers exclusively through our Retail Banking stores and other direct-to-consumer channels. 	David Schneider
Home Loans Product Focus	<i>We've heard that WaMu has reduced its mix of home loan products? Is the company still committed to the mortgage lending business?</i>	<ul style="list-style-type: none"> • Mortgages remain an important part of WaMu's retail-focused business strategy. • In June, we rolled out a simplified home loan product offering to better serve the needs of our customers. Our prime product set falls into four basic categories: fixed rate mortgages; hybrid amortizing adjustable rate mortgages (ARMS); hybrid interest-only ARMS; and home equity products. • We'll also continue to accommodate qualified customers with large or non-conforming loans that otherwise fall within limits set by the federal mortgage agencies Freddie Mac and Fannie Mae. • Additionally, we've discontinued all negative amortizing loan product options, including the Option ARM product. These product options have significantly 	David Schneider

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	<p>decreased in popularity with our customers given current market conditions, and no longer fit with our new product focus.</p> <ul style="list-style-type: none"> The key takeaway is that we continue to provide a broad range of attractive loan options for most consumers looking to purchase or refinance a home, and remain dedicated to responsibly meeting the home financing needs of the communities we serve. <table border="1" data-bbox="462 504 966 1333"> <thead> <tr> <th>Product</th> <th>Terms</th> </tr> </thead> <tbody> <tr> <td>Fixed Rate Mortgage (FRM)</td> <td> <ul style="list-style-type: none"> Conforming 15-, 20-, 25-, 30-, and 40-year 30-year with a 10-year interest only period Agency-Jumbo 15- and 30-year </td> </tr> <tr> <td>Hybrid Amortizing Adjustable Rate Mortgage (ARM)</td> <td> <ul style="list-style-type: none"> 5/1, 7/1, and 10/1 LIBOR Agency-Jumbo 5/1 LIBOR </td> </tr> <tr> <td>Hybrid Interest Only (IO) ARM</td> <td> <ul style="list-style-type: none"> 5/1, 7/1, and 10/1 LIBOR Interest Only </td> </tr> <tr> <td>Home Equity Products</td> <td> <ul style="list-style-type: none"> WaMu Equity Plus[®] Home Equity Loan (HEL) </td> </tr> </tbody> </table>	Product	Terms	Fixed Rate Mortgage (FRM)	<ul style="list-style-type: none"> Conforming 15-, 20-, 25-, 30-, and 40-year 30-year with a 10-year interest only period Agency-Jumbo 15- and 30-year 	Hybrid Amortizing Adjustable Rate Mortgage (ARM)	<ul style="list-style-type: none"> 5/1, 7/1, and 10/1 LIBOR Agency-Jumbo 5/1 LIBOR 	Hybrid Interest Only (IO) ARM	<ul style="list-style-type: none"> 5/1, 7/1, and 10/1 LIBOR Interest Only 	Home Equity Products	<ul style="list-style-type: none"> WaMu Equity Plus[®] Home Equity Loan (HEL) 	
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<p><i>Lending to traditionally underserved communities</i></p>	<ul style="list-style-type: none"> Outreach to minority neighborhoods is an important part of our business. We remain focused on increasing our outreach to qualified borrowers and have many programs in place to address the needs of those in low- and moderate-income communities and traditionally underserved populations, including our diverse and multi-cultural communities. These affordable lending solutions lower the cost of financing for low- and moderate-income borrowers, including low and no down payment programs; rehabilitation loan programs; down payment assistance programs; and loans with automatic rate reductions to reward consistent, timely payments. The Community Access Home Loans Program, WaMu's suite of affordable residential lending products, offers a full menu of prime home loan offerings that 	<p><i>Given your current strategy, does WaMu have any programs designed to increase lending to traditionally underserved communities?</i></p>										

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Reza
Aghamirzadeh,
David
Schneider

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	<p>don't require a perfect credit history and in some instances, do not require cash reserves.</p> <ul style="list-style-type: none"> We are pleased to report that, for the six years 2002 through 2007, our affordable Community Access product production totaled nearly \$6.4 billion nationally. Of this amount, California ranked first in the number of originations and dollar volume during this time period. In addition, through our Community Focus Funds Program, WaMu has earmarked \$20 million to help provide price subsidies to qualified borrowers. Under the program, we provide closing cost assistance to LMI applicants, and applicants purchasing in LMI census tracts. This assistance, which is marketed through organizations and directly to potential applicants, lowers the cost of financing and increases affordability. WaMu also provides ongoing support of local Mortgage Assistance Programs. 		
<p>Bond Programs</p>	<p><i>Does WaMu participate in bond programs? If so, which ones?</i></p> <p><i>Will WaMu reconsider this decision in the future?</i></p>	<ul style="list-style-type: none"> While we remain committed to working with local community housing organizations to provide affordable loans to low and moderate income borrowers, we have suspended current participation in all bond programs, with the exception of the California Housing Finance Agency (CalHFA) program. We continue to offer a variety of affordable lending solutions, including: <ul style="list-style-type: none"> Community Access Home Loans Program; Community Focus Funds Program; and Ongoing support of local Mortgage Assistance Programs. Inline with our ongoing evaluation of programs and products to serve low and moderate income communities, we will consider re-engaging in select bond programs that may provide greater borrower benefits in the future. 	<p>Reza Aghamirzadeh</p>
<p>Home Equity Line Decreases</p>	<p><i>We've heard that a number of lenders are freezing home equity lines of credit. Is WaMu taking such action? Do you feel this is</i></p>	<ul style="list-style-type: none"> As background, WaMu has had programs in place for years that actively manage the amount of credit we extend to our customers, both at origination and during the term of their loan. We believe this is part of being a responsible lender. Inline with the ongoing management of our customers' home equity lines of credit, we will increase, decrease or suspend lines based on a number of factors, 	

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	<p>including a customer's payment status and history, changes to their creditworthiness, and changes in the value of their property.</p> <ul style="list-style-type: none"> Given the current housing market, WaMu, as well as other lenders, have taken the fiscally responsible steps to reduce select credit lines when warranted by declining home values. We will continue to evaluate individual home equity lines of credit in relationship to the amount of equity a customer has in their home and, if appropriate, will lower the line amount according to WaMu's line management guidelines. Additionally, most of our customers whose lines have been decreased continue to have access to available credit. Our line management actions are done in accordance with the terms and conditions of the HELOC agreement signed by our customers, and we notify our customers when there is a change to their account. We encourage our customers to contact us if they have questions to better understand the circumstances, and have a process in place for those who wish to appeal a credit line decrease decision. We also will continue to assist homeowners who may have unique or special situations. 	<p><i>fair given the difficult economic conditions?</i></p>
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<p>Homeownership Preservation Efforts</p>		
<p>Topic Pending Payment Increases</p>	<p>Question <i>What actions are WaMu taking to assist customers facing pending payment increases, or rate resets on their loans?</i></p>	<p>Talking Points</p> <ul style="list-style-type: none"> Our firm belief is that early intervention combined with expanded options is instrumental to helping our customers avoid foreclosure. To that end, we are applying particular emphasis on reaching out to our adjustable rate mortgage customers at least six months prior to a rate reset through direct mail, dialing campaigns and statement messaging. Last year, we sent approximately 5 million pieces of outreach mail and will continue to work with our borrowers requesting assistance up until their reset date and beyond. <p>* Refer to \$2B subprime assistance messaging</p>
		<p>Point Person Michaela Albon</p>

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<p>Initial \$2B subprime assistance program</p>	<p><i>Can you provide an update on the results of this program?</i> <i>What are you doing for those borrowers that don't qualify for this program, including those who have already become delinquent on their loan?</i></p>	<ul style="list-style-type: none"> • We're pleased to say that this program, which is just one component of our broader assistance efforts, has been well received. • Since the program was first established in April 2007, we have utilized most of the initial commitment and are now increasing our efforts to ensure we're helping as many of our customers as possible stay in their homes during this difficult environment. • In June, we announced that we were expanding the program from its original \$2 billion commitment to \$3 billion. • We are focused on reaching out to our customers with subprime loans and encouraging them to contact us if they are concerned about making their new mortgage payment as a result of a payment adjustment on an adjustable rate mortgage. • For those borrowers who have already become delinquent and are in need of assistance, we are offering expanded forbearance and loan restructuring plans, including permanent reductions in rate, extended terms and even partial forgiveness of debt. 	<p>David Schneider, John Schleck</p>
<p>Housing Bill</p>	<p><i>Does WaMu support the Hope for Homeowners Program recently signed into law by the President?</i> <i>Is WaMu planning to implement the initiative? If yes, are you planning to forbear foreclosure for those that may qualify?</i></p>	<ul style="list-style-type: none"> • We appreciate the efforts of Congress and the Administration and believe this legislation will go a long way toward providing stability to the housing market. • We share the same goal of helping at-risk homeowners avoid foreclosure whenever possible, and believe that the Hope for Homeowners Program will provide another option for borrowers and servicers in addressing troubled loans. • At this time, the federal agencies have not published guidelines for the new HFH program, however in the interim, we are establishing a process to implement the new program and will continue to actively work with all of our borrowers to pursue workout options that will enable them to stay in their homes. • We are committed to preserving homeownership for our borrowers whenever possible, and use a variety of workout options that enable us to do this effectively. Once HFH Program guidelines are available, we will review the cases in which we believe borrowers may be eligible and will work to help those borrowers either through the HFH Program or another one of our borrower assistance options (which would include providing forbearance with regard to foreclosure). • We recognize that market conditions and falling home prices are important considerations when evaluating the potential investor or bank loss 	<p>David Schneider</p>

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	<i>necessary to qualify at-risk borrowers?</i>	<p>associated with various workout options. We anticipate that for borrowers whose income does not support other workout or modification options, we will offer to make the principal reduction necessary to allow eligible borrowers to participate in the HFH Program if the potential loss under the program would be lower than the anticipated loss associated with a foreclosure.</p>	
Loan Modification Data / Results	<i>How many short sales, loan modifications, or other positive outcomes have resulted from your efforts?</i>	<ul style="list-style-type: none"> • WaMu provides modification programs through two of its business channels. First, Consumer Direct offers loan modifications, where appropriate, as part of our \$2 billion subprime initiative for homeowners who are current on their existing mortgages. Second, our Loss Mitigation department provides modifications, where appropriate, to those borrowers who are delinquent on their payments and have entered the foreclosure process. • We are not able to provide data around loan modifications as our current policy and practice is to only disclose information that we provide publicly, such as in our financial statement filings with the SEC. • However, HOPE NOW, of which WaMu is a member, reported in a Jan. 7, 2008 press release that based on data received from 10 large servicers who handle approximately 58% of the subprime loans outstanding: <ul style="list-style-type: none"> • Mortgage servicers modified the terms on approximately 30,000 subprime loans during Q3 07, with 10,000 of those modifications being made to adjustable rate loans; • The number of subprime loan modifications during Q4 were running at a rate triple that of Q3; • Numbers show that the industry helped one borrower to every two that went into foreclosure during the first half of 2007 and that figure rose to a ratio of three to four in the second half of 2007. • WaMu has been very proactive in modifying loans to keep borrowers in their homes and will continue to increase our efforts. 	Michaela Albon
Housing Counseling Services	<i>Does WaMu fund community organizations and housing counseling agencies for assistance in conducting delinquency and foreclosure prevention counseling?</i>	<ul style="list-style-type: none"> • WaMu's effort to sustain homeownership is multi-pronged and includes the participation of our loss mitigation team in homeownership preservation workshops in major metropolitan areas to assist distressed borrowers and complete workouts on location. • We will consider fee-for-service relationships with qualified community organizations that can assist borrowers who our loss mitigation team has been unable to reach by using our standard practices and that can provide effective and cost-efficient delinquency counseling. 	Reza Aghamirzadeh/ Bettye Wilkes

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	<ul style="list-style-type: none"> • Additionally, WaMu has a long history of grant-making in the area of financial education, which is a major program focus of our corporate philanthropy program. • In the area of foreclosure prevention, WaMu provides grants to nonprofit organizations with experience and expertise in foreclosure prevention programs that help borrowers with unforeseeable hardships avoid losing their homes. • We have recently provided \$100,000 to NeighborWorks America Center for Foreclosure Solutions in support of their advertising campaign and also announced the awarding of a \$150,000 grant to the Homeownership Preservation Foundation, which will fund the counseling of 1,500 borrowers who are experiencing difficulty when making their monthly mortgage payments. • WaMu will continue to entertain grant requests through our Corporate & Employee Giving department. <p>* CEAD to address California-specific grants</p>		
<p>REO Program</p> <p><i>Are you willing to work with nonprofit organizations before foreclosure to acquire properties?</i></p>	<ul style="list-style-type: none"> • WaMu does not hold title to properties prior to foreclosure. Due to borrower confidentiality and privacy restrictions, information regarding pending foreclosures may not be released to third parties that may be interested in purchasing such properties beyond the notices required by applicable foreclosure laws. • WaMu's REO Advance Notice Program (developed in partnership with CRC) is designed to provide information to our key nonprofit housing development agencies <i>as soon as</i> properties become available. Properties are only considered REO <i>after</i> the foreclosure or deed in lieu of foreclosure has been completed. • In an effort to streamline processes, WaMu's REO information is available via the internet at www.wamuproperties.com. Nonprofits will be able to log onto the site to search for property by City, State, or Zip Code. • In addition, we are currently exploring the possibility of discounting selected WaMu-owned REO properties to nonprofit organizations that have the capacity and funding to develop the property into affordable housing. Nonprofits interested in receiving property at a discount will be directed to contact their Community Affairs Relationship Manager. 	<p>David Schneider, Reza Aghamirzadeh</p>	

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Appraisal Practices, HMDA		
<u>Topic</u>	<u>Question</u>	<u>Talking Points</u>
NY AG Lawsuit	<i>What's your reaction to the NY AG's allegations and subsequent SEC inquiry with regard to WaMu's appraisal practices?</i>	<ul style="list-style-type: none"> • After spending a month and a half investigating these allegations, we can say with confidence that there has been no systematic effort by WaMu to inflate home appraisals. • We take these allegations very seriously. We are voluntarily and fully cooperating with the SEC's inquiry as well as the OTS, and look forward to bringing the facts to both the regulators and public.
HMDA	<i>What has WaMu been doing to ensure that your HMDA data reflects fair lending practices? Can you share your 2007 HMDA data with us?</i>	<ul style="list-style-type: none"> • Washington Mutual is committed to fair lending practices and we work diligently to eliminate barriers to homeownership. Examples include: <ul style="list-style-type: none"> • Comprehensive Fair Lending Program • Responsible Mortgage Lending Principles • Products & Programs (Community Access) • Homebuyer Education • That said, while HMDA data is a valuable tool in evaluating our lending performance, it presents only one part of the picture. For example, numerous factors account for why borrowers-of-color have higher denial rates than non-minority borrowers, including lack of borrower education, differences in borrowers' credit history, amount of debt, risk profile, property value and other factors, as pointed out in the Fed's HMDA analysis. • The bottom line: while interest-rate disparities between borrowers with different risk profiles are understandable and appropriate, disparities between borrowers who have different racial or ethnic backgrounds but the same risk profiles are unacceptable. • We are unable to provide 2007 HMDA data at this time. As a matter of practice and policy, WaMu does not release this information prior to review and approval by our federal regulators, a process that likely will be completed in March.
		Point Person Michaela Albon
		Reza Aghamirzadeh

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Response

- This is an active investigation and we are fully cooperating with local law enforcement regarding this matter.
- More broadly, we have extensive controls in place to protect the integrity of our portfolio and loan processes. We are continually enhancing our efforts to identify and prevent any potential illegal activity.

We will not tolerate misrepresentation or fraud of any kind, and will aggressively pursue all legal means available to combat these offenses.

WaMu does not disclose our customers' personal financial information without written authorization from the customer. As we've communicated previously, we have not received consent from Ms. Richardson that would allow us to discuss her loan situation. I'd like to reiterate, however, that we are committed to treating all of our customers with the same level of consideration and fairness.

- We are very focused on making sure that our customers have options as they approach a rate recast in order to decrease their likelihood of default.
- For Option ARM borrowers approaching payment recasts, we will offer refinancing and modification alternatives which will provide affordable mortgage payments and improve their ability to stay in their homes.
- For eligible borrowers, our initial offer will be a GSE 5/1 Hybrid Refinance.
- Jumbo mortgage holders and those borrowers declined for the GSE offer will receive a 5/1 IO market rate modification offer.
- Borrowers unable to make the payment associated with the 5/1 IO can submit income documentation for consideration of an Affordable 5/1 IO Mod.
[This program will calculate an affordable monthly payment based on the borrowers income and current debts. Based on the calculation, not all borrowers will qualify for a discount to the market interest rate. Those who do qualify may receive rate discounts ranging from their current minimum payment up to the payment associated with the 5/1 IO market interest rate.]

* Fees on all of these offers will be waived.

- We will market these offers to our customers through direct mail and telemarketing efforts beginning 6 months prior to their rate recast date.
- Through the end of 2009, we project approximately \$12B in mortgages on our balance sheet to hit an Option-ARM recast.

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- Roughly 25 percent of these recasts will be triggered by borrowers reaching the Negative Amortization cap, while the other 75 percent are driven by standard calendar recasts after 5 years. Borrowers reaching the negative amortization cap will have higher payment increases, and are therefore more likely to default.
- We have already modified over \$8.2 billion in Option ARMs to hybrids helping over 22,000 customers avoid potential payment shock.

I would like to take this opportunity to note that WaMu lends to borrowers on the basis of credit history, assets and income, among other factors. Race is not a factor in determining creditworthiness at WaMu. In addition, several years ago, we were the first lender in the nation to create specific responsible lending principles to guide our mortgage activity and to promote fair and ethical lending, including those loans referred to us by brokers.

Our primary objective is to offer our customers the best possible loan available to them. If the borrower's financial profile has improved, we will inform them that they may be eligible for a lower-priced prime loan. We work very hard to move our borrowers up the credit spectrum provided they qualify.

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From: Gaugl, Sara C.
Sent: Wednesday, September 03, 2008 9:30:42 PM
To: Gaugl, Sara C.
Subject:

Attachments: GL-CRC QAs.doc



GL-CRC
QAs.doc
(174 kB)

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The Greenlining Institute & California Reinvestment Coalition (CRC) Partnership Meetings

Date:

Location:

F. Servicing. Please describe in detail any changes to WaMu's current servicing policies and practices. WaMu, as part of its outreach to distressed homeowners and in an attempt to positively impact rising foreclosures, created a team of "on the ground" Community Outreach Managers (COM) in various locations in the country, with a priority focus on our highest foreclosure volume areas. In California those outreach managers are:

<i>California Area</i>	<i>Name and Location</i>
<i>Los Angeles</i>	Angelica Arredondo 19850 Plummer Street Chatsworth, CA 91311 (818) 268-8816
<i>San Diego/Bakersfield/San Bernardino</i>	Cynthia Thompson 707 Broadway, 15 th Floor, Suite C San Diego, CA 92101 (619) 687-0202
<i>Stockton/Sacramento/Modesto</i>	Patty Lepe 400 East Main Street, 3 rd Floor M/S: STA3COM Stockton, CA 95202-3000 (209) 460-6505
<i>Oakland/San Jose</i>	Sondra Edwards 5050 Broadway Oakland, CA 94611 (510) 452-6550

Our COMs attend Homeownership Preservation Events and meet with our homeowners to determine if a workout is possible.

Data related to WaMu's servicing portfolio and foreclosure-related outcomes, including loan modifications, short sales, etc. I would like to begin this section by stating that we do not provide specific data about loan modifications outside of what we provide through the HOPE NOW Alliance. Our current policy and practice are to only disclose information that we provide publicly, such as in our financial

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statement filings with regulatory agencies (e.g., Washington Mutual Bank files its Form 10-K with the Office of Thrift Supervision). I can inform CRC however, that 80 percent of our customers who are offered workout solutions accept them.

Loan mitigation activities have been a normal business practice at WaMu for many years, and our focus is to help our customers discover alternative solutions to foreclosure and ways they can overcome financial obstacles that could result in the loss of their home. To the extent feasible, WaMu works to preserve homeownership, although this is not always a realistic alternative.

It's important to note that despite the best efforts of lenders and servicers to help borrowers avoid foreclosure, the industry faces challenges. For example, the terms and conditions of applicable pooling and servicing or other servicing agreements, as well as tax law and accounting rules, determine the requirements regarding the loans we service on behalf of securitizations and third-party investors. These factors significantly define the parameters of our servicing and loss mitigation activities with respect to those loans. Declining home values (lack of equity), subordination of junior liens and securitized seconds also affect our ability to assist borrowers.

What are the incentives offered to servicers for loan modifications, workouts, short sales, deeds in lieu, and repayment plans? We vigilantly pursue the best workout options for all of our customers, regardless of any incentive that may be offered from an investor. For more information on available incentives to servicers, CRC may wish to contact either Freddie Mac or Fannie Mae.

How does WaMu partner with nonprofit counseling agencies to contact delinquent borrowers? WaMu continues to take a multi-pronged approach in our commitment to minimize borrower foreclosures and the resulting impact on our communities, and we are involved in amelioration efforts locally, regionally, and nationally with our nonprofit partners, including housing counseling agencies.

Our biggest challenge, however, is simply reaching borrowers who are most in need. If we can't reach them directly or indirectly such as through community organizations, we cannot help them. Several strategies have been developed for reaching out to our borrowers, including:

- As part of the HOPE NOW alliance we have sent thousands of letters to our borrowers encouraging them to contact us or the HOPE NOW Hotline to discuss workout solutions.
- Developing DVDs and CDs for borrowers who are in foreclosure, explaining various workout options and what they mean to the borrowers.
- Printing materials in both English and Spanish that identify contact information for our *WaMu Cares* team and Hope Now.
- Creating messaging on our general customer service line directing borrowers to contact us or the HOPE NOW Hotline if they are experiencing payment difficulties.
- Locating posters in our branches identifying options for assistance for individuals experiencing payment difficulties.

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In addition, through our Loss Mitigation department and the WaMu Cares team and as part of this effort we are working hard to build relationships with housing agencies and nonprofits to keep them apprised of our programs so they can provide valuable information and assistance to homeowners.

One such example of our relationship building efforts was the June 2008 webinars on our loss mitigation practices. Developed at the request of CRC, these webinars offered nonprofit housing counselors tips on assisting WaMu borrowers that are in foreclosure or who are delinquent on their home loan. A total of 31 California nonprofit agencies represented by over 98 housing counselors attended the webinars.

Last, WaMu will consider fee-for-service relationships with qualified community organizations that can assist borrowers who our loss mitigation team has not been able to reach by using our standard practices and that can provide effective and cost-efficient delinquency counseling.

Is there a way for legal advocates to talk to the [WaMu] legal department on behalf of borrowers who may have claims against the bank? In our March 10, 2008 letter to you we provided the contact information for Michaela Albon. Since the time of that letter, Michaela has left the Bank. WaMu now asks that legal advocates follow our existing procedures when advocating on behalf of a borrower.

WaMu and the California Governor's initiative to offer streamlined long-term loan modifications to borrowers with reset challenges. We appreciate CRC's desire, given the current foreclosure environment, to learn about WaMu's involvement with Governor Schwarzenegger's initiative. As a matter of policy and practice, however, we do not disclose our conversations with elected officials. That said, WaMu does support efforts to help customers maintain homeownership and encourages borrowers to call their servicer early if they anticipate that a rate reset will be troublesome.

As a key member of HOPE NOW, WaMu has worked very closely with the Treasury and the American Securitization Forum to develop what we believe is a positive step for borrowers who are not able to handle an increase in their monthly mortgage payment. This proposal also establishes a new set of industry best practices, making it easier for servicers to modify securitized loans under existing servicing agreements.

We look forward to continuing our work with national, state, and local elected officials and our other partners, including those representing the community, in order to help stabilize the housing market and support efforts that will allow customers to sustain their homeownership.

G. Will WaMu participate in the new FHA rescue initiative signed into law by the President? If so, how? WaMu appreciates the efforts of Congress and the Administration to stabilize the housing markets and supports these efforts in promoting the Hope for Homeowners (HFH) Program. We share the same goal of helping at-risk homeowners avoid foreclosure whenever possible, and believe that the Hope for Homeowners Program will provide another option for borrowers and servicers in addressing troubled loans.

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At this time, the federal agencies have not published guidelines for the new HFH program however, in the interim WaMu is establishing a process to implement the new program and will continue to actively work with all of its borrowers to pursue workout options that will enable them to stay in their homes.

D. Update on bank efforts to make Community Access or other prime loan products more accessible to African-American borrowers. WaMu lends to borrowers on the basis of credit history, assets and income, among other factors. Race is not a factor in determining creditworthiness at WaMu. In addition, several years ago, we were the first lender in the nation to create specific responsible lending principles to guide our mortgage activity and to promote fair and ethical lending, including those loans referred to us by brokers.

We remain focused on increasing our outreach to qualified borrowers and have many programs in place to address the needs of those in low- and moderate-income communities and traditionally underserved populations, including our diverse and multi-cultural communities.

WaMu is committed to providing a variety of affordable lending solutions that lower the cost of financing for low- and moderate-income borrowers, which include low and no down payment programs; rehabilitation loan programs; down payment assistance programs; and loans with automatic rate reductions to reward consistent, timely payments.

The Community Access Home Loans Program, WaMu's suite of affordable residential lending products, offers a full menu of prime home loan offerings that don't require a perfect credit history and in some instances, do not require cash reserves.

- o 30- or 40-year fixed rate mortgage
- o Affordable 95: LTV 95% or below
- o Affordable 97: LTV 80.01% to 97%

Applicants qualify in one of two ways for Community Access:

- o Income based: Applicant has a low to moderate income
- o Place based: Property is within a low to moderate income census tract or is within an underserved/distressed census tract

In addition, through our Community Focus Funds Program, WaMu has earmarked \$20 million to help provide price subsidies to qualified borrowers. Under the program, we provide closing cost assistance to LMI applicants, and applicants purchasing in LMI census tracts. This assistance, which is marketed through organizations and directly to potential applicants, lowers the cost of financing and increases affordability.

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I am pleased to report that, for the six years 2002 through 2007, our affordable Community Access product production totaled nearly \$6.4 billion nationally. Of this amount, California ranked first in the number of originations and dollar volume during this time period.

Before ending this section, I would like to state our belief that financial institutions, community organizations, and governments must work diligently, alone and together, in this difficult and challenging time in order to maintain or increase minority homeownership rates. We believe in sustainable homeownership, and to achieve that goal suggest that at least the following should occur:

- Increase financial and homebuyer education efforts in minority communities much earlier than has commonly occurred, including in high school. Emphasizing such areas as credit scoring, budgeting, credit cards, and broad awareness of the expenses associated with homeownership would better prepare potential borrowers for this undertaking.
- Increase down payment assistance programs to help LMI homebuyers. This assistance could be conditioned upon the receipt of homebuyer and/or financial education.
- Increase the number of “match” structures like the Individual Development Accounts that encourage a prospective homeowner to save.

E. WaMu solicitation of existing Long Beach customers for refinance loan options. Under WaMu’s \$3 billion assistance program, we are reaching out to our subprime customers and encouraging them to contact us if they are concerned about making their new mortgage payment. Our offers of assistance include refinancing or modifying their mortgage into a fixed rate loan at a discounted rate. (As a reminder, WaMu no longer offers subprime lending or has a subprime lending channel, Long Beach mortgage.)

F. Broker best practices. Last year, WaMu took steps to realign its home lending business primarily into its core retail banking network and to reduce the size of its other home lending operations. In April, we announced plans to further our retail-focused strategy by exiting wholesale lending, the loan broker channel.

G. Loan document translation. At this time, WaMu has no plans to translate loan documents in languages other than English.

Our desire is to ensure that our customers are equipped with the tools needed to select the loan product and terms that best meet their individual needs and to simplify the process of obtaining a home loan. They also reflect our on-going efforts to be a responsible and ethical lender and ensure that the bank continues its efforts to achieve the intent of our Responsible Mortgage Lending Principles, which we originally announced in 2001 and subsequently revised.

Potential Issues

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Mortgage Lending Strategy		
Topic	Question	Talking Points
Current Lending Environment	<i>What is WaMu's view on the housing downturn, and what steps need to be taken to correct it?</i>	<ul style="list-style-type: none"> Clearly, the current downturn in housing is deeper than expected. We continue to see declining home prices, elevated inventories of unsold homes and increased foreclosure activity. As has been very well-publicized, the downturn has been more severe in markets like California, than it has been nationally. However, I'd like to point out that we continue to support measures that could strengthen the housing market, including: <ul style="list-style-type: none"> Aggressive easing by the Fed, Temporarily raising the conforming limits for GSEs, Government economic stimulus actions, and Continued efforts by lenders to help borrowers remain in their homes. We also will continue to work diligently with HOPE NOW, our legislators and regulators and community partners throughout the nation to help stabilize the housing market and support measures that will help customers maintain home ownership.
Home Loans Strategy	<i>What steps has WaMu taken to adjust to the challenging mortgage lending and credit environment?</i>	<ul style="list-style-type: none"> WaMu has taken a number of actions to prepare for this challenging environment, including diversifying our business, reducing market risk and lowering expenses. And, we continue to adjust to the changing market. In terms of our Home Loans business, we've been proactive and ahead of many in adjusting to the ongoing declines of the mortgage and credit markets, and earlier this year, we announced a plan to substantially adjust and resize our Home Loans business to reflect a smaller overall market, by: <ul style="list-style-type: none"> Exiting our subprime mortgage lending channel; Closing a number of home loans centers, sales offices, and Home Loans processing and call centers; Eliminating approximately 2,600 Home Loans positions or about 22% of our staff; and Closing WaMu Capital Corp., our institutional broker-dealer business, as well as our mortgage banking finance warehouse lending operation. WaMu remains committed to offering mortgage products to its customers and these steps significantly accelerate our focus on mortgage lending through our retail banking stores and other retail distribution channels. We're also targeting growth in our consumer direct channel as we further leverage our brand presence and direct mail expertise, and our successful
		Point Person David Schneider
		Reza Aghamirzadeh/ Michaela Albon

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	<p>wholesale business will continue to serve our valuable broker partners through our unique industry leading broker lending standard.</p>		<p>Reza Aghamirzadeh</p>
<p>Lending to traditionally underserved communities</p>	<p><i>Will your current strategy diminish your ability to increase lending to traditionally underserved communities?</i></p>	<ul style="list-style-type: none"> • Outreach to minority neighborhoods is an important part of our business. We are committed to offering a range of mortgage products to meet the individual needs of our customers and to continue providing outreach to traditionally underserved populations, including our diverse and multi-cultural communities. • In addition, we offer programs that address underserved communities, including local, regional and state bond programs; low and no down payment programs; rehabilitation loan programs; down payment assistance programs; and loans with automatic rate reductions to reward consistent, timely payments; and homebuyer education seminars in English and Spanish. 	
<p>Position on Non-Traditional Mortgage Products</p>	<p><i>What is WaMu's position on nontraditional mortgage products?</i></p>	<ul style="list-style-type: none"> • We are committed to offering a range of mortgage products to meet the individual needs of our customers, and believe that fairly-priced residential loans that conform to our Responsible Lending Principles provide a valuable source of credit to borrowers. • WaMu has provided alternative mortgage products such as our "Option ARM" for over twenty years. During this time period, WaMu has offered the product through many different interest-rate and economic cycles and believe that these mortgages have been tested. <ul style="list-style-type: none"> • We do not consider the Option ARM to be an "affordability" product; borrowers are qualified using fully amortizing payments, based on the fully indexed rate and the original principal amount, as opposed to being qualified on the teaser rates. • Within this context, we agree that alternative mortgage products are not appropriate for everyone. They do, however, provide financial flexibility for the right customers who find that alternative mortgage products offer advantages that are not available with traditional mortgage products. 	<p>Michaela Albon</p>

<p>Homeownership Preservation Efforts</p>		
<p>Topic</p>	<p>Question</p>	<p>Talking Points</p>
<p>Pending Payment</p>	<p><i>What actions are WaMu taking to assist customers</i></p>	<ul style="list-style-type: none"> • Our firm belief is that early intervention combined with expanded options is instrumental to helping our customers avoid foreclosure.

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<p>Increases</p>	<p><i>facing pending payment increases, or rate resets on their loans?</i></p>	<ul style="list-style-type: none"> To that end, we are applying particular emphasis on reaching out to our adjustable rate mortgage customers at least six months prior to a rate reset through direct mail, dialing campaigns and statement messaging. Last year, we sent approximately 5 million pieces of outreach mail and will continue to work with our borrowers requesting assistance up until their reset date and beyond. <p>* Refer to \$2B subprime assistance messaging</p>	<p>Michaela Albon</p>
<p>\$2 billion subprime assistance program</p>	<p><i>Can you provide an update on the results of this program?</i></p> <p><i>What are you doing for those borrowers that don't qualify for this program, including those who have already become delinquent on their loan?</i></p>	<ul style="list-style-type: none"> Since the program was first established in April 2007, we have utilized most of the initial commitment and are now increasing our efforts to ensure we're helping as many of our customers as possible stay in their homes during this difficult environment. In June, we announced that we were expanding the program from its original \$2 billion commitment to a \$3 billion. We continue to evaluate increasing the need in the future as customer demand and prevailing market conditions warrant. We are reaching out to our customers and encouraging them to contact us if they are concerned about making their new mortgage payment as a result of a payment adjustment on an adjustable rate mortgage. And, if we do not hear back from a customer as a result of our initial outreach efforts, we will continue to attempt to contact them approximately every 30 days thereafter. Our offers of assistance include refinancing or modifying their mortgage into a fixed rate loan at a discounted rate. Borrowers also will be offered a prime loan if their credit has significantly improved. We're pleased to say that this program, which is just one component of our broader assistance efforts, has been well received. As of November, we have refinanced or modified over \$700 million in loans and will increase that number in the coming months For those borrowers who have already become delinquent and are in need of assistance, we are offering expanded forbearance and loan restructuring plans, including permanent reductions in rate, extended terms and even partial forgiveness of debt. <p><i>H. Update on WaMu's \$2 billion subprime ARM refinance commitments. How many borrowers have received assistance? Any thoughts to expanding this?</i></p>	<p>Michaela Albon</p>

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<p>Paulson Plan</p>	<p><i>What are your thoughts on the "Paulson Plan" – how many of your borrowers do you think the plan will realistically help, and what are you doing for those not helped by the plan?</i></p>	<ul style="list-style-type: none"> • WaMu is a member of the recently-announced private sector initiative called HOPE NOW and supports the proposal announced by the Bush administration aimed at keeping borrowers in their homes. • As a key member of HOPE NOW, WaMu has worked very closely with the Department of Treasury and the American Securitization Forum to develop what we believe is a positive step for subprime borrowers who are unable to handle an increase in their monthly payment. • This proposal also establishes a new set of industry standards for modifying securitized loans. Now that the SEC has issued guidance clarifying the accounting standards, servicers including WaMu are finalizing their programs and should be launching them shortly. • While I don't have any figures to share with regard to how many of our borrowers we expect to help through this program, it is important to note that this is just one element of our broader assistance efforts. We view foreclosure as a last resort and are focused on keeping as many of our borrowers as possible in their homes. <p>* Refer to overarching homeownership preservation initiatives messaging</p>	<p>Jan Owen/ Michaela Albon</p>
<p>California Governor's Initiative</p>	<p><i>Was WaMu asked to support Governor Schwarzenegger's initiative to streamline long-term loan modifications to borrowers with reset challenges?</i></p>	<ul style="list-style-type: none"> • As a matter of policy and practice, we do not discuss our conversations with elected officials. However, WaMu supports efforts to help customers maintain homeownership and encourages borrowers to call their servicer early if they anticipate that a rate reset will be troublesome. • We will continue our work with national, state, and local elected officials and our other partners, including those representing the community, in order to help stabilize the housing market and support efforts that will allow customers to sustain their homeownership. 	<p>Jan Owen</p>
<p>Loan Modification Data/Results</p>	<p><i>How many short sales, loan modifications, or other positive outcomes have resulted from your efforts?</i></p>	<ul style="list-style-type: none"> • WaMu provides modification programs through two of its business channels. First, Consumer Direct offers loan modifications, where appropriate, as part of our \$2 billion subprime initiative for homeowners who are current on their existing mortgages. Second, our Loss Mitigation department provides modifications, where appropriate, to those borrowers who are delinquent on their payments and have entered the foreclosure process. • We are not able to provide data around loan modifications as our current 	<p>Michaela Albon</p>

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	<p>policy and practice is to only disclose information that we provide publicly, such as in our financial statement filings with the SEC.</p> <ul style="list-style-type: none"> • However, HOPE NOW, of which WaMu is a member, reported in a Jan. 7, 2008 press release that based on data received from 10 large servicers who handle approximately 58% of the subprime loans outstanding: <ul style="list-style-type: none"> • Mortgage servicers modified the terms on approximately 30,000 subprime loans during Q3 07, with 10,000 of those modifications being made to adjustable rate loans; • The number of subprime loan modifications during Q4 were running at a rate triple that of Q3; • Numbers show that the industry helped one borrower to every two that went into foreclosure during the first half of 2007 and that figure rose to a ratio of three to four in the second half of 2007. • WaMu has been very proactive in modifying loans to keep borrowers in their homes and will continue to increase our efforts. 	
<p>Housing Counseling Services</p>	<p><i>Does WaMu fund community organizations and housing counseling agencies for assistance in conducting delinquency and foreclosure prevention counseling?</i></p> <ul style="list-style-type: none"> • WaMu's effort to sustain homeownership is multi-pronged and includes the participation of our loss mitigation team in homeownership preservation workshops in major metropolitan areas to assist distressed borrowers and complete workouts on location. • We will consider fee-for-service relationships with qualified community organizations that can assist borrowers who our loss mitigation team has been unable to reach by using our standard practices and that can provide effective and cost-efficient delinquency counseling. • Additionally, WaMu has a long history of grant-making in the area of financial education, which is a major program focus of our corporate philanthropy program. • In the area of foreclosure prevention, WaMu provides grants to nonprofit organizations with experience and expertise in foreclosure prevention programs that help borrowers with unforeseeable hardships avoid losing their homes. • We have recently provided \$100,000 to NeighborWorks America Center for Foreclosure Solutions in support of their advertising campaign and also announced the awarding of a \$150,000 grant to the Homeownership Preservation Foundation, which will fund the counseling of 1,500 borrowers who are experiencing difficulty when making their monthly mortgage payments. • WaMu will continue to entertain grant requests through our Corporate & Employee Giving department. 	<p>Reza Aghamirzadeh/ Michaela Albon</p>

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	* CEAD to address California-specific grants		David Schneider, Reza Aghamirzadeh
REO Program	<p>Are you willing to work with nonprofit organizations before foreclosure to acquire properties?</p>	<p>WaMu does not hold title to properties prior to foreclosure. Due to borrower confidentiality and privacy restrictions, information regarding pending foreclosures may not be released to third parties that may be interested in purchasing such properties beyond the notices required by applicable foreclosure laws.</p> <p>WaMu's REO Advance Notice Program (developed in partnership with CRC) is designed to provide information to our key nonprofit housing development agencies <i>as soon as</i> properties become available. Properties are only considered REO <i>after</i> the foreclosure or deed in lieu of foreclosure has been completed.</p> <p>In an effort to streamline processes, WaMu's REO information is available via the internet at www.wamuproperties.com. Nonprofits will be able to log onto the site to search for property by City, State, or Zip Code.</p> <p>In addition, we are currently exploring the possibility of discounting selected WaMu-owned REO properties to nonprofit organizations that have the capacity and funding to develop the property into affordable housing. Nonprofits interested in receiving property at a discount will be directed to contact their Community Affairs Relationship Manager.</p>	

Appraisal Practices, HMDA			
Topic	Question	Talking Points	Point Person
NY AG Lawsuit	<i>What's your reaction to the NY AG's allegations and subsequent SEC inquiry with regard to WaMu's appraisal practices?</i>	<ul style="list-style-type: none"> After spending a month and a half investigating these allegations, we can say with confidence that there has been no systematic effort by WaMu to inflate home appraisals. We take these allegations very seriously. We are voluntarily and fully cooperating with the SEC's inquiry as well as the OTS, and look forward to bringing the facts to both the regulators and public. 	Michaela Albon
HMDA	<i>What has WaMu been doing to ensure that your</i>	<ul style="list-style-type: none"> Washington Mutual is committed to fair lending practices and we work diligently to eliminate barriers to homeownership. Examples include: <ul style="list-style-type: none"> Comprehensive Fair Lending Program 	Reza Aghamirzadeh

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	<p><i>HMDA data reflects fair lending practices?</i></p> <p><i>Can you share your 2007 HMDA data with us?</i></p>	<ul style="list-style-type: none"> • Responsible Mortgage Lending Principles • Products & Programs (Community Access) • Homebuyer Education <ul style="list-style-type: none"> • That said, while HMDA data is a valuable tool in evaluating our lending performance, it presents only one part of the picture. For example, numerous factors account for why borrowers-of-color have higher denial rates than non-minority borrowers, including lack of borrower education, differences in borrowers' credit history, amount of debt, risk profile, property value and other factors, as pointed out in the Fed's HMDA analysis. • The bottom line: while interest-rate disparities between borrowers with different risk profiles are understandable and appropriate, disparities between borrowers who have different racial or ethnic backgrounds but the same risk profiles are unacceptable. • We are unable to provide 2007 HMDA data at this time. As a matter of practice and policy, WaMu does not release this information prior to review and approval by our federal regulators, a process that likely will be completed in March.
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Washington Mutual appreciates the efforts of Congress and the Administration to stabilize the housing markets and supports your efforts in promoting the Hope for Homeowners Program. We share the same goal of helping at-risk homeowners avoid foreclosure whenever possible, and believe that the Hope for Homeowners Program will provide another option for borrowers and servicers in addressing troubled loans.

1. Will you be using the next few months to review loan documents, contact borrowers and forbear foreclosure for those that may qualify?

At this time, the federal agencies have not published guidelines for the new Home for Homeowners (HFH) Program, which we anticipate will include maximum debt-to-income and other credit qualifications, so it isn't yet possible to fully determine individual borrower eligibility for the HFH Program. However, in the interim, Washington Mutual is establishing a process to implement the new program and will continue to actively work with all of its borrowers to pursue workout options that will enable them to stay in their homes. Once HFH Program guidelines are available, which we hope will be in the next few days, we will review the cases in which we believe borrowers may be eligible and will work to help those borrowers either through the HFH Program or another one of our borrower assistance options (which would include providing forbearance with regard to foreclosure).

2. Do you anticipate making the principal reductions necessary to qualify for refinancing at-risk borrowers into the Hope for Homeowners Program?

Washington Mutual continues to be committed to preserving homeownership for our borrowers whenever possible, and use a variety of workout options that enable us to do this effectively. We recognize that market conditions and falling home prices are important considerations when evaluating the potential investor or bank loss associated with various workout options. We anticipate that for borrowers whose income does not support other workout or modification options, we will offer to make the principal reduction necessary to allow eligible borrowers to participate in the HFH Program if the potential loss under the program would be lower than the anticipated loss associated with a foreclosure.

There is generally not a CLTV ratio customers must maintain. Rather, lenders typically evaluate home equity lines of credit in relationship to the amount of equity a customer has in their home.

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The available equity is calculated based on the value of the property minus all outstanding liens on the property. For example, a HELOC with an 80% CLTV at origination has 20% in available equity. To determine the new amount of available equity, the total lien amounts are subtracted from the new property value.

Possible scenario for your background:

Original Value	New Value
Property valuation = \$100K	Property valuation = \$90K
Liens = \$80K	Liens = \$80K
Available equity = \$20K	Available equity = \$10K

In this example, the property value declined by 10%, but the available equity declined by a significant amount (50%). This may cause the lender to evaluate the level of the line of credit.

Response

- This is an active investigation and we are fully cooperating with local law enforcement regarding this matter.
- More broadly, we have extensive controls in place to protect the integrity of our portfolio and loan processes. We are continually enhancing our efforts to identify and prevent any potential illegal activity.

We will not tolerate misrepresentation or fraud of any kind, and will aggressively pursue all legal means available to combat these offenses.

WaMu does not disclose our customers' personal financial information without written authorization from the customer. As we've communicated previously, we have not received consent from Ms. Richardson that would allow us to discuss her loan situation. I'd like to reiterate, however, that we are committed to treating all of our customers with the same level of consideration and fairness.

- We are very focused on making sure that our customers have options as they approach a rate recast in order to decrease their likelihood of default.
- For Option ARM borrowers approaching payment recasts, we will offer refinancing and modification alternatives which will provide affordable mortgage payments and improve their ability to stay in their homes.
 - For eligible borrowers, our initial offer will be a GSE 5/1 Hybrid Refinance.

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- Jumbo mortgage holders and those borrowers declined for the GSE offer will receive a 5/1 IO market rate modification offer.
- Borrowers unable to make the payment associated with the 5/1 IO can submit income documentation for consideration of an Affordable 5/1 IO Mod.

[This program will calculate an affordable monthly payment based on the borrowers income and current debts. Based on the calculation, not all borrowers will qualify for a discount to the market interest rate. Those who do qualify may receive rate discounts ranging from their current minimum payment up to the payment associated with the 5/1 IO market interest rate.]

* Fees on all of these offers will be waived.

- We will market these offers to our customers through direct mail and telemarketing efforts beginning 6 months prior to their rate recast date.
- Through the end of 2009, we project approximately \$12B in mortgages on our balance sheet to hit an Option-ARM recast.
- Roughly 25 percent of these recasts will be triggered by borrowers reaching the Negative Amortization cap, while the other 75 percent are driven by standard calendar recasts after 5 years. Borrowers reaching the negative amortization cap will have higher payment increases, and are therefore more likely to default.
- We have already modified over \$8.2 billion in Option ARMs to hybrids helping over 22,000 customers avoid potential payment shock.

We applaud the efforts of Congress and the Administration and believe this legislation will go a long way toward providing stability and restoring confidence to the housing and financial markets.

We share the same goal of helping at-risk homeowners avoid foreclosure whenever possible, and taken together, this legislation will provide additional tools and expanded options for borrowers and lenders in addressing troubled loans. We also remain committed to doing our part to strengthen the housing market and increase homeownership opportunities for qualified consumers.

As a follow-up to our discussion, there is absolutely no truth to the rumors you have heard with regard to our home lending strategy. Mortgages are important to our customers and remain an important part of WaMu's retail-focused business strategy.

It is possible that Peter's sources misinterpreted a press release WaMu issued on June 18, 2008, where we announced that we had simplified the set of home loan products we offer to consumers through our Retail Banking stores and Internet and telephone sales channel.

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As background, our prime product set falls into four basic categories: fixed rate mortgages; hybrid amortizing adjustable rate mortgages (ARMS); hybrid interest-only ARMS; and home equity products. We've also discontinued all negative amortizing loan product options, including the Option ARM product given current market conditions and our new product focus.

The bottom line is that we continue to provide a broad range of attractive loan options for most consumers looking to purchase or refinance a home, and remain dedicated to responsibly meeting the home financing needs of the communities we serve.

And finally, in early April 2008, we announced that we had exited the wholesale lending business (selling mortgages through third-party brokers). We also announced that we had closed our remaining stand-alone home loan centers to enhance our focus on delivering home lending products to customers exclusively through our Retail Banking stores and other direct-to-consumer channels.

[Recapping our conversation, we've simplified our home loan product offering to better serve the needs of our customers. As part of this effort, we've discontinued all negative amortizing loan product options, including the Option ARM product, and will no longer offer the WaMu Mortgage Plus loan. These product options have significantly decreased in popularity with our customers given current market conditions, and no longer fit with our new product focus.

I'd like to emphasize that we continue to provide a broad range of attractive loan options for most customers looking to purchase or refinance a home, and remain dedicated to responsibly meeting the home financing needs of the communities we serve.

And, as noted in the press release, our prime product set falls into four basic categories: fixed rate mortgages; hybrid amortizing adjustable rate mortgages (ARMS); hybrid interest-only ARMS; and Home Equity products. We'll also continue to accommodate qualified customers with large or non-conforming loans that otherwise fall within limits set by the federal mortgage agencies Freddie Mac and Fannie Mae.]

WaMu has had programs in place for years that actively manage the amount of credit we extend to our customers, both at origination and during the term of their loan. We believe this is part of being a responsible lender.

Inline with the ongoing management of our customers' home equity lines of credit, we will increase, decrease or suspend lines based on a number of factors, including a customer's payment status and history, changes to their creditworthiness, and changes in the value of their property.

Given the current housing market, WaMu, as well as other lenders, have taken the fiscally responsible steps to reduce select credit lines when warranted by declining home values. We will continue to evaluate individual home equity lines of credit in relationship to the amount of equity a customer has in their home and, if appropriate, will lower the line amount according to WaMu's line management guidelines.

Additionally, most of our customers whose lines have been decreased continue to have access to available credit.

Our line management actions are done in accordance with the terms and conditions of the HELOC agreement signed by our customers, and we notify our customers when there is a change to their account. We encourage our customers to contact us if they have questions to better understand the circumstances, and have a process in place for those who wish to appeal a credit line decrease decision. We also will continue to assist homeowners who may have unique or special situations.

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17

From: Elias, Alan
Sent: Thursday, August 21, 2008 7:13:01 PM
To: Gaugl, Sara C.
Subject: RE: Recent Coverage Re: Richardson Property

Ok, Thanks. "Cloud" is his way of saying controversial – which it was from his perspective, since he/the public has no way of understanding what really took place in terms of our clerical error.

ae

From: Gaugl, Sara C.
Sent: Thursday, August 21, 2008 4:11 PM
To: Elias, Alan
Subject: RE: Recent Coverage Re: Richardson Property

REDACTED

From: Elias, Alan
Sent: Thursday, August 21, 2008 4:08 PM
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Cc: Cook, Don; Elias, Alan
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Richardson escapes \$400 property bill - *The Daily Breeze*

By Gene Maddaus

August 21, 2008

In a statement, Rep. Laura Richardson, D-Long Beach, disavowed any responsibility for the current upkeep of the home, because she said it still has not been transferred back to her.

Rep. Laura Richardson caught a break on Wednesday when code enforcement officers decided not to bill her for boarding up the garage door on her vacant Sacramento home.

The city decided it would be too much trouble to determine who owned the property last month, when code enforcement officers were called out to deal with a "public nuisance."

After Richardson stopped making payments on the home, it was sold to an investor at a foreclosure auction. But the property was returned to Richardson in June, after her bank rescinded the sale.

In a statement, Richardson, D-Long Beach, disavowed any responsibility for the current upkeep of the home, because she said it still has not been transferred back to her.

"Congresswoman Richardson is fully prepared, WHEN full transfer of the property is made and reinstated, to manage and maintain the Sacramento property," said her spokesman, William Marshall.

Richardson's statement conflicts with available public records, which state that she has had the title to the property since June 2.

Richardson bought the home in January 2007 upon being elected to the Assembly. But after she won a seat in Congress a few months later, neighbors noticed that property was left vacant and had been poorly maintained.

Sacramento police were called to the home on July 21 because the garage door was open, suggesting a possible break-in. The police called code enforcement officials, who brought in a contractor to board up the door.

Code enforcement officers also found rotting food on the ground, which might attract rodents, as well as junk and debris in the yard.

In such cases, the homeowner gets a bill from the city. Ron O'Connor, the code enforcement operations manager, said the city would also charge \$250 for night service, plus the cost of the contractor, bringing the total to perhaps \$400.

Apparently relying on county property records, the city sent a notice of a "public nuisance" to Red Rock Mortgage, the real estate firm that bought the property at auction.

Richardson did not learn about the notice until last week.

James York, the owner of Red Rock Mortgage, sued Richardson and Washington Mutual after the auction was rescinded, arguing that he was the rightful owner of the property. As part of the suit, York filed a notice of pending litigation on the property, which clouded Richardson's title.

York later settled the lawsuit for an undisclosed sum. On July 11, 10 days before the apparent break-in, York's attorney signed notices to withdraw the lawsuit and the notice of litigation from the property, thereby relinquishing York's claim on it.

O'Connor said it was unclear from information available to him who owned the property on July 21.

But Richardson had the title to the property once the sale was rescinded on June 2. Were it otherwise, she would have had to sue York to get the house back - not vice versa.

In order to resolve the ownership of the property, O'Connor said he would have to spend \$100 for a title search, which would take three weeks.

"It's not worth it," he said. "I'm just going to get rid of it."

O'Connor said that Richardson would still be sent a notice to comply with the code violations, but would not be required to pay for the board-up.

In another development, Washington Mutual paid Richardson's outstanding property tax bill of \$9,000 on July 31. No public records explain why the bank would do that, though it is possible that the tax bill was added to Richardson's loan balance in a refinancing.

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To: Schneider, David C.; Berens, John
Cc: Cook, Don; Elias, Alan
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REDACTED

Rep. won't be billed for house problem – *The Daily Breeze*

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Then after a bank foreclosed on her Sacramento house and sold it at auction in May, the Long Beach Democrat made such a stink that Washington Mutual, in an unusual move, grabbed it back and returned it to her.

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The city has threatened to fine her as much as \$5,000 a month if she doesn't fix it up.

Neighbors in the upper-middle-class neighborhood complain that the sprinklers are never turned on and the grass and plants are dead or dying. The gate is broken, and windows are covered with brown paper.

"I would call it an eyesore," said Peter Thomsen, a retired bank executive who lives nearby.

The city action was prompted by police action.

Police were twice called to investigate reports of a suspicious person in or around the house, perhaps a homeless man squatting there. Officers called the Code Enforcement Department, which boarded up a broken door.

Code enforcement inspectors visited the house twice in July, finding "junk and debris" in the driveway and "rotting fruit on the ground in the rear yard which creates rodent harborage," according to department documents.

Ron O'Connor, operations manager of the Code Enforcement Department, said homes in the Curtis Park area seldom were tagged as a public nuisance.

"It's a really nice neighborhood," he said.

Asked about the house, Richardson's office released a statement that said: "Neither Congresswoman Richardson nor her attorney have received any information referring to this matter. Any additional information will be provided at a later date."

Richardson has few worries in the November election. The 37th District is so solidly Democratic that no Republican is running against her. Democrat Peter Mathews, who has sought the seat several times before, is mounting a write-in campaign.

Richardson began defaulting on house payments long before she bought the three-bedroom, 1 1/2 -bath home after being elected to the Assembly in 2006. She has defaulted on a home in San Pedro, where her mother lives, and her residence in Long Beach for amounts ranging from \$5,742 to almost \$20,000, according to documents on file with Los Angeles County.

Five of the defaults occurred during a 13-month period over 2007-08 when Richardson was bankrolling her political career, lending her campaigns for Congress and Assembly a total of \$177,500.

In addition, she owed nearly \$9,000 in property taxes on the Sacramento house, and the city Utilities Department put a lien on the property for an unpaid utility bill of \$154.03.

In a letter to supporters after her money problems received widespread publicity in June, Richardson said she was current on her house payments.

"Many elected officials are married, rely on two incomes or are independently wealthy," she wrote.

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York said Washington Mutual filed a letter of rescission of the sale June 2 with Sacramento County. Experts said such a move after the deed was recorded was almost unheard of.

"It seems to me it has nothing to do with the law, but it has to do with [Washington Mutual] trying to be deferential to a congresswoman," said Grant Nelson, the William H. Rehnquist Professor of Law at Pepperdine University.

York sued. The case was settled in early July with each side agreeing not to talk about the terms. In addition, Washington Mutual paid the tax lien on July 31, according to Sacramento County.

The public nuisance notice -- known as a vacant building ordinance violation -- was posted on Richardson's house Tuesday.

An inspection, it says, "revealed the structure on your property is vacant, is not in compliance with minimum maintenance standards and/or constitutes a public nuisance."

The owner of the house is listed on the notice as Red Rock Mortgage Inc., which is York's company.

O'Connor, the Sacramento code official, said the notices are taped onto the building and sent to the owner, return receipt requested.

During a phone interview, O'Connor checked county tax assessor records and said that Richardson is listed as the owner and that the notice would be sent to her.

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Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228.1231 cell | sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you

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Sent: Thursday, August 21, 2008 7:10:38 PM
To: Elias, Alan
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From: Elias, Alan
Sent: Thursday, August 21, 2008 7:07:54 PM
To: Gaugl, Sara C.
Subject: RE: Recent Coverage Re: Richardson Property

Thanks.

Did we, in fact, refinance her loan to include outstanding tax liens?

From: Gaugl, Sara C.
Sent: Thursday, August 21, 2008 3:51 PM
To: Schneider, David C.; Berens, John
Cc: Cook, Don; Elias, Alan
Subject: RE: Recent Coverage Re: Richardson Property

Here is the latest article from *The Daily Breeze*, which is an extension of the story that appeared earlier this morning.

- Sara

Richardson escapes \$400 property bill - *The Daily Breeze*

By Gene Maddaus

August 21, 2008

In a statement, Rep. Laura Richardson, D-Long Beach, disavowed any responsibility for the current upkeep of the home, because she said it still has not been transferred back to her.

Rep. Laura Richardson caught a break on Wednesday when code enforcement officers decided not to bill her for boarding up the garage door on her vacant Sacramento home.

The city decided it would be too much trouble to determine who owned the property last month, when code enforcement officers were called out to deal with a "public nuisance."

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In a statement, Richardson, D-Long Beach, disavowed any responsibility for the current upkeep of the home, because she said it still has not been transferred back to her.

"Congresswoman Richardson is fully prepared, WHEN full transfer of the property is made and reinstated, to manage and maintain the Sacramento property," said her spokesman, William Marshall.

Richardson's statement conflicts with available public records, which state that she has had the title to the property since June 2.

Richardson bought the home in January 2007 upon being elected to the Assembly. But after she won a seat in Congress a few months later, neighbors noticed that property was left vacant and had been poorly maintained.

Sacramento police were called to the home on July 21 because the garage door was open, suggesting a possible break-in. The police called code enforcement officials, who brought in a contractor to board up the door.

Code enforcement officers also found rotting food on the ground, which might attract rodents, as well as junk and debris in the yard.

In such cases, the homeowner gets a bill from the city. Ron O'Connor, the code enforcement operations manager, said the city would also charge \$250 for night service, plus the cost of the contractor, bringing the total to perhaps \$400.

Apparently relying on county property records, the city sent a notice of a "public nuisance" to Red Rock Mortgage, the real estate firm that bought the property at auction.

Richardson did not learn about the notice until last week.

James York, the owner of Red Rock Mortgage, sued Richardson and Washington Mutual after the auction was rescinded, arguing that he was the rightful owner of the property. As part of the suit, York filed a notice of pending litigation on the

property, which clouded Richardson's title.

York later settled the lawsuit for an undisclosed sum. On July 11, 10 days before the apparent break-in, York's attorney signed notices to withdraw the lawsuit and the notice of litigation from the property, thereby relinquishing York's claim on it.

O'Connor said it was unclear from information available to him who owned the property on July 21.

But Richardson had the title to the property once the sale was rescinded on June 2. Were it otherwise, she would have had to sue York to get the house back - not vice versa.

In order to resolve the ownership of the property, O'Connor said he would have to spend \$100 for a title search, which would take three weeks.

"It's not worth it," he said. "I'm just going to get rid of it."

O'Connor said that Richardson would still be sent a notice to comply with the code violations, but would not be required to pay for the board-up.

In another development, Washington Mutual paid Richardson's outstanding property tax bill of \$9,000 on July 31. No public records explain why the bank would do that, though it is possible that the tax bill was added to Richardson's loan balance in a refinancing.

From: Gaugl, Sara C.
Sent: Thursday, August 21, 2008 11:44 AM
To: Schneider, David C.; Berens, John
Cc: Cook, Don; Elias, Alan
Subject: Recent Coverage Re: Richardson Property

REDACTED

Rep. won't be billed for house problem – *The Daily Breeze*
By Gene Maddaus

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"It's a really nice neighborhood," he said.

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From: Google Alerts <googlealerts-noreply@google.com>
Sent: Thursday, August 21, 2008 6:41 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: Google Alert - Washington Mutual

Google News Alert for: **Washington Mutual**

[Laura Richardson won't have to pay a \\$400 property bill](#)

Los Angeles Times - CA,USA

... and the sweet deal she got from **Washington Mutual** to regain control of her foreclosed home, which had been sold, just got some more good news. ...

[See all stories on this topic](#)

[The best political conventions money can buy](#)

MarketWatch - USA

How about a **mutual** pledge that no private money will be allowed at the 2012 conventions? That would be putting the country first, and it would be change we ...

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From: ShareThis <notifier@bounces.sharethis.com> on behalf of Owen, Jan L. <u146276@wamu.com>
Sent: Thursday, August 21, 2008 5:11 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: jan.owen@wamu.net has shared: NOW IT NEEDS FIXING, REP. RICHARDSON SAYS: NOT MY HOUSE!

jan.owen@wamu.net wanted to share this with you:



NOW IT NEEDS FIXING, REP. RICHARDSON SAYS: NOT MY HOUSE!

<http://thedistrictweekly.com/daily/staff-infection/briefing/now-it-...>

Powered by [ShareThis](#)

From: Gaugl, Sara C.
Sent: Thursday, August 21, 2008 5:09:25 PM
To: Owen, Jan L.
Subject: RE: Emailing: now-it-needs-fixing-rep-richardson-says-not-my-house.htm

Never mind, just got to it. Thanks!

From: Owen, Jan L.
Sent: Thursday, August 21, 2008 2:07 PM
To: Gaugl, Sara C.
Subject: Emailing: now-it-needs-fixing-rep-richardson-says-not-my-house.htm

<< File: now-it-needs-fixing-rep-richardson-says-not-my-house.htm >> FYI- this is well written. J

From: Gaugl, Sara C.
Sent: Thursday, August 21, 2008 5:08:35 PM
To: Owen, Jan L.
Subject: RE: Emailing: now-it-needs-fixing-rep-richardson-says-not-my-house.htm

I can't get to this - would you try reforwarding? Thank you!

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From: Elias, Alan
Sent: Thursday, August 21, 2008 3:01:08 PM
To: Gaugl, Sara C.
Subject: RE: Recent Coverage Re: Richardson Property

Sara: please bring these – especially the LA Times piece – to the meeting with the lawyers so that they can better understand the damage to the corporate image we're incurring because of our policies.

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Sent: Thursday, August 21, 2008 11:44 AM
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Cc: Cook, Don; Elias, Alan
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Sent: Thursday, August 21, 2008 2:37:38 PM
To: Gaugl, Sara C.
Subject: Recent Coverage Re: Richardson Property

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[http://www.latimes.com/news/local/lat-](http://www.latimes.com/news/local/lat-richmo_k5ly64nc20080815025641,0,6484560,email.photo)

[richmo_k5ly64nc20080815025641,0,6484560,email.photo](http://www.latimes.com/news/local/lat-richmo_k5ly64nc20080815025641,0,6484560,email.photo)**UMBRA****GE:** Neighbors complained about the condition of the Sacramento home of Rep. Laura Richardson (D-Long Beach).

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From: Borges, Ruben
Sent: Tuesday, August 19, 2008 10:50:25 AM
To: Gaugl, Sara C.; Elias, Alan
CC: Riley, Olivia
Subject: Home troubles - Los Angeles Times

Home troubles

19 August 2008

Los Angeles Times

Re "Official's housing troubles continue," Aug. 15

Rep. Laura Richardson didn't require a mortgage relief bill to help her keep a house she couldn't afford. All she needed to keep her neglected, foreclosed home was some bureaucratic muscle to convince her lender, **Washington Mutual**, to rescind the sale and pull the rug right out from under a buyer who wanted to repair the run-down home.

I'm curious to see if Richardson (a Democrat, so by default a self-proclaimed champion of the people) will ensure that her constituents in Long Beach and those facing foreclosure throughout the state get the same kind of sweet deal with their lenders.

I also wonder if her Democratic colleagues in the state Senate and Assembly will open an investigation to see if her arrangement violated any ethics standards. And for her sake, I hope she has the same interest rate and loan balance that was in effect before

Washington Mutual foreclosed on, and then so graciously rescued, her home.

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Tuesday, August 19, 2008 9:57 AM
To: Thorn, Ann <ann.thorn@wamu.net>
Subject: Re: Richardson

Thanks, Ann.

Sent from my BlackBerry Wireless Handheld

----- Original Message -----

From: Thorn, Ann
To: Gaugl, Sara C.; Cook, Don; Battaglia, Paul J.
Sent: Tue Aug 19 05:49:51 2008
Subject: Richardson

Just wanted to let you know that I got a call from Congresswoman Richardson last night around 7 on my voicemail. She said no issue, just wanted to ask a couple questions and Sara I guess she wanted to get a hold of you. I will be reaching back out to her today to find out what she needed and will advise.

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
office: 904-462-2150
cell: 414-418[redacted]

For Internal Use Only

From: Gordon, Debbie <debbie.j.gordon@wamu.net>
Sent: Monday, August 18, 2008 11:38 AM
To: Riley, Olivia <olivia.riley@wamu.net>; Baptista, Geri Ann S. <geriann.baptista@wamu.net>; Gaugl, Sara C. <sara.gaugl@wamu.net>; Kishner, Gary <gary.kishner@wamu.net>
Subject: Long Beach Press-Telegram - 37th's serial problems

37th's serial problems

Long Beach Press-Telegram

08/16/2008

After the defaults come an unlikely opponent and a public-nuisance notice.

Laura Richardson, the local congresswoman with a national reputation for serial financial defaults, has a new set of problems and a new opponent. Neither is good news for her constituents.

The problems come from code enforcement officers in Sacramento who have declared her house there a public nuisance. The lawn and plants are dead or dying, a broken door has been boarded up, a gate is broken, junk and debris lie in the driveway, windows are covered with brown paper and rotting fruit in the backyard provides a rodent banquet.

Richardson had bought the home after being elected to the Assembly; let it go into default, foreclosure and public auction; then, after the issue made headlines, pressured the mortgage-holder to cancel the sale and give her back the house.

Such a recision is unheard of in the mortgage business, but maybe the lender, **Washington Mutual**, preferred a lawsuit from the buyer to the thought of having a vengeful congresswoman in Washington for years to come. (The house buyer and **WaMu** settled the lawsuit quietly.)

Richardson's office had no meaningful comment about the code-enforcement action, which threatens progressively steeper fines unless she starts cleaning up the property within 30 days. In the past, her explanation for defaulting on that loan, as well as loans on homes in San Pedro and Long Beach, was that she had to borrow money to finance her election to Congress because she is not a wealthy person.

Ordinarily we would see on Nov. 4 how well that explanation sits with voters, but we probably won't. That's because of the quality of the two other candidates.

One, Peter Mathews, a community college teacher who has run for Congress and lost many times over the years, ran against her in the Democratic primary and lost again. Now he's running in November as an ultra-long-shot write-in.

The latest opponent is Nick Dibs, a part-time substitute teacher who last week managed to collect 7,725 signatures to get his name on the Nov. 4 ballot as an independent. (There was no candidate in the primary from the Republican Party or any other.)

So that will be the choice for 37th District residents of Signal Hill, Compton, Carson and most of Long Beach. Either reward Richardson's continuing personal irresponsibility by returning her to Congress, or go for Dibs or Mathews, neither of whom otherwise would be considered remotely qualified.

Some choice.

Debbie Gordon
Executive Assistant
Public Relations
Corporate Communication

Washington Mutual
1301 2nd Ave, WMC2103
Seattle, WA 98101

206.500.2835 direct, 206.377.2023 fax
debbie.j.gordon@**wamu**.net

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From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Friday, August 15, 2008 7:31 PM
To: Gottlieb, Jeff <[REDACTED]>
Subject: RE: WaMu Follow-Up

Hello, Jeff.

WaMu does not disclose our customers' personal financial information without written authorization from the customer. As we've communicated previously, we have not received consent from Ms. Richardson that would allow us to discuss her loan situation. I'd like to reiterate, however, that we are committed to treating all of our customers with the same level of consideration and fairness.

Additionally, the matter with Mr. York and Red Rock Mortgage Inc. has been resolved and the terms are confidential.

Best regards,

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228.2822 cell | sara.gaugl@wamu.net

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From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Friday, August 15, 2008 6:29 PM
To: Riley, Olivia <olivia.riley@wamu.net>
Subject: RE: Review Requested: Media Response

I can certainly wait another 30 min or so. I'll pull the trigger around 4:15 or so.....

Best,

Sara

From: Riley, Olivia
Sent: Friday, August 15, 2008 3:21 PM
To: Gaugl, Sara C.
Subject: RE: Review Requested: Media Response

I am on a call right now, and don't want to hold up your response given the time.

From: Gaugl, Sara C.
Sent: Fri 08/15/2008 2:40 PM
To: Riley, Olivia
Subject: RE: Review Requested: Media Response

Hi - give me a call if you have a second 206-500 

From: Riley, Olivia
Sent: Friday, August 15, 2008 2:38 PM
To: Gaugl, Sara C.
Subject: RE: Review Requested: Media Response

REDACTED

From: Gaugl, Sara C.
Sent: Fri 08/15/2008 2:28 PM
To: Battaglia, Paul J.; Cook, Don
Cc: Riley, Olivia
Subject: Review Requested: Media Response

REDACTED

REDACTED

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228[redacted] cell sara.gaugl@wamu.net

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-----Original Message-----

From: Gottlieb, Jeff [mailto:[redacted]]
Sent: Friday, August 15, 2008 1:04 PM
To: Gaugl, Sara C.
Subject: RE: WaMu Follow-Up

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2. What were the terms of the settlement with James York, who bought the house at the foreclosure sale? If you say the terms are confidential, I want you to waive confidentiality, which, I assume, was a condition WAMU requested.
3. Why did Washington Mutual take back the property from Mr. York?
4. Has Washington Mutual ever taken back a house after it has been sold at a foreclosure auction, the deed was recorded and the new owner already had a crew renovating the house? Give me examples.
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To: Gaugl, Sara C. <sara.gaugl@wamu.net>
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Subject: RE: Review Requested: Media Response

REDACTED

From: Gaugl, Sara C.
Sent: Fri 08/15/2008 2:28 PM
To: Battaglia, Paul J.; Cook, Don
Cc: Riley, Olivia
Subject: Review Requested: Media Response

REDACTED

WaMu
1301 Second Avenue 1 WMC40 1 Seattle WA 98101
206.500.2822 direct 1 206.228 cell sara.gaugl@wamu.net

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From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Friday, August 15, 2008 5:40 PM
To: Riley, Olivia <olivia.riley@wamu.net>
Subject: RE: Review Requested: Media Response

Hi - give me a call if you have a second 206-500-.

From: Riley, Olivia
Sent: Friday, August 15, 2008 2:38 PM
To: Gaugl, Sara C.
Subject: RE: Review Requested: Media Response

REDACTED

From: Gaugl, Sara C.
Sent: Fri 08/15/2008 2:28 PM
To: Battaglia, Paul J.; Cook, Don
Cc: Riley, Olivia
Subject: Review Requested: Media Response

REDACTED

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue 1 WMC40 1 Seattle WA 98101
206.500.2822 direct 1 206.228-cell sara.gaugl@wamu.net

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JPMC - 003095
CONFIDENTIAL
CSOC.RICH.004588

-----Original Message-----

From: Gottlieb, Jeff [mailto:jeff.gottlieb@wamu.com]

Sent: Friday, August 15, 2008 1:04 PM

To: Gaugl, Sara C.

Subject: RE: WaMu Follow-Up

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From: Riley, Olivia <olivia.riley@wamu.net>
Sent: Friday, August 15, 2008 5:38 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: RE: Review Requested: Media Response

Can we remind them why she got the house back (the date issue)? Isn't that a matter of public record?

From: Gaugl, Sara C.
Sent: Fri 08/15/2008 2:28 PM
To: Battaglia, Paul J.; Cook, Don
Cc: Riley, Olivia
Subject: Review Requested: Media Response

Paul and Don:

REDACTED

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue 1 WMC40 1 Seattle WA 98101
206.500.2822 direct 1 206.228 cell sara.gaugl@wamu.net

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From: Gordon, Debbie <debbie.j.gordon@wamu.net>
Sent: Friday, August 15, 2008 4:19 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: FW: LA Times - Official's housing troubles continue; Rep. Richardson's Sacramento home is declared a public nuisance by the city.

Thanks,
Debbie Gordon
Public Relations
206.500.2835

From: Gordon, Debbie
Sent: Friday, August 15, 2008 8:43 AM
To: Riley, Olivia; Baptista, Geri Ann S.
Subject: LA Times - Official's housing troubles continue; Rep. Richardson's Sacramento home is declared a public nuisance by the city.

Official's housing troubles continue; Rep. Richardson's Sacramento home is declared a public nuisance by the city.

California; Metro Desk
Jeff Gottlieb
15 August 2008
Los Angeles Times

First Rep. Laura Richardson was having problems making house payments, defaulting six times over eight years.

Then after a bank foreclosed on her Sacramento house and sold it at auction in May, the Long Beach Democrat made such a stink that **Washington Mutual**, in an unusual move, grabbed it back and returned it to her.

This week, in the latest chapter in the housing saga, the Code Enforcement Department in Sacramento declared her home a "public nuisance." The city has threatened to fine her as much as \$5,000 a month if she doesn't fix it up.

Neighbors in the upper-middle-class neighborhood complain that the sprinklers are never turned on and the grass and plants are dead or dying. The gate is broken, and windows are covered with brown paper.

"I would call it an eyesore," said Peter Thomsen, a retired bank executive who lives nearby.

The city action was prompted by police action. Police were twice called to investigate reports of a suspicious person in or around the house, perhaps a homeless man squatting there. Officers called the Code Enforcement Department, which boarded up a broken door.

Code enforcement inspectors visited the house twice in July, finding "junk and debris" in the driveway and "rotting fruit on the ground in the rear yard which creates rodent harborage," according to department documents.

Ron O'Connor, operations manager of the Code Enforcement Department, said homes in the Curtis Park area

seldom were tagged as a public nuisance.

"It's a really nice neighborhood," he said.

Asked about the house, Richardson's office released a statement that said: "Neither Congresswoman Richardson nor her attorney have received any information referring to this matter. Any additional information will be provided at a later date."

Richardson has few worries in the November election. The 37th District is so solidly Democratic that no Republican is running against her. Democrat Peter Mathews, who has sought the seat several times before, is mounting a write-in campaign.

Richardson began defaulting on house payments long before she bought the three-bedroom, 1 1/2 -bath home after being elected to the Assembly in 2006. She has defaulted on a home in San Pedro, where her mother lives, and her residence in Long Beach for amounts ranging from \$5,742 to almost \$20,000, according to documents on file with Los Angeles County.

Five of the defaults occurred during a 13-month period over 2007-08 when Richardson was bankrolling her political career, lending her campaigns for Congress and Assembly a total of \$177,500. In addition, she owed nearly \$9,000 in property taxes on the Sacramento house, and the city Utilities Department put a lien on the property for an unpaid utility bill of \$154.03.

In a letter to supporters after her money problems received widespread publicity in June, Richardson said she was current on her house payments.

"Many elected officials are married, rely on two incomes or are independently wealthy," she wrote. "I do not fit any of these descriptions. I made the decision to borrow money against my home to help finance my campaign. The election was too important to me, to our community and to our country to roll over."

Although Richardson lost her Sacramento house, she got it back under unusual circumstances.

Real estate investor James York bought the two-story house May 7 for \$388,000. Richardson had paid \$535,000. York recorded the deed May 19 and sent a work crew to renovate the house.

York said **Washington Mutual** filed a letter of rescission of the sale June 2 with Sacramento County.

Experts said such a move after the deed was recorded was almost unheard of.

"It seems to me it has nothing to do with the law, but it has to do with [**Washington Mutual**] trying to be deferential to a congresswoman," said Grant Nelson, the William H. Rehnquist Professor of Law at Pepperdine University.

York sued. The case was settled in early July with each side agreeing not to talk about the terms.

In addition, **Washington Mutual** paid the tax lien on July 31, according to Sacramento County.

The public nuisance notice -- known as a vacant building ordinance violation -- was posted on Richardson's house Tuesday.

An inspection, it says, "revealed the structure on your property is vacant, is not in compliance with minimum maintenance standards and/or constitutes a public nuisance."

The owner of the house is listed on the notice as Red Rock Mortgage Inc., which is York's company.

O'Connor, the Sacramento code official, said the notices are taped onto the building and sent to the owner, return receipt requested.

During a phone interview, O'Connor checked county tax assessor records and said that Richardson is listed as the owner and that the notice would be sent to her.

The notice says that a \$1,000 penalty can be assessed against the property if progress is not made to bring it into compliance within 30 days. The penalty could grow to as much as \$5,000 per month unless progress is made to improve conditions.

Neighbors have complained about the state of the house for months. They were optimistic when York sent his crew to begin renovations, but now say it is worse than ever.

"I can't make myself go by there. It hurts too much," said Sharon Helmar, who sold the house to Richardson after living there for 30 years. "We took good care of it, and it's a lovely house."

--

Debbie Gordon
Executive Assistant
Public Relations
Corporate Communication

Washington Mutual
1301 2nd Ave, WMC2103
Seattle, WA 98101

206.500.2835 direct, 206.377.2023 fax
debbie.j.gordon@wamu.net

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From: Gottlieb, Jeff <[redacted]>
Sent: Friday, August 15, 2008 4:04 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: RE: WaMu Follow-Up

These questions are about the property owned by Laura Richardson at 3622 W. Curtis Dr., Sacramento, CA. If Washington Mutual is going to say it cannot answer some of them because it involves Richardson's confidential financial information, I want you and her to waive that right. The transactions around the house have raised serious questions about whether Rep. Richardson received preferential treatment from Washington Mutual. I have quoted experts as saying this type of deal was unheard of. By not answering the questions, Washington Mutual is encouraging those suspicions.

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5. What are the financial terms of the deal that gave the house back to Rep. Richardson?

From: Gaugl, Sara C. [mailto:sara.gaugl@wamu.net]
Sent: Fri 8/15/2008 12:42 PM
To: Gottlieb, Jeff
Subject: Re: WaMu Follow-Up

Thanks for your note. Please let me know what specific questions you have and I will look into them.

Best,

Sara

Sent from my BlackBerry Wireless Handheld

----- Original Message -----

From: Gottlieb, Jeff <[redacted]>
To: Gaugl, Sara C.
Sent: Fri Aug 15 12:37:03 2008
Subject: RE: WaMu Follow-Up

It has to do with the Rep. Laura Richardson foreclosure sale/give back.

From: Gaugl, Sara C. [mailto:sara_gaugl@wamu.net]
Sent: Fri 8/15/2008 12:12 PM
To: Gottlieb, Jeff
Subject: WaMu Follow-Up

Hi, Jeff.

I hope you are doing well. I'm currently in a meeting, and just noticed that I missed a call from you on my cell. I will call you back shortly, however I wanted to send you a quick note now as I'm unsure if you are on deadline.

Please let me know how I can be of assistance.

Best,

Sara

Sent from my BlackBerry Wireless Handheld

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
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sara.gaugl@wamu.net

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From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Friday, August 15, 2008 3:52 PM
To: Gordon, Debbie <debbie.j.gordon@wamu.net>; Riley, Olivia <olivia.riley@wamu.net>;
Baptista, Geri Ann S. <geriann.baptista@wamu.net>
Subject: Re: SF Chronicle - Calif. congresswoman's house a public nuisance

Thanks, Debbie. I have received a few calls on this.

Olivia, I am just getting out of a meeting and will update you shortly, though messaging is consistent.

Best,

Sara

Sent from my BlackBerry Wireless II handheld

----- Original Message -----

From: Gordon, Debbie
To: Riley, Olivia; Baptista, Geri Ann S.; Gaugl, Sara C.
Sent: Fri Aug 15 12:48:03 2008
Subject: SF Chronicle - Calif. congresswoman's house a public nuisance

Calif. congresswoman's house a public nuisance

Friday, August 15, 2008

(08-15) 10:40 PDT Sacramento, CA (AP) --

Sacramento city officials have declared a home owned by U.S. Rep. Laura Richardson a public nuisance and are threatening fines up to \$5,000 a month if she doesn't fix it up.

The Long Beach Democrat previously faced foreclosure on the home. Washington Mutual sold it at auction in May, but reversed the sale after Richardson complained she hadn't received proper notice.

The city's code enforcement department reported finding junk in the driveway and rotting fruit in the back yard that attracts rodents. Inspectors came after calls to police about a suspicious person there.

Richardson's office did not immediately respond to a request for comment Friday. In a statement her office released to the Los Angeles Times, she said she had not received any information about the nuisance declaration.

Debbie Gordon
Executive Assistant
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Sent: Friday, August 15, 2008 3:48 PM
To: Riley, Olivia <olivia.riley@wamu.net>; Baptista, Geri Ann S. <geriann.baptista@wamu.net>; Gaugl, Sara C. <sara.gaugl@wamu.net>
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To: Jeff.Gottlieb
Subject: Re: WaMu Follow-Up

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Sara

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To: Gottlieb, Jeff
Subject: WaMu Follow-Up

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Sara Gaugl
Home Loans Public Relations

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1301 Second Avenue | WMC401 | Seattle WA 98101
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From: Google Alerts <googlealerts-noreply@google.com>
Sent: Friday, August 15, 2008 2:22 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: Google Alert - Washington Mutual

Google News Alert for: **Washington Mutual**

CGM's Heebner Sold Monsanto Stake, Shorted **Washington Mutual**

Bloomberg - USA

The \$10.4 billion fund also sold short 100 million shares of **Washington Mutual** and 32 million shares of Wachovia, trades that will profit if the stocks fall ...

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Calif. congresswoman's house a public nuisance

San Francisco Chronicle - CA, USA

Washington Mutual sold it at auction in May, but reversed the sale after Richardson complained she hadn't received proper notice. ...

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From: Jan Owen <jan.owen@wamu.net>
Sent: Friday, August 15, 2008 2:10 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: Emailing: la-me-richardson15-2008aug15,0,912962
Attach: [p_ev_transid=1218823767448869220372&ev_Latimes.com_news_s_pageview=1;bg.gif](#)

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Randi Lynn Beach / For The Times

UMBRAGE: Neighbors complained about the condition of the Sacramento home of Rep. Laura Richardson (D-Long Beach).

Rep. Richardson's Sacramento home declared 'public nuisance'



Randi Lynn Beach / For The Times

UMBRAGE: Neighbors complained about the condition of the Sacramento home of Rep. Laura Richardson (D-Long Beach).

The Sacramento home of the Democratic congresswoman from Long Beach is declared a 'public nuisance' by the city.

By Jeff Gottlieb, Los Angeles Times Staff Writer
August 15, 2008

First Rep. Laura Richardson was having problems making house payments, defaulting six times over eight years.

Then after a bank foreclosed on her Sacramento house and sold it at auction in May, the Long Beach Democrat made such a stink that Washington Mutual, in an unusual move, grabbed it back and returned it to her.

• **Ethics watchdog wants probe of Lona**

This week, in the latest chapter in the housing saga, the Code Enforcement Department in Sacramento declared her home a "public



Rep. Laura Richardson

Beach
congresswoman's
foreclosure
woes

nuisance."

The city has threatened to fine her as much as \$5,000 a month if she doesn't fix it up.

Neighbors in the upper-middle-class neighborhood

complain that the sprinklers are never turned on and the grass and plants are dead or dying. The gate is broken, and windows are covered with brown paper.

"I would call it an eyesore," said Peter Thomsen, a retired bank executive who lives nearby.

The city action was prompted by police action.

Police were twice called to investigate reports of a suspicious person in or around the house, perhaps a homeless man squatting there. Officers called the Code Enforcement Department, which boarded up a broken door.

Code enforcement inspectors visited the house twice in July, finding "junk and debris" in the driveway and "rotting fruit on the ground in the rear yard which creates rodent harborage," according to department documents.

Ron O'Connor, operations manager of the Code Enforcement Department, said homes in the Curtis Park area seldom were tagged as a public nuisance.

"It's a really nice neighborhood," he said.

Asked about the house, Richardson's office released a statement that said: "Neither Congresswoman Richardson nor her attorney have received any information referring to this matter. Any additional information will be provided at a later date."

Richardson has few worries in the November election. The 37th District is so solidly Democratic that no Republican is running against her. Democrat Peter Mathews, who has sought the seat several times before, is mounting a write-in campaign.

Richardson began defaulting on house payments long before she bought the three-bedroom, 1 1/2 -bath home after being elected to the Assembly in 2006. She has defaulted on a home in San Pedro, where her mother lives, and her residence in Long Beach for amounts ranging from \$5,742 to almost \$20,000, according to documents on file with Los Angeles County.

Five of the defaults occurred during a 13-month period over 2007-08 when Richardson was bankrolling her political career, lending her campaigns for Congress and Assembly a total of \$177,500.

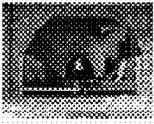
In addition, she owed nearly \$9,000 in property taxes on the Sacramento house, and the city Utilities Department put a lien on the property for an unpaid utility bill of \$154.03.

In a letter to supporters after her money problems received widespread publicity in June, Richardson said she was current on her house payments.

"Many elected officials are married, rely on two incomes or are independently wealthy," she wrote.

"I do not fit any of these descriptions," she added. "I made the decision to borrow money against my home to help finance my campaign. The election was too important to me, to our community and to our country to roll over."

Although Richardson lost her Sacramento house, she got it back under unusual circumstances.



An updated 1932 Santa Monica hacienda

These owners applied their contemporary design sensibility while preserving the integrity of the vernacular architecture. [Photos](#)



Junkyard treasures: Rare automotive finds

In an Oklahoma barnyard, a 50-acre collection of rusting car collectibles that nature is busy reclaiming. [Photos](#)



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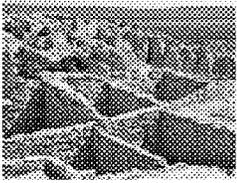
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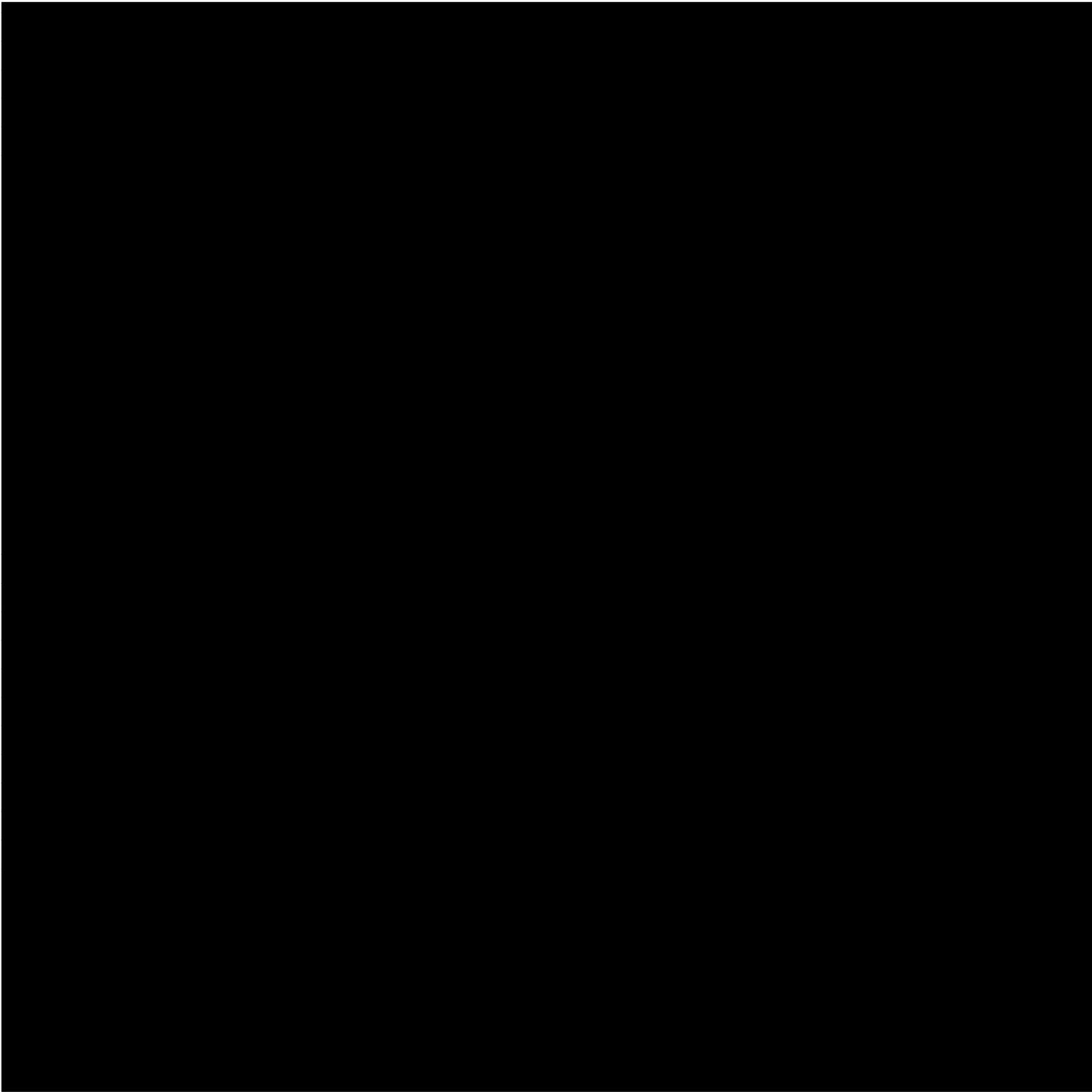
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From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Monday, July 28, 2008 12:00 PM
To: Gordon, Debbie <debbie.j.gordon@wamu.net>; Baptista, Geri Ann S. <geriann.baptista@wamu.net>
Cc: Riley, Olivia <olivia.riley@wamu.net>
Subject: RE: Media Request from the AP

I know – I figured that was the case!

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228- cell
sara.gaugl@wamu.net

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From: Gordon, Debbie
Sent: Monday, July 28, 2008 8:49 AM
To: Gaugl, Sara C.; Baptista, Geri Ann S.
Cc: Riley, Olivia
Subject: RE: Media Request from the AP

OK. Well, he called Saturday at 4:57pm – what does he expect?! ☺

Thanks,
Debbie Gordon
Public Relations
206.500.2835

From: Gaugl, Sara C.
Sent: Monday, July 28, 2008 8:48 AM
To: Gordon, Debbie; Baptista, Geri Ann S.
Cc: Riley, Olivia
Subject: RE: Media Request from the AP

Hi, Debbie.
This story ran over the weekend.

Best,

Sara

Sara Gaugl
Home Loans Public Relations

WaMu

1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228. cell
sara.gaugl@wamu.net

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From: Gordon, Debbie
Sent: Monday, July 28, 2008 8:13 AM
To: Baptista, Geri Ann S.; Gaugl, Sara C.
Cc: Riley, Olivia
Subject: Media Request from the AP
Importance: High

Reporter	Jacob Adelman
Publication	AP (in LA)
Phone Number	213-626- cell
Media Request / Scope of the Story	Daily Breeze citing WaMu in a report that a broker who bought Laura Richardson's home is dropping a lawsuit over WaMu's decision to rescind the foreclosure. Wants to confirm details.
Request Date	7/26/2008
Coverage Date	Not Known
Deadline	Not Stated
Lead	G. Baptista

Debbie Gordon
Executive Assistant
Public Relations
Corporate Communication

Washington Mutual
1301 2nd Ave, WMC2103
Seattle, WA 98101

206.500.2835 direct, 206.377.2023 fax
debbie.j.gordon@wamu.net

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From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Monday, July 28, 2008 11:48 AM
To: Gordon, Debbie <debbie.j.gordon@wamu.net>; Baptista, Geri Ann S. <geriann.baptista@wamu.net>
Cc: Riley, Olivia <olivia.riley@wamu.net>
Subject: RE: Media Request from the AP

Hi, Debbie.
This story ran over the weekend.

Best,

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228- cell
sara.gaugl@wamu.net

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Request Date	7/26/2008
Coverage Date	Not Known
Deadline	Not Stated
Lead	G. Baptista

Debbie Gordon
Executive Assistant
Public Relations

Corporate Communication

Washington Mutual
1301 2nd Ave, WMC2103
Seattle, WA 98101

206.500.2835 direct, 206.377.2023 fax
debbie.j.gordon@wamu.net

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From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Monday, July 28, 2008 12:14 AM
To: Baptista, Geri Ann S. <geriann.baptista@wamu.net>
Subject: RE: San Jose Mercury News: Lawsuit dropped over SoCal congresswoman's home

Thanks for forwarding. I don't believe I received a call either - perhaps they called at some point on Saturday? I spoke with the LA Times and of course, Gene M.

It doesn't appear they reached Mr. York either....

From: Baptista, Geri Ann S.
Sent: Sat 07/26/2008 8:01 PM
To: Gaugl, Sara C.
Subject: San Jose Mercury News: Lawsuit dropped over SoCal congresswoman's home

This article link was mailed to you by: geriann.baptista@wamu.net
The sender included the following message:

This is the AP story. They claim we didn't return a call. I don't think GM Newsroom got a call.

Lawsuit dropped over SoCal congresswoman's home - The Associated Press

TORRANCE, Calif.—A man who paid \$388,000 for the home of U.S. Rep. Laura Richardson dropped a lawsuit that claimed she got special treatment when a bank rescinded the foreclosure, it was reported Saturday. [View Full Story](#)

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http://www.mercurynews.com/news/ci_10008829
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From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Saturday, July 26, 2008 12:31 AM
To: Gene Maddaus <[redacted]>
Subject: RE: WaMu Follow-Up

Hello, Gene.

"Absolutely not" was in response to your first question regarding Ms. Richardson.

We are committed to treating all of our customers with the same level of consideration and fairness.

Best,

Sara

From: Gene Maddaus <[redacted]>
Sent: Fri 07/25/2008 5:28 PM
To: Gaugl, Sara C.
Subject: RE: WaMu Follow-Up
to be clear, "absolutely not" is not an answer to this question, right?

Would a similarly situated client who was not in Congress get the same treatment?

-----Original Message-----

From: Gaugl, Sara C. [<mailto:sara.gaugl@wamu.net>]
Sent: Friday, July 25, 2008 5:25 PM
To: Gene Maddaus
Subject: RE: WaMu Follow-Up

In response to your question, absolutely not - we're committed to treating all of our customers with the same level of consideration and fairness.

Best,

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC401 | Seattle WA 98101
206.500.2822 direct | 206.228.2111 cell
sara.gaugl@wamu.net

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-----Original Message-----

From: Gene Maddaus <[redacted]>
Sent: Friday, July 25, 2008 5:02 PM
To: Gaugl, Sara C.
Subject: RE: WaMu Follow-Up

Sara, I am doing great. Without disclosing the terms of the agreement, which I imagine were generous, can you reiterate that WaMu showed no preferential treatment to Ms. Richardson in this matter? Would a similarly situated client who was not in Congress get the same treatment?
Gene

-----Original Message-----

From: Gaugl, Sara C. [mailto:sara.gaugl@wamu.net]
Sent: Friday, July 25, 2008 4:44 PM
To: Gene Maddaus
Subject: WaMu Follow-Up

Hello, Gene.
Hope you are doing well.

The matter with Red Rock Mortgage, Inc. and Mr. York has been resolved and the terms are confidential.

Best regards,

Sara

Sent from my BlackBerry Wireless Handheld

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228. cell
sara.gaugl@wamu.net

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From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Friday, July 25, 2008 8:25 PM
To: Gene Maddaus <[redacted]>
Subject: RE: WaMu Follow-Up

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Best,

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue 1 WMC40 1 Seattle WA 98101
206.500.2822 direct 1 206.228.1234 cell
sara.gaugl@wamu.net

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-----Original Message-----

From: Gene Maddaus <[redacted]>
Sent: Friday, July 25, 2008 5:02 PM
To: Gaugl, Sara C.
Subject: RE: WaMu Follow-Up

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Sara

Sent from my BlackBerry Wireless Handheld

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue 1 WMC40 1 Seattle WA 98101
206.500.2822 direct 1 206.228[] cell
sara.gaugl@wamu.net

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From: Gene Maddaus <[redacted]>
Sent: Friday, July 25, 2008 8:02 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: RE: WaMu Follow-Up

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Sent: Friday, July 25, 2008 4:44 PM
To: Gene Maddaus
Subject: WaMu Follow-Up

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Best regards,

Sara

Sent from my BlackBerry Wireless Handheld

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue 1 WMC40 1 Seattle WA 98101
206.500.2822 direct 1 206.228[redacted] cell
sara.gaugl@wamu.net

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From: Gaugl, Sara C.
Sent: Friday, July 25, 2008 7:44:21 PM
To: Baptista, Geri Ann S.
Subject: RE: Yes.....

Done. Will let you know of any follow-up questions.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228 cell
sara.gaugl@wamu.net

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From: Baptista, Geri Ann S.
Sent: Friday, July 25, 2008 4:31 PM
To: Gaugl, Sara C.
Subject: RE: Yes.....

It's not a matter of policy, though...

Geri Ann S. Baptista – VP, WaMu Corporate Communications
206.500.2875 direct | 206.612 cell | 206.377.2023 fax | geriann.baptista@wamu.net

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From: Gaugl, Sara C.
Sent: Friday, July 25, 2008 4:30 PM
To: Baptista, Geri Ann S.
Subject: RE: Yes.....

Nothing... but at the end of the day, we're not going to be able to provide any info that reporters want anyway.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228 cell
sara.gaugl@wamu.net

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From: Baptista, Geri Ann S.
Sent: Friday, July 25, 2008 4:28 PM
To: Gaugl, Sara C.
Subject: RE: Yes.....

Ridiculous!

What does this have to do with our obligation to Richardson?

Geri Ann S. Baptista – VP, WaMu Corporate Communications
206.500.2875 direct | 206.612. cell | 206.377.2023 fax | geriann.baptista@wamu.net

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From: Gaugl, Sara C.
Sent: Friday, July 25, 2008 4:27 PM
To: Baptista, Geri Ann S.
Subject: Yes.....

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228. cell
sara.gaugl@wamu.net

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From: Gaugl, Sara C.
Sent: Friday, July 25, 2008 7:29:36 PM
To: Baptista, Geri Ann S.
Subject: RE: Yes.....

Nothing... but at the end of the day, we're not going to be able to provide any info that reporters want anyway.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228. cell
sara.gaugl@wamu.net

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From: Baptista, Geri Ann S.
Sent: Friday, July 25, 2008 4:28 PM
To: Gaugl, Sara C.
Subject: RE: Yes.....

Ridiculous!
What does this have to do with our obligation to Richardson?

Geri Ann S. Baptista - VP, WaMu Corporate Communications
206.500.2875 direct | 206.612. cell | 206.377.2023 fax | geriann.baptista@wamu.net

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From: Gaugl, Sara C.
Sent: Friday, July 25, 2008 4:27 PM
To: Baptista, Geri Ann S.
Subject: Yes.....

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228. cell
sara.gaugl@wamu.net

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From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Friday, July 25, 2008 7:20 PM
To: Baptista, Geri Ann S. <geriann.baptista@wamu.net>
Subject: FW: laura richardson

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue 1 WMC40 1 Seattle WA 98101
206.500.2822 direct | 206.228[redacted] cell
sara.gaugl@wamu.net

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-----Original Message-----

From: Gene Maddaus [redacted]
Sent: Friday, July 25, 2008 4:16 PM
To: Gaugl, Sara C.
Subject: laura richardson

please give me a call asap re: the laura richardson litigation. 310 543[redacted]
gene

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Wednesday, July 23, 2008 7:23 PM
To: Baptista, Geri Ann S. <geriann.baptista@wamu.net>
Subject: RE: Media Request from Daily Breeze

I'll call you right back – on the phone with GIR re: the housing bill.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228[redacted] cell
sara.gaugl@wamu.net

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From: Baptista, Geri Ann S.
Sent: Wednesday, July 23, 2008 4:22 PM
To: Gordon, Debbie; Donahoe-Wilmot, Darcy
Cc: Winn, Shane A.; Gaugl, Sara C.
Subject: RE: Media Request from Daily Breeze

Hi all,
This matter concerns Richardson. Sara and I will handle.

Thanks,
Geri Ann

Geri Ann S. Baptista – VP, WaMu Corporate Communications
206.500.2875 direct | 206.612[redacted] cell | 206.377.2023 fax | geriann.baptista@wamu.net

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From: Gordon, Debbie
Sent: Wednesday, July 23, 2008 3:45 PM
To: Donahoe-Wilmot, Darcy
Cc: Winn, Shane A.; Gaugl, Sara C.; Baptista, Geri Ann S.
Subject: Media Request from Daily Breeze
Importance: High

Reporter	Gene Maddus
Publication	Daily Breeze newspaper, Torrance, CA
Phone Number	310-543[redacted]
Media Request / Scope of the Story	Litigation matter
Request Date	7/23/2008

Coverage Date	Not Known
Deadline	ASAP
Lead	D. Donahoe-Wilmot

Debbie Gordon
Executive Assistant
Public Relations
Corporate Communication

Washington Mutual
1301 2nd Ave, WMC2103
Seattle, WA 98101

206.500.2835 direct, 206.377.2023 fax
debbie.j.gordon@wamu.net

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From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Wednesday, July 23, 2008 7:14 PM
To: Baptista, Geri Ann S. <geriann.baptista@wamu.net>
Subject: RE: Media Request from Daily Breeze

Hey there –
I just got your VM – please feel free to give Gene a call back. We'll see how this one goes! ☺

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228-- cell
sara.gaugl@wamu.net

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From: Baptista, Geri Ann S.
Sent: Wednesday, July 23, 2008 3:57 PM
To: Gaugl, Sara C.
Subject: FW: Media Request from Daily Breeze
Importance: High

Hey Sara,
Pretty sure this is about the San Diego/Bank of America one. Do you want to make the initial call to check? If it is Richardson, you and I can take it back. If it is the San Diego/BofA one, you can make the call whether you want to take those requests since it is about our foreclosure practices. I'm happy to stay with it on consult since it involves potential litigation.

Give me a call,
G

Geri Ann S. Baptista – VP, WaMu Corporate Communications
206.500.2875 direct | 206.612-- cell | 206.377.2023 fax | geriann.baptista@wamu.net

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From: Gordon, Debbie
Sent: Wednesday, July 23, 2008 3:45 PM
To: Donahoe-Wilmot, Darcy
Cc: Winn, Shane A.; Gaugl, Sara C.; Baptista, Geri Ann S.
Subject: Media Request from Daily Breeze
Importance: High

Reporter	Gene Maddus
Publication	Daily Breeze newspaper, Torrance, CA
Phone Number	310-543-  - 
Media Request / Scope of	

the Story	Litigation matter				
Request Date	7/23/2008				
Coverage Date	Not Known				
Deadline	ASAP				
Lead	D. Donahoe-Wilmot				

Debbie Gordon
Executive Assistant
Public Relations
Corporate Communication

Washington Mutual
1301 2nd Ave, WMC2103
Seattle, WA 98101

206.500.2835 direct, 206.377.2023 fax
debbie.j.gordon@wamu.net

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From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Wednesday, June 18, 2008 3:06 PM
To: Gordon, Debbie <debbie.j.gordon@wamu.net>; Winn, Shane A. <shane.winn@wamu.net>
Cc: Baptista, Geri Ann S. <geriann.baptista@wamu.net>
Subject: RE: Media Request from The Hill Newspaper

Debbie, this is related to the Richardson situation. I'll take this one.

Geri Ann, see below.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228.  tell
sara.gaugl@wamu.net

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From: Gordon, Debbie
Sent: Wednesday, June 18, 2008 12:04 PM
To: Winn, Shane A.
Cc: Gaugl, Sara C.
Subject: Media Request from The Hill Newspaper
Importance: High

Reporter	Jessica Holter
Publication	The Hill Newspaper (Washington, DC)
Phone Number	202-628- 
Media Request / Scope of the Story	Does WaMu have any special program that treats Politicians differently from other mortgage customers?
Request Date	6/18/2008
Coverage Date	Not Known
Deadline	ASAP

Debbie Gordon
Executive Assistant
Public Relations
Corporate Communication

Washington Mutual
1301 2nd Ave, WMC2103
Seattle, WA 98101

206.500.2835 direct, 206.377.2023 fax
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From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Wednesday, June 18, 2008 12:57 PM
To: Elias, Alan <alan.elias@wamu.net>
Subject: RE: LA Times Blog: Richardson

Well, I wouldn't say there is anyone that is a "must" - I'm sure we'll get our fair share of reactive calls.

However, if we wanted to land a wire, these folks have been fair to us in the past:

Bloomberg - Elizabeth Hester
Reuters - Al Yoon
Associated Press - Stephen Bernard

And to Derek's point, if we went to the WSJ, it would be Ruth Simon. But we need to expect that she's going to hammer us on Option ARM portfolio performance.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue 1 WMC40 1 Seattle WA 98101
206.500.2822 direct 206.228.2222 cell
sara.gaugl@wamu.net

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-----Original Message-----

From: Elias, Alan
Sent: Tuesday, June 17, 2008 10:46 PM
To: Gaugl, Sara C.
Subject: RE: LA Times Blog: Richardson

I'd go reactive, unless there's one reporter -- a friendly or at least very fair one -- who would be a "must" for David to speak with.

Thanks!

AE

-----Original Message-----

From: Gaugl, Sara C.
Sent: Tue 06/17/2008 6:03 PM
To: Elias, Alan
Subject: RE: LA Times Blog: Richardson

Okay, thanks.

I have been keeping Olivia in the loop re: timing as I imagine she'll want to give various constituency relations folks a heads up, which I of course support.

It would be great if we're able to send them a package of info: the release, FAQs and e-story. Seems like we're just about there.

What are your thoughts on teeing up David for media interviews tomorrow? Is your preference that we handle media inquiries on a reactive basis, or do you want me to plan on pushing this proactively to our main contacts (in addition to the wire distribution)?

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228.2222 cell
sara.gaugl@wamu.net

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-----Original Message-----

From: Elias, Alan
Sent: Tuesday, June 17, 2008 5:56 PM
To: Gaugl, Sara C.
Subject: Re: LA Times Blog: Richardson

Ps..close of market tomorrow is the new timing.

----- Original Message -----

From: Gaugl, Sara C.
To: Elias, Alan; Thorn, Ann; Battaglia, Paul J.; Cook, Don; Owen, Jan L.
Sent: Tue Jun 17 17:52:24 2008
Subject: LA Times Blog: Richardson

This should be interesting..

<http://latimesblogs.latimes.com/laland/2008/06/ask-the-congres.html>

Ask the congresswoman: Your questions for U.S. Rep. Laura Richardson
I'm overdue for a session of "Ask the blogger," so here goes. Today, something completely different: Instead of your questions for me, I'd like to hear your questions for U.S. Rep. Laura Richardson, the triple-default Democrat from Long Beach.

I sent her office a list of questions in late May (you can see my questions by clicking at the bottom of this post) and haven't heard back, so I'm giving up and turning to you: submit your best (serious) questions for U.S. Rep. Laura Richardson, I'll sort through them and send them along to her congressional office. Fire away.

(Sent by e-mail on June 10 to Kimberly Parker, chief of staff to U.S. Rep. Laura Richardson)

Kimberly: I'm still interested in answers to the questions below, which I first submitted to the congresswoman's office on May 22:

Questions from Peter Viles at the Los Angeles Times:

What kind of mortgage did the congresswoman take on the Sacramento home? (Adjustable Rate Mortgage, Option ARM, 30-year-fixed, etc.)

What was the amount of the loan and the interest rate?

Who was the original lender?

Did she take out one loan or more than one loan?

Did she make a down payment? If so, how much?

A published report quotes the seller of the house saying that Ms. Richardson received \$15,000 from the seller for closing costs. Is this accurate?

What were her monthly payments on the mortgage?

How many payments did she make on the mortgage?

When did she begin missing payments on the mortgage, and why?

When and how did she contact the lender to discuss a loan modification?

Did she contact the lender herself, or did a member of her staff contact the lender?

Documents indicate the amount she owed on the loan was eventually greater than the initial value of the loan itself. Can you explain why the amount she owed increased?

When did she and the lender agree to a loan modification? And what is the exact nature of the loan modification? What is the new interest rate, the new principal amount, and the new monthly payment?

How many payments has the congresswoman made on the loan modification?

Thanks.

Peter Viles

Sara Gaugl

Home Loans Public Relations

WaMu

1301 Second Avenue | WMC401 Seattle WA 98101

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sara.gaugl@wamu.net

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From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Tuesday, June 17, 2008 9:04 PM
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Subject: RE: LA Times Blog: Richardson

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It would be great if we're able to send them a package of info: the release, FAQs and e-story. Seems like we're just about there.

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I sent her office a list of questions in late May (you can see my questions by clicking at the bottom of this post) and haven't heard back, so I'm giving up and turning to you: submit your best (serious) questions for U.S. Rep. Laura Richardson, I'll sort through them

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How many payments has the congresswoman made on the loan modification?

Thanks.

Peter Viles

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WaMu

1301 Second Avenue | WMC40 | Seattle WA 98101

206.500.2822 direct | 206.228.2121 cell

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Sent: Tuesday, June 17, 2008 8:57 PM
To: Elias, Alan <alan.elias@wamu.net>
Subject: RE: LA Times Blog: Richardson

I guess... reader comments are quite creative. :)

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228.2111 cell
sara.gaugl@wamu.net

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-----Original Message-----

From: Elias, Alan
Sent: Tuesday, June 17, 2008 5:56 PM
To: Gaugl, Sara C.
Subject: Re: LA Times Blog: Richardson

The media is very bored!

Adrian signed off. Now waiting for Kerry again...

----- Original Message -----

From: Gaugl, Sara C.
To: Elias, Alan; Thorn, Ann; Battaglia, Paul J.; Cook, Don; Owen, Jan L.
Sent: Tue Jun 17 17:52:24 2008
Subject: LA Times Blog: Richardson

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Thanks.

Peter Viles

Sara Gaugl

Home Loans Public Relations

WaMu

1301 Second Avenue 1 WMC40 1 Seattle WA 98101

206.500.2822 direct 1 206.228-2111 cell

sara.gaugl@wamu.net

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From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Monday, June 16, 2008 1:07 PM
To: Strom, Erik E. <erik.strom@wamu.net>
Subject: RE:

I haven't, Erik. I believe the Congresswoman communicated to Ann late last week that she was getting all of her paperwork together this weekend and planned to follow-up with us early this week.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue 1 WMC401 Seattle WA 98101
206.500.2822 direct | 206.228- cell
sara.gaugl@wamu.net

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-----Original Message-----

From: Strom, Erik E.
Sent: Monday, June 16, 2008 10:04 AM
To: Gaugl, Sara C.
Subject:

Have you heard if we have sent Ms. Richardson a note from Legal on what date she needs to act by...
Erik Strom

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Monday, June 16, 2008 11:33 AM
To: Gordon, Debbie <debbie.j.gordon@wamu.net>; Baptista, Geri Ann S. <geriann.baptista@wamu.net>
Cc: Riley, Olivia <olivia.riley@wamu.net>
Subject: RE: AP - Buyer sues Calif. congresswoman over foreclosure

Thanks for forwarding, Debbie.

Geri Ann – I did not receive any additional inquiries over the weekend.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228. cell
sara.gaugl@wamu.net

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From: Gordon, Debbie
Sent: Monday, June 16, 2008 8:24 AM
To: Gaugl, Sara C.; Baptista, Geri Ann S.
Cc: Riley, Olivia
Subject: AP - Buyer sues Calif. congresswoman over foreclosure

Buyer sues Calif. congresswoman over foreclosure

By JULIET WILLIAMS
13 June 2008
21:43
Associated Press Newswires

SACRAMENTO (AP) - A Sacramento investor who bought the foreclosed home of Rep. Laura Richardson has filed a lawsuit against the congresswoman and her bank for rescinding the sale.

James York claims Richardson used her influence as a congresswoman to force **Washington Mutual** Inc. and a subsidiary to back out of the sale.

York, who operates Red Rock Mortgage Inc., bought the foreclosed home in an upper-middle class Sacramento neighborhood at auction in May for \$388,000 after Richardson failed to make her mortgage payments.

In the lawsuit filed in Sacramento County Superior Court, York is seeking to have the house returned to him, as well as punitive damages and costs. He also claims the bank acted with malice after the legitimate sale of the house.

The Associated Press obtained a copy of his lawsuit on Friday, the day the defendants were served.

Richardson, a Democrat from Long Beach, previously told the AP that the house was sold without her knowledge and after the bank agreed to hold off on any action until at least June.

She bought the house in January 2007 for \$535,000, a few months after she was elected to the state Assembly. She took out an adjustable-rate mortgage with an interest rate that could vary between 8.8 percent and 14 percent, according to documents filed with York's lawsuit.

Richardson's spokesman, William Marshall, said the congresswoman had not been notified of the lawsuit. He declined further comment.

In an interview Friday with the AP, York said he believes **Washington Mutual's** trustee rescinded the sale solely because Richardson is a member of Congress. He said the savings and loan would not have done that for an average person.

York said he tried to negotiate a settlement but was rebuffed.

"They rescinded the notice of trustee sale and put it back in her name before even telling me," he said. "It's not a difficult case. It's a valid sale."

A spokeswoman for **Washington Mutual**, Sara Gaugl, said the company would have no comment because Richardson had not authorized it to speak about her case.

Richardson, 46, was a member of the Long Beach City Council when she won the Assembly seat in November 2006, months before she bought the three-bedroom, 1 1/2-bath Sacramento home. She won the congressional seat the next year in a special election to replace the late Juanita Millender-McDonald.

Richardson has acknowledged turmoil in her life during the short time she went from the city council to the state Assembly to Congress. She said she used her own money to finance her campaigns and fell behind in mortgage and property tax payments.

A default notice sent in March put her unpaid balance on the 1,600-square-foot home at \$578,384.

Richardson's financial troubles appear to run deeper, however. The Long Beach Press-Telegram has reported that Richardson has two other homes in San Pedro and Long Beach that have fallen into default six times. Five of the defaults, totaling nearly \$71,000, occurred in the last 13 months.

The newspaper also reported that Richardson has a history of not paying other bills, including failure to pay for car repairs and campaign fliers.

The congresswoman told the AP she believed she had worked out a deal with **Washington Mutual** to renegotiate her loan on the Sacramento home and pay it off. She also said she intended to pay the nearly \$9,000 in delinquent property taxes.

In the notice of rescission filed as an exhibit in York's lawsuit, the trustee company acknowledges it "had previously agreed to postpone the foreclosure sale until June 4, 2008."

Meanwhile, York said in the lawsuit that he has already started making repairs to the house, including painting, restoring the floors, landscaping and general clean-up that have "significantly increased its value."

He argues it would be unfair to give the house back to Richardson in better condition than she lost it. The amount of money he has spent on the repairs was not specified.

Richardson makes nearly \$170,000 as a member of Congress and was paid \$113,000 during the eight months she served in the state Assembly in 2007 before her election to Congress. She also received a per diem total of \$20,000 from California, according to a financial disclosure form she filed with the House of Representatives clerk.

The home, built in 1926, is in Sacramento's Curtis Park, a desirable, upper middle-class neighborhood near downtown that sits under a canopy of decades-old trees.

Not long after getting to Congress, Richardson voted in favor of the Mortgage Forgiveness Debt Relief Act of 2007, which subsequently became law. It allows homeowners to escape paying income taxes on debts forgiven by a lender, as happens in foreclosure. She has said she would like to testify before Congress as someone victimized by the nation's mortgage crisis.

York notes in his lawsuit that the house now has a cloud over it -- making it more difficult to sell if it is eventually returned to him.

"If I had known it was this congresswoman's house, I probably never would have bought it," York said in the telephone interview.

Debbie Gordon
Executive Assistant
Public Relations
Corporate Communication

Washington Mutual
1301 2nd Ave, WMC2103
Seattle, WA 98101

206.500.2835 direct, 206.377.2023 fax
debbie.j.gordon@wamu.net

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From: Gaugl, Sara C.
Sent: Friday, June 13, 2008 8:16 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: FW: Media Request from CNN in LA

- While I'm unable to provide specifics in order to protect Congresswoman Richardson's privacy rights, I can tell you that WaMu is committed to giving all customers the same level of consideration and fairness in all circumstances.
- If a loan has gone to foreclosure sale in error, we will work to take appropriate measures to rectify the situation. As you would expect, the conditions in which a lender would seek to rescind a foreclosure sale and any subsequent actions are driven by the specific facts of each case.
- In this instance, the foreclosure trustee has recorded a notice of rescission with the Sacramento County Recorder's office. That document is a matter of public record.
- The Notice of Rescission clearly indicates that the foreclosure sale was rescinded because it took place ahead of the agreed upon sale date of June 4, 2008.

I am unable to discuss specifics of Ms. Richardson's loan situation because she has not provided us with authorization to publicly discuss her loan.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
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sara.gaugl@wamu.net

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From: Kishner, Gary
Sent: Friday, June 13, 2008 12:54 PM
To: Gordon, Debbie
Cc: Riley, Olivia; Gaugl, Sara C.
Subject: RE: Media Request from CNN in LA

Unless I hear otherwise, I will assume that you guys have this covered.

Gary Kishner, Vice President
National Public Relations, West Bureau
WaMu
9200 Oakdale Ave., Second Floor
Chatsworth, California 91311

Mail Stop: N110218

818.775.4234 office
818.775.4210 fax
818.618. mobile
gary.kishner@wamu.net

"Don't let your ego get too close to your position, so that if your position gets shot down, your ego doesn't go with it." - Colin Powell

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From: Gordon, Debbie
Sent: Friday, June 13, 2008 12:38 PM
To: Gordon, Debbie; Kishner, Gary
Cc: Riley, Olivia
Subject: RE: Media Request from CNN in LA

It is about Congresswoman Laura Richardson. CNN heard that WaMu filed a letter of dissention on June 2 and wanted a comment on that.

Thanks,
Debbie Gordon
Public Relations
206.500.2835

From: Gordon, Debbie
Sent: Friday, June 13, 2008 12:27 PM
To: Kishner, Gary
Cc: Riley, Olivia
Subject: Media Request from CNN in LA
Importance: High

Reporter	Sara Wisefeld(sp?)
Publication	CNN in LA
Phone Number	323-646-  cell
Media Request / Scope of the Story	Quick Q re: a story they are airing tonight at 5pm PST. No further info provided. I left her a vm asking for details on the story, but haven't heard back, yet.
Request Date	6/13/2008
Coverage Date	Not Known
Deadline	3pm PST today
Lead	G. Kishner

Debbie Gordon
Executive Assistant
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1301 2nd Ave, WMC2103

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From: Weisfeldt, Sara <[redacted]>
Sent: Friday, June 13, 2008 5:16 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: Re: WaMu Comment

Thanks Sara :)

Sent from my blackberry

----- Original Message -----

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
To: Weisfeldt, Sara
Sent: Fri Jun 13 17:14:53 2008
Subject: WaMu Comment

Hello, Sara.

It was good talking with you. Thank you for providing us with the opportunity to comment for your story.

As mentioned, I am unable to discuss specifics of Ms. Richardson's loan situation because she has not provided us with authorization to publicly discuss her loan.

Best regards,

Sara

Sara Gaugl

Home Loans Public Relations

WaMu

1301 Second Avenue | WMC40 | Seattle WA 98101

206.500.2822 direct | 206.228. [redacted] cell

sara.gaugl@wamu.net

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From: Gaugl, Sara C.
Sent: Friday, June 13, 2008 5:14:53 PM
To: sara.weisfeldt [mailto:sara.weisfeldt@wamu.net]
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Sent: Friday, June 13, 2008 4:00 PM
To: Kishner, Gary <gary.kishner@wamu.net>; Gordon, Debbie <debbie.j.gordon@wamu.net>
Cc: Riley, Olivia <olivia.riley@wamu.net>
Subject: RE: Media Request from CNN in LA

Thanks for forwarding, Gary. Yes, we'll handle.

Sara Gaugl
Home Loans Public Relations

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From: Kishner, Gary
Sent: Friday, June 13, 2008 12:54 PM
To: Gordon, Debbie
Cc: Riley, Olivia; Gaugl, Sara C.
Subject: RE: Media Request from CNN in LA

Unless I hear otherwise, I will assume that you guys have this covered.

Gary Kishner, Vice President
National Public Relations, West Bureau
WaMu
9200 Oakdale Ave., Second Floor
Chatsworth, California 91311

Mail Stop: N110218

818.775.4234 office
818.775.4210 fax
818.618.2822 mobile
gary.kishner@wamu.net

"Don't let your ego get too close to your position, so that if your position gets shot down, your ego doesn't go with it." - Colin Powell

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From: Gordon, Debbie
Sent: Friday, June 13, 2008 12:38 PM

To: Gordon, Debbie; Kishner, Gary
Cc: Riley, Olivia
Subject: RE: Media Request from CNN in LA

It is about Congresswoman Laura Richardson. CNN heard that WaMu filed a letter of dissention on June 2 and wanted a comment on that.

Thanks,
Debbie Gordon
Public Relations
206.500.2835

From: Gordon, Debbie
Sent: Friday, June 13, 2008 12:27 PM
To: Kishner, Gary
Cc: Riley, Olivia
Subject: Media Request from CNN in LA
Importance: High

Reporter	Sara Wisefeld(sp?)
Publication	CNN in LA
Phone Number	323-646-  cell
Media Request / Scope of the Story	Quick Q re: a story they are airing tonight at 5pm PST. No further info provided. I left her a vm asking for details on the story, but haven't heard back, yet.
Request Date	6/13/2008
Coverage Date	Not Known
Deadline	3pm PST today
Lead	G. Kishner

Debbie Gordon
Executive Assistant
Public Relations
Corporate Communication

Washington Mutual
1301 2nd Ave, WMC2103
Seattle, WA 98101

206.500.2835 direct, 206.377.2023 fax
debbie.j.gordon@wamu.net

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From: Baptista, Geri Ann S.
Sent: Thursday, June 12, 2008 4:20:15 PM
To: Gaugl, Sara C.; Strom, Erik E.
Subject: Pelosi comments on Laura Richardson defaults

Pelosi comments on Laura Richardson defaults

By Erica Werner The Associated Press
http://www.dailybreeze.com/ci_9564107

WASHINGTON - House Speaker Nancy Pelosi, asked Thursday about fellow California Democratic Rep. Laura Richardson's multiple home defaults, said that "every member of Congress is responsible for living up to the highest ethical standards."

Pelosi said she was not familiar with the details of the controversy surrounding Richardson, who won a special election last year to replace the late Rep. Juanita Millender-McDonald in the 37th Congressional District in Long Beach.

But every lawmaker must make "the fullest disclosure of his or her assets as is required by law," Pelosi said.

"Many people in our country are caught in the foreclosure crisis. Members of Congress maybe are as well," she added.

Late last month reports emerged that Richardson, a former state Assemblywoman and member of the Long Beach City Council, had lost her Sacramento home to foreclosure and has two other homes in Southern California that have fallen into default six times.

Last week the Long Beach Press-Telegram reported that Richardson had also left car repair bills unpaid.

Richardson easily won her Democratic primary June 3 and is running unopposed in the November general election, although at least one of her Democratic primary opponents is making plans to challenge her as a write-in candidate.

Richardson defended herself after the first reports of the foreclosure on her Sacramento home, saying it never should have happened and she'd worked out a deal with her lender to buy it back. However the purchaser of the property, James York of Red Rock Mortgage in Sacramento, complained in published reports this week that Richardson had been given favorable terms because she's a congresswoman and that he planned to sue over the issue.

Richardson's spokesman, William Marshall, had no immediate comment Thursday.

California Assembly Speaker Karen Bass, D-Los Angeles, also addressed the Richardson situation Thursday during a visit to Washington. Bass and other Assembly leaders had endorsed Richardson's congressional bid but Bass told reporters she'd had no idea about Richardson's financial issues.

Richardson had a quick rise in politics, moving from the Long Beach City Council to a state Assembly seat in 2006 and to Congress the next year.

"Given the rapid pace of all of that I can understand the financial difficulties, but now more is coming out," Bass said. She said she'd hoped while in Washington to talk to Richardson about the situation but hadn't had the opportunity.

Geri Ann S. Baptista, VP
Corporate Communications

Washington Mutual
1301 Second Avenue, WMC2103
Seattle, WA 98101

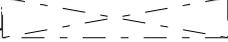
206.500.2875 direct, 206.377.2023 fax
geriann.baptista@wamu.net

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From: Gaugl, Sara C.
Sent: Wednesday, June 11, 2008 6:37:58 PM
To: Strom, Erik E.
CC: Baptista, Geri Ann S.
Subject: William Marshall's contact info

Hi, Erik.

As always, many thanks for your assistance. The gentleman who phoned from Ms. Richardson's office is William Marshall – his contact information follows below for your reference.

William Marshall, Communications Director for Congresswoman Laura Richardson
Office: 202-226-
Cell: 202-641-
Fax: 202-225-
Email: William.marshall@

Best,

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228- cell
sara.gaugl@wamu.net

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From: Gordon, Debbie <debbie.j.gordon@wamu.net>
Sent: Wednesday, June 11, 2008 2:22 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>
Cc: Baptista, Geri Ann S. <geriann.baptista@wamu.net>
Subject: RE: Media request from Washington Post

Maryann called asking for Sara indicating she is on deadline.

Maryann.akers 

Thanks,
Debbie Gordon
Public Relations
206.500.2835

From: Gordon, Debbie
Sent: Wednesday, June 11, 2008 10:45 AM
To: Gaugl, Sara C.
Cc: Baptista, Geri Ann S.
Subject: Media request from Washington Post
Importance: High

Reporter	Maryann Akers
Publication	Washington Post
Phone Number	703-469- 
Media Request / Scope of the Story	Oddly enough, Congresswoman Laura Richardson's office referred reporter to WaMu. Told that Sara Gaugl gave a comment, but she couldn't find it.
Request Date	6/11/2008
Coverage Date	Not Known
Deadline	ASAP
Lead	S. Gaugl

Debbie Gordon
Executive Assistant
Public Relations
Corporate Communication

Washington Mutual
1301 2nd Ave, WMC2103
Seattle, WA 98101

206.500.2835 direct, 206.377.2023 fax
debbie.j.gordon@wamu.net

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From: Gaugl, Sara C.
Sent: Tuesday, June 10, 2008 8:42:30 PM
To: jeff.gottlieb
Subject: WaMu Information

Hello, Jeff.

Thank you for providing us with the opportunity to comment for your story.

In response to your questions, California Reconveyance Company is owned by WaMu.

As mentioned, I am unable to discuss specifics of Ms. Richardson's loan situation because she has not provided us with authorization to publicly discuss her loan. But more broadly, if any loan has gone to foreclosure sale in error, we will work to take appropriate measures to rectify the situation. As you would expect, the conditions in which a lender would seek to rescind a foreclosure sale and any subsequent actions are driven by the specific facts of each case.

Best regards,

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228.2822 toll
sara.gaugl@wamu.net

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From: lbreport.com <mail@lbreport.com>
Sent: Tuesday, June 10, 2008 3:57 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: One clarification...

...for accuracy, what entity is the foreclosure trustee that recorded the notice of rescission with the Sac'to County Recorder's office? (I'm sorry I don't have the document at hand and we'd like to use your statement exactly as you provided it, but with clarity for lay readers.) If the trustee is other than WaMu, is it accurate to say that WaMu remains the lender and the trustee is acting on WaMu's behalf? Thank you for this.

----- Original Message -----

From: "Gaugl, Sara C." <sara.gaugl@wamu.net>
To: "lbreport.com" <mail@lbreport.com>
Sent: Tuesday, June 10, 2008 9:39 AM
Subject: RE: Follow re further reported

Hello, Bill.

Thank you for providing us the opportunity to comment for your story. In response to your question, the foreclosure trustee has recorded a notice of rescission with the Sacramento County Recorder's office. That document is a matter of public record.

I'm unable to discuss the specifics of Ms. Richardson's loan situation because she has not provided us with authorization to publicly discuss her loan. We are, however, committed to treating all of our customers with the same level of consideration and fairness.

More broadly, if any loan has gone to foreclosure sale in error, we will work to take appropriate measures to rectify the situation.

As you would expect, the conditions in which a lender would seek to rescind a foreclosure sale are driven by the specific facts of each case.

Best regards,

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228- bell
sara.gaugl@wamu.net

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without copying or disclosing the contents. Thank you.

-----Original Message-----

From: lbreport.com [mailto:mail@lbreport.com]
Sent: Tuesday, June 10, 2008 8:27 AM
To: Gaugl, Sara C.
Subject: Re: Follow re further reported

My competition has the story now. Here's their link, which they
headlined
"WaMu giving Richardson a break?"

http://www.dailybreeze.com/ci_9536078

The story is also echoed in their co-owned Long Beach outlet the
Press-Telegram and perhaps others in the Media News Group LA market
chain...and it's probably being picked up all over the blogosphere.

I'm just trying to get this story, not wage a crusade. I'd like to
confirm
if a notice to rescind was filed...If the notice to rescind isn't a
publicly
filed document, I won't press for it. I don't want anything sub rosa,
only
public info. I'd also welcome any response by WaMu to the favoritism
charge
(since LongBeachReport.com is exclusively online we can post it at
length.
FYI, we're in our eighth year of operation.)

Info would be very much appreciated as soon as you can send it.

s/ Bill Pearl, publisher
LBReport.com
mail@lbreport.com

----- Original Message -----

From: "Gaugl, Sara C." <sara.gaugl@wamu.net>
To: <mail@lbreport.com>
Sent: Tuesday, June 10, 2008 7:51 AM
Subject: Re: Follow re further reported

> Good morning, William. I am currently in a meeting but expect to be
> back
> at my desk in an hour or so.
>
> When is your deadline?
>
> Best regards,
>

> Sara
> -----
> Sent from my BlackBerry Wireless Handheld
>
>
> ----- Original Message -----
> From: lbreport.com <mail@lbreport.com>
> To: Gaugl, Sara C.
> Sent: Tue Jun 10 05:42:25 2008
> Subject: Follow re further reported
>
> This email is from LongBeachReport.com following up on a story
> reported
> this morning (June 10) by the Torrance Daily Breeze/Long Beach
> Press-Telegram indicating that WaMu has filed a notice to rescind the
> auction sale of the Sacramento property purchased by
> then-Assemblywoman,
> now Congresswoman Laura Richardson.
>
> Does WaMu have any statements/comments on the matter, including the
> contention reported in the story by the new buyer that WaMu's notice
> to
> rescind the sale shows [paraphrase] favoritism toward Richardson?
>
> Please advise...and thank you.
>
> s/ William Pearl, publisher
> LongBeachReport.com
> mail@lbreport.com
> 562 421-1111 (pvt)
>

No virus found in this incoming message.
Checked by AVG.
Version: 7.5.524 / Virus Database: 270.1.0/1492 - Release Date: 6/9/2008

10:29 AM

--
No virus found in this incoming message.
Checked by AVG.
Version: 7.5.524 / Virus Database: 270.2.0/1494 - Release Date: 6/10/2008
7:22 AM

From: Gaugl, Sara C.
Sent: Tuesday, June 10, 2008 12:40 PM
To: lbreport.com <mail@lbreport.com>
Subject: RE: Follow re further reported

Hello, Bill.

Thank you for providing us the opportunity to comment for your story. In response to your question, the foreclosure trustee has recorded a notice of rescission with the Sacramento County Recorder's office. That document is a matter of public record.

I'm unable to discuss the specifics of Ms. Richardson's loan situation because she has not provided us with authorization to publicly discuss her loan. We are, however, committed to treating all of our customers with the same level of consideration and fairness.

More broadly, if any loan has gone to foreclosure sale in error, we will work to take appropriate measures to rectify the situation.

As you would expect, the conditions in which a lender would seek to rescind a foreclosure sale are driven by the specific facts of each case.

Best regards,

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC401 Seattle WA 98101
206.500.2822 direct | 206.228. cell
sara.gaugl@wamu.net

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-----Original Message-----

From: lbreport.com [mailto:mail@lbreport.com]
Sent: Tuesday, June 10, 2008 8:27 AM
To: Gaugl, Sara C.
Subject: Re: Follow re further reported

My competition has the story now. Here's their link, which they headlined "WaMu giving Richardson a break?"

http://www.dailybreeze.com/ci_9536078

The story is also echoed in their co-owned Long Beach outlet the Press-Telegram and perhaps others in the Media News Group I.A market chain...and it's probably being picked up all over the blogosphere.

I'm just trying to get this story, not wage a crusade. I'd like to confirm if a notice to rescind was filed...If the notice to rescind isn't a publicly filed document, I won't press for it. I don't want anything sub rosa, only public info. I'd also welcome any response by WaMu to the favoritism charge (since LongBeachReport.com is exclusively online we can post it at length. FYI, we're in our eighth year of operation.)

Info would be very much appreciated as soon as you can send it.

s/ Bill Pearl, publisher
LBReport.com
mail@lbreport.com

----- Original Message -----

From: "Gaugl, Sara C." <sara.gaugl@wamu.net>
To: <mail@lbreport.com>
Sent: Tuesday, June 10, 2008 7:51 AM
Subject: Re: Follow re further reported

> Good morning, William. I am currently in a meeting but expect to be back
> at my desk in an hour or so.

>

> When is your deadline?

>

> Best regards,

>

> Sara

> -----

> Sent from my BlackBerry Wireless Handheld

>

>

> ----- Original Message -----

> From: lbreport.com <mail@lbreport.com>
> To: Gaugl, Sara C.
> Sent: Tue Jun 10 05:42:25 2008
> Subject: Follow re further reported

>

> This email is from LongBeachReport.com following up on a story reported
> this morning (June 10) by the Torrance Daily Breeze/Long Beach
> Press-Telegram indicating that WaMu has filed a notice to rescind the
> auction sale of the Sacramento property purchased by then-Assemblywoman,
> now Congresswoman Laura Richardson.

>

> Does WaMu have any statements/comments on the matter, including the
> contention reported in the story by the new buyer that WaMu's notice to
> rescind the sale shows [paraphrase] favoritism toward Richardson?

>

> Please advise...and thank you.

>

> s/ William Pearl, publisher

> LongBeachReport.com

> mail@lbreport.com

> 562 421 (pvt)

>

No virus found in this incoming message.

Checked by AVG.

Version: 7.5.524 / Virus Database: 270.1.0/1492 - Release Date: 6/9/2008

10:29 AM

From: Gaugl, Sara C.
Sent: Thursday, June 5, 2008 6:54 PM
To: Elias, Alan <alan.elias@wamu.net>
Subject: FW: Reporter from Daily Breeze

FYI, Alan. It appears that the reporter at the Daily Breeze is still working on his story, though I haven't received any follow-up questions since providing our initial response on Monday.

As an aside, we (legal, GIR, Loss Mit) have a touch-base call at 4 p.m. – I'll keep you informed of any new developments.

- Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228. bell
sara.gaugl@wamu.net

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From: Martin T. McGuinn
Sent: Thursday, June 05, 2008 2:49 PM
To: Battaglia, Paul J.
Cc: Owen, Jan L.; Gaugl, Sara C.
Subject: Reporter from Daily Breeze

Paul:

REDACTED

Martin T. McGuinn
Kirby & McGuinn, A P.C.
600 B Street, Ste. 1950
San Diego, CA 92101
mmcguinn
Direct Dial: (619) 525-
Direct Fax: (619) 525-

In Compliance with the Fair Debt Collection Practices Act, 15 U.S.C. § 1692e(11):

THIS MESSAGE IS FROM A DEBT COLLECTOR.

ANY INFORMATION OBTAINED MAY BE USED FOR THAT PURPOSE.

This electronic message contains privileged or confidential information which is solely intended for the use of the addressee(s) listed as recipient(s). If you are not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any disclosure, dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this transmission in error, please immediately notify us by telephone at (619) 525-1659 or (619) 685-4000, and return the original message to Kirby & McGuinn, A P.C., 600 B Street, Ste. 1950, San Diego, CA 92101.

JPMC - 003165
CONFIDENTIAL
CSOC.RICH.004658

From: Gaugl, Sara C.
Sent: Monday, June 2, 2008 5:11 PM
To: Gene Maddaus <[redacted]>
Subject: WaMu Follow-Up

Gene,

Thank you for providing us the opportunity to comment for your story. In response to your questions, I'm unable to discuss the specifics of Ms. Richardson's loan situation because she has not provided us with authorization to publicly discuss her loan. We are, however, committed to treating all of our customers with the same level of consideration and fairness.

More broadly, if any loan has gone to foreclosure sale in error, we will work to take appropriate measures to rectify the situation.

As a matter of policy, we don't comment on litigation. But, as you would expect, the conditions in which a lender would seek to rescind a foreclosure sale are driven by the specific facts of each case.

Best regards,

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue 1 WMC40 1 Seattle WA 98101
206.500.2822 direct 1 206.228 [redacted] cell
sara.gaugl@wamu.net

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From: Gaugl, Sara C.
Sent: Friday, May 30, 2008 5:52 PM
To: 'gene.maddaus'
Subject: Re: follow-up

Thanks for your email, Gene. May I ask your deadline?

Regards,
Sara

Sent from my BlackBerry Wireless Handheld

----- Original Message -----

From: Gene Maddaus
To: Gaugl, Sara C.
Sent: Fri May 30 10:27:39 2008
Subject: RE: follow-up

1. Is WaMu aware of situations in which WaMu loans have been foreclosed improperly, either because a loan modification was signed prior to the auction or for some other reason, and if so, what steps is WaMu taking to correct that problem? Would a borrower in that situation be entitled to a refund of any payments made on the loan modification?
2. If WaMu determines that a WaMu loan was foreclosed improperly, will WaMu, as a general practice, sue to overturn the foreclosure? Has that ever happened and if so what was the outcome?
3. Without violating Congresswoman Laura Richardson's privacy rights, can WaMu state unequivocally that Ms. Richardson has received no preferential treatment in the handling of her loan, and will not receive any preferential treatment in the future?
4. Has Ms. Richardson allowed WaMu to discuss her case publicly? (If yes, there will be some other questions.)

Gene

-----Original Message-----

From: Gaugl, Sara C. [mailto:sara.gaugl@wamu.net]
Sent: Thursday, May 29, 2008 7:10 PM
To: Gene Maddaus
Subject: Re: follow-up

Good evening, Gene.

I am currently in a meeting and away from my office, but if you would please send me your specific questions, I can evaluate them and get back to you.

Best regards,

Sara

Sent from my BlackBerry Wireless Handheld

----- Original Message -----

From: Gene Maddaus <[REDACTED]>

To: Gaugl, Sara C.

Sent: Thu May 29 16:47:09 2008

Subject: follow-up

Please call for some follow-up questions on general policies that may relate to the Laura Richardson situation, but do not require you to divulge her personal information.

Gene Maddaus

Daily Breeze

310 543 [REDACTED]

Subject: Updated: Richardson update
Location: 877-709 passcode

Start: 5/30/2008 3:30 PM
End: 5/30/2008 4:30 PM
Show Time As: Tentative

Recurrence: (none)

Meeting Status: Not yet responded

Required Attendees: Owen, Jan L.; Battaglia, Paul J.; Woodcock, Wendy A.; GM QSM DTE; Baptista, Geri Ann S.;
Oakley, Susan B.; Gaugl, Sara C.; Cook, Don; Thorn, Ann; Thorn, Ann

Resources: 877-709 passcode

When: Friday, May 30, 2008 12:30 PM-1:30 PM (GMT-08:00) Pacific Time (US & Canada); Tijuana.
Where: 877-709 passcode

~~*~*~*~*~*~*~*~*

From: Gaugl, Sara C.
Sent: Thursday, May 29, 2008 10:10 PM
To: 'gene.maddaus'
Subject: Re: follow-up

Good evening, Gene.

I am currently in a meeting and away from my office, but if you would please send me your specific questions, I can evaluate them and get back to you.

Best regards,

Sara

Sent from my BlackBerry Wireless Handheld

----- Original Message -----

From: Gene Maddaus <gene.maddaus@jpmc.com>
To: Gaugl, Sara C.
Sent: Thu May 29 16:47:09 2008
Subject: follow-up

Please call for some follow-up questions on general policies that may relate to the Laura Richardson situation, but do not require you to divulge her personal information.

Gene Maddaus
Daily Breeze
310 543

From: Gene Maddaus <[REDACTED]>
Sent: Thursday, May 29, 2008 7:47 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: follow-up

Please call for some follow-up questions on general policies that may relate to the Laura Richardson situation, but do not require you to divulge her personal information.

Gene Maddaus
Daily Breeze
310 543 [REDACTED]

From: Gaugl, Sara C.
Sent: Wednesday, May 28, 2008 9:52:07 PM
To: wpearl@wamu.net
Subject: WaMu Follow-Up

Hello, William.

I'm sorry I missed your call earlier this afternoon. I left a message for you a moment ago, but thought I'd follow-up with you via email as well in case you're on deadline.

So you are aware, we have not received consent from Ms. Richardson that would allow us to discuss her loan situation.

Should you wish, you are more than welcome to attribute that statement to me.

Best regards,

Sara

Sara Gaugl
WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228.2222 cell
sara.gaugl@wamu.net

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From: Gaugl, Sara C.
Sent: Tuesday, May 27, 2008 9:10:18 PM
To: Wilson-Aguilar, Jason
Subject: Richardson Origination Update

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228. cell
sara.gaugl@wamu.net

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From: Schneider, David C.
Sent: Tuesday, May 27, 2008 12:46 PM
To: Gaugl, Sara C.
Cc: Champney, Steven D.; Hyde, Arlene M.
Subject: RE: Richardson Coverage: Calculated Risk Blog

Can you get me the information on the original loan? Today please.

You can have this done by the channel that originated the deal.

ds

From: Gaugl, Sara C.
Sent: Tuesday, May 27, 2008 12:31 PM
To: Schneider, David C.; Berens, John; Champney, Steven D.
Cc: Thorn, Ann; Owen, Jan L.; Elias, Alan
Subject: Richardson Coverage: Calculated Risk Blog

All:

As expected, coverage on Congresswoman Richardson's financial situation has continued to evolve after it was reported on Friday that she has defaulted on other loans -- including her primary residence. I'm forwarding the blog posting embedded below in particular, as it reflects the current viewpoint among other journalists and links to key articles/postings published to date.

- Sara

UPDATED: A Congressional Speculator? – Calculated Risk
by Tanta
<http://calculatedrisk.blogspot.com/2008/05/congressional-speculator.html>

This is an update to post below on Rep. Laura Richardson's foreclosure woes.

Gene Maddaus of the Daily Breeze kindly forwarded today's additions to the saga. There are not two, but three homes owned by Richardson in foreclosure. And yes, she appears to have cashed out her primary residence back in 2006 to fund her campaign for State Assembly. So it looks like a pattern.

* * * * *

I have been watching the story of Representative Laura Richardson and her foreclosure woes for a while now, while heretofore hesitating to post on it. For one thing, the original story--a member of Congress losing her expensive second home to foreclosure--had that kind of celebrity car-crash quality to it that I'm not especially interested in for the purposes of this blog. For another thing, posting about anything even tangentially related to politics invites the kind of comments that personally bore me to tears.

All that is still true, but the story has taken such an unfortunate turn that I feel obligated to weigh in on it. Specifically, Rep. Richardson is threatening us:

Rather than shy away from voting on mortgage-related bills, Richardson said her experiences could help her craft legislation to make sure others don't experience what she did. For example, she sees a need to add steps to inform property owners before their property can be sold.

"We have to ensure that lenders and lendees have the tools with proper timing to resolve this," she said.

If Rep. Richardson is going to base legislative proposals on her own experience, then it matters to the rest of us what that experience was. So click the link below if you can stand to hear about it.

* * * * *

The story was originally reported in the Sacramento Capitol Weekly, and picked up by the Wall Street Journal, and thence covered by a number of blogs, with the storyline being that Rep. Richardson "walked away" from her home, a second home she purchased in Sacramento after being elected to the State Assembly. The "walk away" part came from a remark made by the real estate investor who purchased the home at the foreclosure auction, not Rep. Richardson or anyone who could be expected to understand her financial situation, but that didn't stop the phrase "walk away" from headlining blog posts.

Rep. Richardson has variously claimed at different times that the house was not in foreclosure, that she had worked out a modification with the lender, and that the lender improperly foreclosed after having agreed to accept her payments. Frankly, unless and until Rep. Richardson gives her lender, Washington Mutual, permission to tell its side of the story--I'm not holding my breath on that--we're unlikely to be able to sort out this mess of claims to my satisfaction, at least.

It's possible that WaMu screwed this up--that it accepted payments on a workout plan with the understanding that foreclosure was "on hold" and then sold the property at auction the next week anyway. It's possible that Richardson's version of what went on is muddled, too. Without some more hard information I'm not inclined to assume the servicer did most of the screwing up, if for no other reason that we didn't find out until late yesterday, courtesy of the L.A. Land and Foreclosure Truth blogs, that Richardson's other home--her primary residence--was also in foreclosure proceedings as recently as March of this year, a detail that as far as I can tell Richardson never disclosed in all the previous discussion of the facts surrounding the foreclosure of her second home.

What part of this I am most interested in, right now, is the question of what in the hell exactly Richardson was thinking when she bought the Sacramento home in the first place. Since the story is quite complex, let's get straight on a few details. Richardson was a Long Beach City Council member who was elected to the state legislature in November of 2006. In January of 2007 she purchased a second home in Sacramento, presumably to live in during the Assembly session. In April 2007, the U.S. Congressional Representative from Richardson's district died, and Richardson entered an expensive race for that seat, winning in a special election in August of 2007. By December 2007 the Sacramento home was in default, and it was foreclosed in early May of 2008. The consensus in the published reports seems to be that Richardson spent what money she had on her campaign, not her bills.

According to the AP:

Richardson, 46, makes nearly \$170,000 as a member of Congress and was paid \$113,000 during the eight months she served in the state Assembly in 2007 before her election to Congress. She also received a per diem total of \$20,000 from California, according to a financial disclosure form she filed with the House of Representatives clerk.

It seems to me that all this focus on what happened after she bought the Sacramento home--running for the suddenly-available Congressional seat, changing jobs, etc.--is obscuring the issue of the original transaction.

In November of 2006, Richardson already owned a home in Long Beach. As a newly-elected state representative, she

would have been required to maintain her principal residence in her district, but she would also have had to make some arrangements for staying in Sacramento during Assembly sessions, given the length of the commute from L.A. County to the state capitol. She seems to have told the AP reporter that "Lawmakers are required to maintain two residences while other people don't have to," which is not exactly the way I'd have put it. Lawmakers are required to maintain one primary residence (which need not be owned) in their district. They are not required to buy a home at the capitol (of California or the U.S.); many legislators do rent. Richardson is a single woman with no children, yet she felt "required" to purchase a 3-bedroom, 1 1/2 bathroom home in what sounds like one of Sacramento's pricier neighborhoods for \$535,500, with no downpayment and with \$15,000 in closing cost contributions from the property seller. (The NAR median price in Sacramento in the first quarter of 2007 was \$365,300.)

I have no idea what loan terms Richardson got for a 100% LTV second home purchase in January 2007, but I'm going to guess that if she got something like a 7.00% interest only loan (without additional mortgage insurance), she got a pretty darn good deal. If she got that good a deal, her monthly interest payment would have been \$3123.75. Assuming taxes and insurance of 1.50% of the property value, her total payment would have been \$3793.13.

The AP reports that Richardson's salary as a state representative was \$113,000 in 2007, and she received \$20,000 in per diem payments (which are, of course, intended to offset the additional expense of traveling to and staying in the Capitol during sessions). I assume the per diem is non-taxable, so I'll gross it up to \$25,000. That gives me an annual income of \$138,000 or a gross monthly income of \$11,500.

The total payment on the second home, then, with my sunny assumptions about loan terms, comes to 33% of Richardson's gross income. I have no idea what the payment is for her principal residence in Long Beach. I have no idea what other debt she might have. I am ignoring her congressional race and job changes and all that because at the point she took out this mortgage, that was all in the future and Richardson didn't know that the incumbent would die suddenly and all that. I'm just trying to figure out what went through this woman's mind when she decided it was a wise financial move to spend one-third of her pre-tax income on a second home. (There's no point trying to figure out what went through the lender's mind at the time. There just isn't.)

Now, Richardson has this to say about herself:

"I'm Laura Richardson. I'm an American, I'm a single woman who had four employment changes in less than four months," Richardson told the AP. "I had to figure out just like every other American how I could restructure the obligations that I had with the income I had."

Yeah, well, I'm Tanta, I'm an American, I'm a single woman, and I say you're full of it. You need to show us what your plan for affording this home was *before* the job changes, girlfriend. You might also tell me why you felt you needed such an expensive second home when you had no money to put down on it or even to pay your own closing costs. As it happens, the Mercury News/AP reported that by June of 2007--five months after purchase--you had a lien filed for unpaid utility bills. You didn't budget for the lights?

But what are we going to get? We're going to get Richardson all fired up in Congress about tinkering with foreclosure notice timing, which is last I knew a question of state, not federal, law, and which has as far as I can see squat to do with why this loan failed.

Quite honestly, if WaMu did give Richardson some loan modification deal, I'd really like to know what went through the Loss Mit Department's collective and individual minds when they signed off on that. Sure, Richardson's salary went up to \$170,000 when she became a member of the U.S. Congress, but what does she need a home in Sacramento for after that? Where's she going to live in Washington, DC? And, well, her principal residence was also in the process of foreclosure at the same time. I suppose I might have offered a short sale or deed-in-lieu here, but a modification? Why would anybody do that? Because she's a Congresswoman?

I'm quite sure Richardson wants to be treated like just a plain old American and not get special treatment. Well, I was kind of hard on a plain old American the other day who wrote a "hardship letter" that didn't pass muster with me. I feel obligated to tell Richardson that she sounds like a real estate speculator who bought a home she obviously couldn't afford, defaulted on it, and now wants WaMu to basically subsidize her Congressional campaign by lowering her mortgage payment or forgiving debt. And that's . . . disgusting. At the risk of sounding like Angelo.

I know some of you are thinking that maybe poor Ms. Richardson got taken advantage of by some fast-talking REALTOR who encouraged her to buy more house than she could afford.

According to Pete Viles at L.A. Land, She likes the Realtors, and they like her. She filed financial disclosure forms with the House Ethics Committee reporting the National Assn. of Realtors flew her to Las Vegas in November to help swear in the new president of the association, Realtor Dick Gaylord of Long Beach.

In suggested remarks* at the NAR gathering, also filed with the House, Richardson's script read: "I might be one of the newest members of Congress but I am not a new member of the REALTOR Party. When I needed help to win a tough primary, REALTORS stood up and backed me even though I was the underdog."

--Real estate industry professionals have given her \$39,500 in campaign contributions in the current election cycle, according to Open Secrets.

No wonder she's blaming the lender.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228. cell
sara.gaugl@wamu.net

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From: Thorn, Ann <ann.thorn@wamu.net>
Sent: Saturday, May 24, 2008 9:21 AM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: RE: Additional Info Re: Richardson

Call me on my cell or home this weekend if you want. I can certainly look into below through public State records and Wamu records. We perhaps have these loans and if not, we can certainly review public records.

Let me know

cell: 414-418- or home 904-230-

From: Gaugl, Sara C.
Sent: Sat 05/24/2008 12:54 AM
To: Thorn, Ann
Subject: Additional Info Re: Richardson

Thought you would find this interesting. I spoke with Gene this evening - he was one of the reporters who broke the story earlier this week.

There are a few elements of the story I'd like to discuss/verify with you at some point.

Thanks again for all of your support, Ann.

Best,

Sara

Congresswoman Richardson had defaulted on 3 homes, records show

By Gene Maddaus, Staff Writer
05/23/2008

Rep. Laura Richardson, who lost her Sacramento home in a recent foreclosure auction, has also defaulted on two other properties in Long Beach and San Pedro, records show.

Richardson, D-Long Beach, was able to bring her payments up to date on the Long Beach home relatively quickly, but the San Pedro property lingered in the foreclosure process for almost eight months, and still has a pending auction date.

In her first interview since the news broke Tuesday that her Sacramento home had been foreclosed, Richardson blamed the foreclosure on a miscommunication by her lender. She did not apologize for failing to make payments on three separate homes and expressed no regret for failing to pay nearly \$9,000 in property taxes.

In her only admission of fault, she said she could have acted more quickly to correct the situation.

"I should have moved forward in an earlier fashion," she said. "I acknowledge that. I intend never to conduct business in that fashion again."

Asked how she planned to reimburse the state for her unpaid property taxes, Richardson said, "I have financial obligations, and I will fulfill those financial obligations. There will be no debts to the state of California."

In an hour-and-a-half interview in the offices of the Long Beach Press-Telegram, Richardson declined to answer numerous detailed questions about her finances. For

example, she refused to discuss the mortgage terms on the Sacramento house, refused to say how many payments she had made, and refused to say when she learned that the mortgage was in default.

A notice of default was issued in December, but Richardson offered no evidence that she had taken any remedial action before April. By then, the auction had already been scheduled for one month.

The home, which Richardson bought in January 2007 for \$535,000, sold at auction on May 7 to a real estate investor for \$388,000. The lender, Washington Mutual Bank, took a loss of nearly \$200,000 on the deal, and the buyer, James York, agreed to pay her property tax bill.

Richardson said that she was not aware the home had sold until she was contacted by reporters this week. She produced correspondence from Washington Mutual Home Loans, dated April 17, which indicated that her loan was reinstated and the auction would be put on hold until June 4.

She produced an e-mail, dated Thursday, indicating that she was trying to work with the lender to have the foreclosure rescinded.

A spokeswoman for Washington Mutual Bank, Sara Gaugl, declined to comment on the matter.

"We have not received consent from Ms. Richardson that would allow us to discuss her loan situation," Gaugl said.

County records indicate that the San Pedro home went into default in September 2007, at which point Richardson was behind on her payments by \$12,410.71, and had made no payments since June.

A notice of trustee sale was issued on April 17, and an auction was scheduled for May 14 on the courthouse steps in Norwalk. The outstanding loan balance was \$367,436, on an original 2005 loan of \$359,000.

However, the auction was put on hold.

Richardson produced records from Wells Fargo Bank, which holds the note on her San Pedro home. That document, dated March 21, indicated that Richardson had qualified for a loan modification which would prevent the foreclosure from going forward.

Cal Western Reconveyance Corp., which was responsible for collecting the debt, confirmed that a hold had been placed on the auction, and the auction date had been postponed to July 14, pending a workout of the loan.

Again, Richardson produced no document to confirm that she took any remedial action on the San Pedro property before March.

The Long Beach home, which is Richardson's primary address, went into default on March 28.

Richardson had not made a payment on the house since November, and owed \$19,921.74 on the property. Three days later, the default was rescinded, indicating that Richardson had arranged to make the payments.

While Richardson did not apologize for her actions, she did attempt to explain them.

In 2005, Richardson was a Long Beach councilwoman and a staffer for Lt. Gov. Cruz Bustamante. She was elected to the Assembly in 2006 and then to Congress in 2007, to fill a seat vacated by the death of Rep. Juanita Millender-McDonald.

Richardson loaned her Assembly campaign \$100,000 in the summer of 2006, borrowing against the equity in her Long Beach home. After her election, she raised enough money to pay herself back, but immediately had to plow \$77,500 in loans to her congressional campaign.

"I am not financially wealthy," she said. "I am not a millionaire. Based upon what I was going through, changing four jobs in less than one year, I think any American would understand what that does in terms of a person's financial stability."

As a member of Congress, Richardson makes \$169,300 a year. As a member of the Assembly, she made about \$116,000, plus a per diem for living expenses in Sacramento.

When it was pointed out that the average American makes far less than that, Richardson responded, "The average American is not responsible for maintaining several households."

Richardson said she did not make an effort to sell the Sacramento home, even after she was elected to Congress, and still hoped to rent it out.

Richardson attempted to link her situation to the plight of others facing foreclosure, and said the experience would help make her a better advocate on foreclosure issues.

"I think this is what many Americans are unfortunately facing right now," she said. "I am concerned that I can take what I have learned from this to help somebody else. Many people are one step away from issues that are life-changing moments. When a person moves across the country, that is a life-changing moment."

Richardson noted that unlike the state Legislature, the U.S. Congress does not provide for living expenses.

"On the federal level, there is no per diem," she said. "They don't pay for you to move."

Richardson is renting an apartment in the Washington, D.C., area. She declined to disclose or discuss her credit score.

She has begun to pay down her congressional campaign debt, and repaid herself \$18,000 of the \$77,500 in personal loans. She still owes \$220,000 to her campaign consultant - which is unusual for a successful campaign - and about \$330,000 overall.

Richardson said she would advise anyone in her circumstance "to seek assistance immediately" and to maintain contact with their lenders.

She said she ultimately hopes to testify about her situation in front of the Senate, and will write to the president to urge him to sign a package of foreclosure legislation.

"We need to put a better process in place, so a person's home is not being sold up underneath them," she said. "We have to improve the way we respond to this crisis."

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From: Verdin, Tom 
Sent: Friday, May 23, 2008 11:20 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: Final version

Sara, here's the final AP story based on our interview with Laura Richardson. Let me know if WaMU wants to comment further. Regards,

Tom

¶ ca cabas nv nvbas nat wdc ami caol
¶ BC-CA--Congresswoman's House, 3rd Ld-Writethru
¶ AP Interview: Calif. congresswoman says home sale 'improper'
¶ AP Interview: Calif. congresswoman claims sale of her Sacramento house shouldn't have happened
¶ Eds: ADDS comments, details.
¶ ewfodtfotav1
¶ By ERICA WERNER
¶ Associated Press Writer
¶ 05-23-2008 19:55
¶ WASHINGTON (AP) _ Rep. Laura Richardson claimed Friday that her Sacramento home was sold into foreclosure without her knowledge and contrary to an agreement with her lender.

¶ She said that she is like any other American suffering in the mortgage crisis and wants to testify to Congress about her experience as lawmakers craft a foreclosure-prevention bill.

¶ In a lengthy interview with The Associated Press on Friday night, the Southern California Democrat struck back against several days of negative publicity over reports she defaulted on her mortgage, allowing the house to be sold at auction.

¶ Richardson, elected in a special election last August, acknowledged turmoil in her life in the months after an incumbent's death in April opened up the Los Angeles-area House seat.

¶ She used her money to finance her campaign and fell behind in mortgage payments. But Richardson said that makes her like other Americans who have to deal with a sudden death or birth that throws a wrench into their finances.

¶ Now, Richardson said, she has renegotiated her loan to pay it off and promised to fully comply with all its terms. She also said she will pay nearly \$9,000 in delinquent property taxes.

¶ She insisted she's not getting special terms because she's a congresswoman.
¶ "I'm Laura Richardson. I'm an American, I'm a single woman who had four employment changes in less than four months," Richardson told the AP. "I had to figure out just like every other American how I could restructure the obligations that I had with the income I had."

¶ Richardson was a member of the Long Beach City Council when she won a California state Assembly seat in November 2006, months before she bought the three-bedroom, 1½-bath Sacramento home. She won the congressional seat the next year in the special election to replace the late Juanita Millender-McDonald.

¶ The problem is that the 1,600-square-foot home she bought for \$535,500 in January 2007 was sold at auction earlier this month to a Sacramento mortgage lender, who paid \$388,000. The sale was officially recorded on Monday, according to documents on file with the **Sacramento** County Recorder's Office.

¶ A default notice sent to Richardson in March put her unpaid balance at \$578,384.

¶ Richardson, **46**, makes nearly \$170,000 as a member of Congress and was paid \$113,000 during the eight months she served in the state Assembly in 2007 before her election to Congress. She also received a per diem total of \$20,000 from California, according to a financial disclosure form she filed with the House of Representatives clerk.

¶ Although others struggling with mortgages make far less, Richardson said it was "very misleading" to compare her earnings to the national median household income of around \$50,000. The reason: Lawmakers are required to maintain two residences while other people don't have to, she said.

¶ **Others also don't have to depend on winning an election to ensure their livelihood, she said.**

¶ Richardson provided AP with an April letter that appears to be from Washington Mutual Home Loans telling her there was a hold on foreclosure sales on her property until June 4 of this year.

¶ She said she got another letter asking for payments May 2 and paid them, but did not know the sale was going to happen five days later.

¶ Richardson also provided an e-mail dated Thursday she said was from Washington Mutual that appeared to acknowledge an agreement "to facilitate the rescission of foreclosure sale."

¶ **She did not provide documentation of the structure of her new loan.**

¶ A Washington Mutual spokeswoman, Sara Gaugl, told AP earlier in the day that the company had "not received consent from Ms. Richardson that would allow us to discuss her loan situation."

¶ Washington Mutual did not respond to a later inquiry seeking comment on Richardson's claims.

¶ Meanwhile, the current owner of the property told AP that his ownership of the house is not in doubt.

¶ James York, owner of Red Rock Mortgage Inc. of Sacramento, declined to discuss any possible negotiations that might be ongoing.

¶ "I've taken possession on the home," York said. "I've been working on it, fixing it up. It had been vacant. It was in cleaner and in better repair than most foreclosures."

¶ The home, built in 1926, is in Sacramento's Curtis Park, a desirable, upper middle-class neighborhood near downtown that sits under a canopy of decades-old trees.

¶ **Not long after getting to Congress, Richardson voted in favor of the Mortgage Forgiveness Debt Relief Act of 2007, which subsequently became law. It allows homeowners to escape paying income taxes on debts forgiven by a lender, as happens in foreclosure.**

¶ **Richardson was absent earlier this month for votes on the Foreclosure Prevention Act, which she said was because of her father's funeral. But she could have another opportunity to vote on the foreclosure package as the House is expected to bring it back up in June once agreement is reached in the Senate.**

¶ **In most cases, congressional ethics rules don't prevent lawmakers from voting on legislation that might affect or help them economically. Such votes are essentially impossible to avoid.**

¶ **Rather than shy away from voting on mortgage-related bills, Richardson said her experiences could help her craft legislation to make sure others don't experience what she did. For example, she sees a need to add steps to inform property owners before their property can be sold.**

¶ **"We have to ensure that lenders and lendees have the tools with proper timing to resolve this," she said.**

¶ **Melanie Sloan, executive director of the Washington-based Citizens for Responsibility and Ethics, criticized Richardson for falling deeper into debt while choosing to spend more than \$75,000 of her own money on her campaign _ suggesting that it's more important to win a seat in Congress than to be fiscally responsible, a point Richardson disputed.**

¶ **Sloan also said Richardson should not be in the situation she is while making a congressional salary, when homeowners around the country making \$50,000 or less are struggling to pay their debts.**

¶ **"Truthfully, it's appalling," Sloan said.**

¶

Tom Verdin

Correspondent

Sacramento bureau
916-448-



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From: Verdin, Tom 
Sent: Friday, May 23, 2008 10:02 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: RE: Laura Richardson

Sara, here's our first take on the Laura Richardson story tonight. Subsequent versions will have greater detail. Please let me know if WaMu wants to issue an updated statement.

Tom

¶ BC-CA--Congresswoman's House
¶ URGENT
¶ AP Interview: Calif. congresswoman says home sale 'improper'
¶ AP Interview: Calif. congresswoman claims sale of her Sacramento house shouldn't have happened
¶ Eds: APNewsNow. Will be led.
¶ ewfodtfotav1
¶ By ERICA WERNER
¶ Associated Press Writer
¶ 05-23-2008 18:36
¶ WASHINGTON (AP) _ California Congresswoman Laura Richardson claims the foreclosure auction of her Sacramento house was improper and contrary to a written agreement she had with her lender.

¶ In a lengthy interview with The Associated Press on Friday, the Southern California Democrat struck back against several days of negative publicity over reports she defaulted on her mortgage. Her house was sold at auction earlier this month.

¶ Richardson said that sale never should have happened and that she has renegotiated her loan to pay it off.
¶ She insisted that she is not getting special terms because she's a congresswoman.
¶ In fact, Richardson said the experience has allowed her to relate to the thousands of other Americans _ including many in her Los Angeles-area district _ confronted with foreclosures. She even wants to testify before Congress about it.

¶

From: Verdin, Tom
Sent: Friday, May 23, 2008 6:27 PM
To: sara.gaugl@wamu.net
Subject: Laura Richardson

Sara, thank you for calling us back earlier this evening.

As it happens, our reporter in Washington who covers California's congressional delegation was on the phone with Laura Richardson while you and I were talking. In brief, Richardson is blaming WaMu. She claims she did not know her Sacramento house was being sold at auction and says WaMu told her no action would be taken on it until sometime next month.

She also claims to have documentation to support this claim but has yet to provide it to us.

We'll be moving a story based on Richardson's comments shortly.

Because AP did not have her statement when we spoke previously, I wanted to give WaMu an opportunity to respond.

We'll be sending our story in takes (individual bites will move before the final writethru), and I can send you those so you can see exactly what Richardson claims.

Regards,

Tom

Tom Verdin

Correspondent

Sacramento bureau

916-448-

<< OLE Object: Picture (Metafile) >>

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msk dccc60c6d2c3a6438f0cf467d9a4938

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Subject: Laura Richardson

Sara, thank you for calling us back earlier this evening.

As it happens, our reporter in Washington who covers California's congressional delegation was on the phone with Laura Richardson while you and I were talking. In brief, Richardson is blaming WaMu. She claims she did not know her Sacramento house was being sold at auction and says WaMu told her no action would be taken on it until sometime next month.

She also claims to have documentation to support this claim but has yet to provide it to us.

We'll be moving a story based on Richardson's comments shortly.

Because AP did not have her statement when we spoke previously, I wanted to give WaMu an opportunity to respond.

We'll be sending our story in takes (individual bites will move before the final writethru), and I can send you those so you can see exactly what Richardson claims.

Regards,

Tom

Tom Verdin

Correspondent

Sacramento bureau
916-448-



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[IP_US_DISC]

msk dccc60c6d2c3a6438f0cf467d9a4938

JPMC - 003188
CONFIDENTIAL
CSOC.RICH.004681

From: Gaugl, Sara C.
Sent: Friday, May 23, 2008 8:31 PM
To: Gene Maddaus <[redacted]>
Subject: RE: Laura Richardson

Gene:

Thank you for your call. As mentioned, please feel free to attribute the following statement to me.

We have not received consent from Ms. Richardson that would allow us to discuss her loan situation.

Regards,

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue 1 WMC401 Seattle WA 98101
sara.gaugl@wamu.net

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From: Gene Maddaus <[redacted]>
Sent: Fri 05/23/2008 4:53 PM
To: Gaugl, Sara C.
Subject: Laura Richardson

Please call asap re the congresswoman.

Gene Maddaus
Daily Breeze
310 543 [redacted]

From: Gene Maddaus <[REDACTED]>
Sent: Friday, May 23, 2008 7:53 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: Laura Richardson

Please call asap re the congresswoman.

Gene Maddaus
Daily Breeze
310 543 [REDACTED]

From: Gaugl, Sara C.
Sent: Friday, May 23, 2008 5:59 PM
To: Elias, Alan <alan.elias@wamu.net>
Subject: RE: Your advice re: Richardson

Alan, Adrian and Libby are out. I'll call Lynn to see if Adrian is available via cell.

REDACTED I also can include Geri Ann. We discussed this issue earlier today as well on an earlier call - were just waiting to see if she made additional comments.

Conference call number is below for your reference.

(866) 723-

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue 1 WMC40 1 Seattle WA 98101
206.500.2822 direct 1 206.228- cell
sara.gaugl@wamu.net

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-----Original Message-----
From: Elias, Alan
Sent: Friday, May 23, 2008 2:52 PM
To: Gaugl, Sara C.
Subject: Re: Your advice re: Richardson

REDACTED

Thanks

----- Original Message -----
From: Gaugl, Sara C.
To: Elias, Alan
Cc: Cook, Don
Sent: Fri May 23 14:48:32 2008
Subject: FW: Your advice re: Richardson

http://cbs5.com/business/congresswoman_home.default.2.730339.html

"We finally [saw] a notice on the front door about two and a half months ago," Burgos said. "It was a bank repossession notice."

FYI.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC401 Seattle WA 98101
206.500.2822 direct | 206.228. cell sara.gaugl@wamu.net

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-----Original Message-----

From: Gaugl, Sara C.
Sent: Friday, May 23, 2008 2:31 PM
To: Elias, Alan
Cc: Cook, Don
Subject: Your advice re: Richardson

Hi, Alan.
I would appreciate your advice/perspective.

At this point, Ms. Richardson has not signed any of the consent forms we have provided to her (including the media consent form).

I haven't seen any additional public statements made by her, however according to a reporter, she's now claiming that WaMu did not properly notify her that she was in default. This, of course, is not accurate.

Since she's decided to take more of an "accusatory" tone toward WaMu, I feel now may be the time to enter into the fray and begin communicating to reporters that we have not been authorized by Ms. Richardson to discuss her loan situation, and direct them to the public record if further pressed.

The alternative is to continue to keep a low profile and essentially not comment at all, as coverage and public sentiment continues to center around (1) the facts of her default and foreclosure, and (2) the inconsistencies in her statements and the public record.

Thoughts?

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC401 Seattle WA 98101
206.500.2822 direct | 206.228. cell sara.gaugl@wamu.net

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-----Original Message-----

From: Battaglia, Paul J.
Sent: Friday, May 23, 2008 1:57 PM
To: Cook, Don; Gaugl, Sara C.; Owen, Jan L.; Baptista, Geri Ann S.; Thorn, Ann; Woodcock, Wendy A.

Subject: RE: Media Update: Claim from Richardson

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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-----Original Message-----

From: Cook, Don
Sent: Friday, May 23, 2008 1:13 PM
To: Gaugl, Sara C.; Owen, Jan L.; Baptista, Geri Ann S.; Battaglia, Paul J.; Thorn, Ann; Woodcock, Wendy A.
Subject: RE: Media Update: Claim from Richardson

REDACTED

-----Original Message-----

From: Gaugl, Sara C.
Sent: Friday, May 23, 2008 1:09 PM
To: Owen, Jan L.; Baptista, Geri Ann S.; Cook, Don; Battaglia, Paul J.; Thorn, Ann; Woodcock, Wendy A.
Subject: Media Update: Claim from Richardson

REDACTED

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228. cell sara.gaugl@wamu.net

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From: Thorn, Ann <ann.thorn@wamu.net>
Sent: Thursday, May 22, 2008 5:53 PM
To: Richardson, Laura <imacq[REDACTED]>
Cc: Woodcock, Wendy A. <wendy.woodcock@wamu.net>; Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: RE: Communications regarding Richardson Loan

Congresswoman Richardson, I will take this opportunity to introduce Sara Gaugl as your contact from our Communication Department. Her email contact is above.

Thank you

Ann

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-886-5644*

For Internal Use Only

From: Richardson, Laura [REDACTED]
Sent: Thursday, May 22, 2008 4:20 PM
To: Thorn, Ann
Cc: Woodcock, Wendy A.
Subject: Communications regarding Richardson Loan
Importance: High

Ann/Wendy,

Could you please forward ASAP your communications contact? Channel 9 and 2 (CBS) has shown up to film at the district office and we have received numerous calls from other affiliates; therefore a response is required.

Sincerely,

Laura Richardson

From: Gordon, Debbie <debbie.j.gordon@wamu.net>
Sent: Thursday, May 22, 2008 5:51 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>
Cc: Baptista, Geri Ann S. <geriann.baptista@wamu.net>
Subject: Media Request from Daily Breeze

Reporter	Gene Maddaus, [REDACTED]
Publication	Daily Breeze newspaper
Phone Number	310-543 [REDACTED]
Media Request / Scope of the Story	Laurie Richardson default - wants details and statement.
Request Date	5/22/2008
Coverage Date	Not Known
Deadline	ASAP
Lead	S. Gaugl

Debbie Gordon
Executive Assistant
Public Relations
Corporate Communication

Washington Mutual
1301 2nd Ave, WMC2103
Seattle, WA 98101

206.500.2835 direct, 206.377.2023 fax
debbie.j.gordon@wamu.net

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From: Gordon, Debbie <debbie.j.gordon@wamu.net>
Sent: Thursday, May 22, 2008 3:51 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: Media Request from Capital Weekly

Reporter	John Howard
Publication	CapitalWeekly.net / Capital Weekly Newspaper
Phone Number	916-444- 
Media Request / Scope of the Story	Laurie Richardson foreclosure - has Qs about CA Reconveance Company, etc.
Request Date	5/22/2008
Coverage Date	Not Known
Deadline	ASAP
Lead	S. Gaugl

Debbie Gordon
Executive Assistant
Public Relations
Corporate Communication

Washington Mutual
1301 2nd Ave, WMC2103
Seattle, WA 98101

206.500.2835 direct, 206.377.2023 fax
debbie.j.gordon@wamu.net

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Subject: Congresswoman Richardson Update
Location: 877-709[]# []passcode

Start: 5/22/2008 2:00 PM
End: 5/22/2008 3:00 PM
Show Time As: Busy

Recurrence: (none)

Meeting Status: Accepted

Required Attendees: Gaugl, Sara C.; Woodcock, Wendy A.; Battaglia, Paul J.; Cook, Don; Baptista, Geri Ann S.; GM
QSM DTE; Kallner, Brad

Resources: 877-709[]# []passcode

When: Thursday, May 22, 2008 11:00 AM-12:00 PM (GMT-08:00) Pacific Time (US & Canada); Tijuana.
Where: 877-709[]# []passcode

~~*~*~*~*~*~*~*~*

From: Gordon, Debbie <debbie.j.gordon@wamu.net>
Sent: Wednesday, May 21, 2008 6:49 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>
Cc: Baptista, Geri Ann S. <geriann.baptista@wamu.net>; Hutchinson, Libby G. <libby.hutchinson@wamu.net>
Subject: Media request from AP

Reporter	Samantha Young - speak to anyone if she is not there
Publication	AP
Phone Number	916-448- 
Media Request / Scope of the Story	Loan that went into default taken out thru WaMu then referred to the CA Reconveance Company (a subsidiary of WaMu who referred all calls to Corporate). Re: congresswoman Laurie Richardson at 3622 West Curtis Drive, Sacramento, CA. Has documents, wants to confirm what they are looking at. All in the bureau are working on it.
Request Date	5/21/2008
Coverage Date	Not Known
Deadline	ASAP
Lead	S. Gaugl

Debbie Gordon
Executive Assistant
Public Relations
Corporate Communication

Washington Mutual
1301 2nd Ave, WMC2103
Seattle, WA 98101

206.500.2835 direct, 206.377.2023 fax
debbie.j.gordon@wamu.net

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From: Owen, Jan L. <jan.owen@wamu.net>
Sent: Wednesday, May 28, 2008 12:43 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: FW: Washington Mutual/Laura Richardson
Attach: 001 MTM to Parkinson re rescission dtd 5-28-08.pdf

FYI- we will need too talk about this and the recent press when you get a chance. Thanks, J

Jan Lynn Owen
First Vice President
State and Local Government and Industry Relations Manager
801 K Street Suite 110
Sacramento, CA 95814
916-553-4961
916-325-4717 fax
jan.owen@wamu.net

From: Martin T. McGuinn [mailto:m.mcguinn@kirbyandmcguinn.com]
Sent: Wednesday, May 28, 2008 9:34 AM
To: Battaglia, Paul J.
Cc: Owen, Jan L.
Subject: FW: Washington Mutual/Laura Richardson

Martin T. McGuinn
Kirby & McGuinn, A P.C.
600 B Street, Ste. 1950
San Diego, CA 92101
mmcguinn@kirbyandmcguinn.com
Direct Dial: (619) 525-1659
Direct Fax: (619) 525-4000

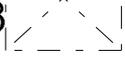
In Compliance with the Fair Debt Collection Practices Act, 15 U.S.C. § 1692e(11):
THIS MESSAGE IS FROM A DEBT COLLECTOR.
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This electronic message contains privileged or confidential information which is solely intended for the use of the addressee(s) listed as recipient(s). If you are not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any disclosure, dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this transmission in error, please immediately notify us by telephone at (619) 525-1659 or (619) 685-4000, and return the original message to Kirby & McGuinn, A P.C., 600 B Street, Ste. 1950, San Diego, CA 92101.

From: Beth Ward
Sent: Wednesday, May 28, 2008 9:09 AM
To: donna [mailto:donna@wamu.net]
Subject: Washington Mutual/Laura Richardson

Good morning, Ms. Parkinson. Attached is Mr. McGuinn's letter of today's date regarding the above matter.

Beth Ward
Paralegal to Martin T. McGuinn

& Kenneth C. Noorigian
Kirby & McGuinn, A P.C.
600 B Street, Suite 1950
San Diego, CA 92101
Direct Line: (619) 398-
Direct Fax: (619) 398-

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Leonard Ackerman
Dean T. Kirby, Jr.
Jana Logan
Kenneth G. Noorigian
Cheryl Edwards Tannenber

600 B Street, Suite 1950
San Diego, CA 92101
(619) 685-4000

Martin T. McGuinn
Voice: 619.525
Fax: 619.525
E-Mail: mmcguinn

May 28, 2008

VIA EMAIL ONLY donna@parkinsonphinney.com

Donna Parkinson, Esq.
Parkinson & Phinney LLC
400 Capitol Mall, 11th Fl.
Sacramento, CA 95814

Re: *Your Clients:* *James York and Red Rocks Mortgage Inc.*
(collectively, "Red Rocks")
Our Clients: *Washington Mutual Bank ("WaMu") and California*
Reconveyance Company ("CRC")
Real Property: *3622 W. Curtis Drive, Sacramento, CA (the "Property")*
Borrower: *Laura Richardson*
Our File No.: *WAS002-93*

Dear Ms. Parkinson:

This letter is being sent to you pursuant to California Code of Procedure section 1152 and Federal Rules of Evidence, rule 408. The contents of this letter may not be used in any pleading or constitute an admission of liability on the part of our client. The facts as we understand them to be are that Red Rocks was the high bidder at a foreclosure conducted by CRC on May 7, 2008. That foreclosure sale occurred despite an agreement between WaMu and Ms. Richardson to postpone the foreclosure sale to June 4, 2008. That postponement agreement was confirmed in writing by letter dated April 17, 2008, a copy of which is attached hereto.

As you know, California law permits a trustee to rescind a foreclosure sale where the borrower and the lender had an agreement to postpone the sale. California Civil Code section 1058.5(b) permits a trustee with the consent of either the beneficiary or the successful bidder to rescind a foreclosure sale due to the filing of a bankruptcy by the owner or otherwise.

The extent of a trustee's right to rescind a foreclosure sale has been the subject of litigation in several courts of appeal. *Residential Capital LLC v. Cal Western Reconveyance Corp.* (2003) 108 Cal.App.4th 807, 822 held: "The right of the trustor to postpone the foreclosure sale by agreement with the beneficiary is as important to the protection of the trustor's property from wrongful foreclosure as are the notice requirements." The Residential Capital court enunciated two important

Donna Parkinson, Esq.
May 28, 2008
Page 2

principles: First, it reaffirmed the holding in *Little v. CFS Servicing Corp.* (1987) 188 Cal.App.3rd 1354 that the only recovery permitted to a third party bidder is the return of its capital paid at the sale, plus interest; and second, it held that the failure to postpone the sale at the request of the borrower when there was an agreement to do so was a substantial irregularity to a foreclosure sale permitting the trustee to rescind.

Although the TDUS was not delivered to the bidder prior to rescission in the Residential Capital case, later case law supported the beneficiary's and the trustee's right to rescind after the TDUS had been delivered and recorded. In *Bank of America v La Jolla Group II* (2005) 129 Cal.App.4th 706, 712 the court held: "But La Jolla has not relied on this presumption and, if it had, we would have concluded that the presumption was rebutted by the fact that the trustor and beneficiary entered into an agreement to cure the default and reinstate the loan before the foreclosure sale. In sum, the foreclosure sale was invalid." In *Bank of America*, the bidder contended that once the trustee's deed upon sale has been delivered with all the recitals of statutory compliance and the recital of authority under the power of sale "the deed cannot be 'void' as a matter of law." The court rejected that argument by noting: "We know of no authority for this proposition."

It is clear in this case that, based on the written agreement to postpone, WaMu has the right to rescind the sale. When the sale is rescinded, in addition to return of the funds paid at the sale (\$388,000.01), Red Rocks is entitled to interest on the sales proceeds, plus reimbursement of any funds expended on the Property since the sale. Reasonable interest in this case totals approximately \$2,500. As well, prior to your being retained by Red Rocks, Mr. York told me that he has expended approximately \$10,000-15,000 in repairs to the Property.

In an effort to resolve this matter amicably, WaMu is willing to offer Red Rocks a small premium on its investment and pay a total of \$25,000 to Red Rocks in exchange for a release of all right, title and interest that Red Rocks has in the Property. That amounts to an approximate \$10,000 return on a one-month investment—a return that is not legally mandated. The payment is conditioned upon the parties executing a settlement agreement releasing each other from any liability or claims arising out of or relating to the May 7, 2008 foreclosure sale, including a Civil Code section 1542 waiver, and Red Rocks will provide a W-4 to WaMu to allow it to issue the check. We are prepared to immediately document the settlement. Please advise if this offer is acceptable to Red Rocks.

Thank you in advance for your continuing professional courtesy and cooperation in this matter. Should you have any questions, or wish to discuss the case further, please do not hesitate to contact the undersigned.

Very truly yours,



Martin T. McGuinn

cc: Paul Battaglia (via email)
Jan Owen (via email)

April 17, 2008

Laura Richardson
717 East Vernon Street
Long Beach, CA 90806

RE: Washington Mutual Loan Number [REDACTED]
Property Address: 3622 West Curtis Drive, Sacramento, CA 95818

WE MAY REPORT/HAVE REPORTED INFORMATION ABOUT YOUR ACCOUNT TO CREDIT BUREAUS. LATE PAYMENTS, MISSED PAYMENTS, OR OTHER DEFAULTS ON YOUR ACCOUNT MAY BE REFLECTED IN YOUR CREDIT REPORT.

WE ARE A DEBT COLLECTOR. THIS IS AN ATTEMPT TO COLLECT A DEBT, AND ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.

Dear Ms. Richardson:

Thank you for your recent contact with our Executive Office. Please find your reinstatement figures enclosed. Please remit the exact reinstatement amount in certified funds to us at the below address:

Washington Mutual
Default Cash Processing
7255 Baymeadows Way
Jacksonville, FL 32256

We have placed a sixty day hold on all foreclosure sale or actions; the hold will expire June 4, 2008.

Should you have any further questions, please feel free to contact me at 904-732-[REDACTED]

Sincerely,

Allison Dolan
Default Specialist II – ERT
Washington Mutual Home Loans

From: RichardsonMC, Laura <[redacted]>
Sent: Friday, May 23, 2008 11:34 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>; Thorn, Ann <ann.thorn@wamu.net>;
Woodcock, Wendy A. <wendy.woodcock@wamu.net>
Cc: RichardsonMC, Laura <[redacted]>; Hernandez, Rosa (Rep.
Richardson) <[redacted]>
Subject: RE: WaMu Consent Form Attached

Sara,

Thank you for your response. At this point I think the communication with the media has been adequate. We covered print, ap and television outlets today. I provided the letter of April 17th and my consent to release that letter which addresses the questions we received. If any further information is needed I will contact you. If I can be of assistance or clarify any questions feel free to contact me on my cell phone @ 562-706[redacted]

Sincerely,
Laura Richardson

From: Gaugl, Sara C. [mailto:sara.gaugl@wamu.net]
Sent: Thursday, May 22, 2008 6:18 PM
To: RichardsonMC, Laura
Subject: WaMu Consent Form Attached

Congresswoman Richardson:

We appreciate your concern over media attention surrounding your loan situation. Please be aware that WaMu does not disclose our customers' personal financial information without written authorization from the customer.

If we are asked by the media to verify or discuss aspects of your loan situation outside of what is available in public records, we require your written consent to do so. Attached is our standard media consent form for your signature, which can be faxed to 206-377[redacted]

Thank you,
Sara Gaugl

<<Consent Form.doc>>
Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
sara.gaugl@wamu.net

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From: Gaugl, Sara C.
Sent: Friday, May 23, 2008 5:31 PM
To: Elias, Alan <alan.elias@wamu.net>
Cc: Cook, Don <don.cook@wamu.net>
Subject: Your advice re: Richardson

Hi, Alan.

I would appreciate your advice/perspective.

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Since she's decided to take more of an "accusatory" tone toward WaMu, I feel now may be the time to enter into the fray and begin communicating to reporters that we have not been authorized by Ms. Richardson to discuss her loan situation, and direct them to the public record if further pressed.

The alternative is to continue to keep a low profile and essentially not comment at all, as coverage and public sentiment continues to center around (1) the facts of her default and foreclosure, and (2) the inconsistencies in her statements and the public record.

Thoughts?

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228.2222 bell
sara.gaugl@wamu.net

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-----Original Message-----

From: Battaglia, Paul J.
Sent: Friday, May 23, 2008 1:57 PM
To: Cook, Don; Gaugl, Sara C.; Owen, Jan L.; Baptista, Geri Ann S.; Thorn, Ann; Woodcock, Wendy A.
Subject: RE: Media Update: Claim from Richardson

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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-----Original Message-----

From: Cook, Don

Sent: Friday, May 23, 2008 1:13 PM

To: Gaugl, Sara C.; Owen, Jan L.; Baptista, Geri Ann S.; Battaglia, Paul J.; Thorn, Ann; Woodcock, Wendy A.

Subject: RE: Media Update: Claim from Richardson

REDACTED

-----Original Message-----

From: Gaugl, Sara C.

Sent: Friday, May 23, 2008 1:09 PM

To: Owen, Jan L.; Baptista, Geri Ann S.; Cook, Don; Battaglia, Paul J.; Thorn, Ann; Woodcock, Wendy A.

Subject: Media Update: Claim from Richardson

REDACTED

Sara Gaugl

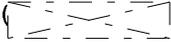
Home Loans Public Relations

WaMu

1301 Second Avenue | WMC40 | Seattle WA 98101

206.500.2822 direct | 206.228. cell sara.gaugl@wamu.net

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From: Gaugl, Sara C.
Sent: Wednesday, May 21, 2008 8:17:01 PM
To: Baptista, Geri Ann S.
Subject: FW: Richardson 

Attachments: Document.pdf

As we're discussing.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct |  cellba
sara.gaugl@wamu.net

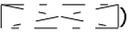
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From: Battaglia, Paul J.
Sent: Wednesday, May 21, 2008 5:14 PM
To: Gaugl, Sara C.
Subject: FW: Richardson 

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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From: Chiu, Huey-Jen
Sent: Wednesday, May 21, 2008 5:00 PM
To: Battaglia, Paul J.
Subject: RE: Richardson 

REDACTED

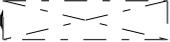
REDACTED

Huey-Jen Chiu, Vice President
Department Manager
California Reconveyance Company
Home Loans

California Reconveyance Company
9200 Oakdale Avenue, N110612
Chatsworth, CA 91311

818-775-2340 direct
huey-jen.chiu@wamu.net

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From: Battaglia, Paul J.
Sent: Wednesday, May 21, 2008 4:37 PM
To: Chiu, Huey-Jen
Subject: Richardson 

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

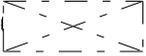
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RECORDING REQUESTED BY
CALIFORNIA RECONVEYANCE COMPANY
AND WHEN RECORDED MAIL TO
CALIFORNIA RECONVEYANCE COMPANY
9200 Oakdale Avenue
Mail Stop: N 110612
Chatsworth, CA 91311
800 892-6902
(818)775-2258 (Fax)

The following copy of the original of which was filed for record on 12/14/2007 in the office of the County Recorder of the County set forth below is sent to you in as much as an examination of the title of the trust property shows you may have an interest in the Trustee's Sale Proceedings.

CALIFORNIA RECONVEYANCE COMPANY, Trustee

Space above this line for recorder's use only

Trustee Sale No. 723397CA Loan No.  Title Order No. M721884

IMPORTANT NOTICE

NOTICE OF DEFAULT AND ELECTION TO SELL UNDER DEED OF TRUST

IF YOUR PROPERTY IS IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR PAYMENTS, IT MAY BE SOLD WITHOUT ANY COURT ACTION, and you may have the legal right to bring your account in good standing by paying all of your past due payments plus permitted costs and expenses within the time permitted by law for reinstatement of your account, which is normally five business days prior to the date set for the sale of your property. No sale date may be set until three months from the date this notice of default may be recorded (which date of recordation appears on this notice).

This amount is \$18,356.40 as of 12/13/2007 and will increase until your account becomes current.

While your property is in foreclosure, you still must pay other obligations (such as insurance and taxes) required by your note and deed of trust or mortgage. If you fail to make future payments on the loan, pay taxes on the property, provide insurance on the property, or pay other obligations as required in the note and deed of trust or mortgage, the beneficiary or mortgagee may insist that you do so in order to reinstate your account in good standing. In addition, the beneficiary or mortgagee may require as a condition to reinstatement that you provide reliable written evidence that you paid all senior liens, property taxes, and hazard insurance premiums.

Upon your written request, the beneficiary or mortgagee will give you a written itemization of the entire amount you must pay. You may not have to pay the entire unpaid portion of your account, even though full payment was demanded, but you must pay all amounts in default at the time payment is made. However, you and your beneficiary or mortgagee may mutually agree in writing prior to the time the notice of sale is posted (which may not be earlier than the end of the three-month period stated above) to, among other things, (1) provide additional time in which to cure the default by transfer of the property or otherwise; or (2) establish a schedule of payments in order to cure your default; or both (1) and (2).

Following the expiration of the time period referred to in the above paragraph of this notice, unless the obligation being foreclosed upon or a separate written agreement between you and your creditor permits a longer period, you have only the legal right to stop the sale of property by paying the entire amount demanded by your creditor.

Trustee Sale No. 723397CA Loan No. [REDACTED] Title Order No. M721884

To find out the amount you must pay, to arrange for payment to stop the foreclosure, or if your property is in foreclosure for any other reason, contact: WASHINGTON MUTUAL BANK, FA at 7301 BAYMEADOWS WAY JACKSONVILLE FL 32256 (877) 926-8937.

If you have any questions, you should contact a lawyer or the governmental agency which may have insured your loan. Notwithstanding the fact that your property is in foreclosure, you may offer your property for sale, provided the sale is concluded prior to the conclusion of the foreclosure.

REMEMBER, YOU MAY LOSE LEGAL RIGHTS IF YOU DO NOT TAKE PROMPT ACTION. NOTICE IS HEREBY GIVEN THAT: CALIFORNIA RECONVEYANCE COMPANY is the duly appointed Trustee under a Deed of Trust dated 01/04/2007, executed by LAURA RICHARDSON, AN UNMARRIED WOMAN, as trustor, to secure obligations in favor of WASHINGTON MUTUAL BANK, as Beneficiary Recorded 01/10/2007, Book 20070110, Page 1818, Instrument of official records in the Office of the Recorder of SACRAMENTO County, California, as more fully described on said Deed of Trust. APN: [REDACTED] Situs: 3622 WEST CURTIS DRIVE, , SACRAMENTO, CA 95818 Including the note(s) for the sum of \$535,001.00 that the beneficial interest under said Deed of Trust and the obligations secured thereby are presently held by the beneficiary; that a breach of, and default in, the obligations for which said Deed of Trust is security has occurred in that the payment has not been made of: THE 08/01/2007 INSTALLMENT OF PRINCIPAL AND INTEREST AND ALL SUBSEQUENT MONTHLY INSTALLMENTS OF PRINCIPAL AND INTEREST; PLUS ANY ADDITIONAL ACCRUED AND UNPAID AMOUNTS INCLUDING, BUT NOT LIMITED TO, LATE CHARGES, ADVANCES, IMPOUNDS, TAXES, HAZARD INSURANCE, ADMINISTRATIVE FEES, INSUFFICIENT AND PARTIAL RETURN CHECK FEES, STATEMENT FEES, AND OBLIGATIONS SECURED BY PRIOR ENCUMBRANCES.

That by reason thereof, the present beneficiary under such Deed of Trust, has executed and delivered to said Trustee, a written Declaration and Demand for Sale, and has deposited with said duly appointed Trustee, such Deed of Trust and all documents evidencing the obligations secured thereby, and has declared and does hereby declare all sums secured thereby immediately due and payable and has elected and does hereby elect to cause the trust property to be sold to satisfy the obligations secured thereby.

DATE: 12/13/2007

CALIFORNIA RECONVEYANCE COMPANY, as authorized agent for Washington Mutual Bank,
Beneficiary,
By: FIDELITY NATIONAL TITLE COMPANY, authorized agent of CRC

CALIFORNIA RECONVEYANCE COMPANY IS A DEBT COLLECTOR ATTEMPTING TO COLLECT A DEBT. ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.

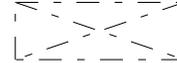
DECLARATION OF MAILING

Date: 12/28/2007

Type of Mailing: 10 Day

Trustee's Sale No. 723397CA

Loan No.:



I, IMELDA SERRANO

That I am an officer, agent, or employee of CALIFORNIA RECONVEYANCE COMPANY whose business address is 9200 Oakdale Avenue N 110612 Chatsworth, CA 91311. I am over the age of eighteen years; On 12/28/2007 by 1st Class mail, enclosed in a sealed envelope with postage fully prepaid, I deposited in the United States Post Office at Chatsworth notices, a true and correct copy of which is hereunto attached and made a part hereof, address to the following:

Number of Article	Name of Addressee, Street, and Post Office Address	Postage Fee
1st Class	LAURA RICHARDSON 3622 WEST CURTIS DRIVE SACRAMENTO, CA 95818	\$ 0.41
1st Class	LAURA RICHARDSON 3622 W CURTIS DR SACRAMENTO, CA 95818	\$ 0.41
1st Class	LAURA RICHARDSON 717 E VERNON ST LONG BEACH, CA 90806	\$ 0.41
Number of pieces: 3		\$ 1.23

I certify (or Declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct

12/28/07
Date

x 
(Declarant)

DECLARATION OF MAILING

Date: 12/28/2007

Type of Mailing: 10 Day

Trustee's Sale No. 723397CA

Loan No.:



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Number of Article	Name of Addressee, Street, and Post Office Address	Postage Fee	Cert Fee	R.R. Fee
7179 2993 5780 0290 6970		\$ 0.41	\$ 2.65	
Certified	LAURA RICHARDSON 3622 WEST CURTIS DRIVE SACRAMENTO, CA 95818			
7179 2993 5780 0290 6987		\$ 0.41	\$ 2.65	
Certified	LAURA RICHARDSON 3622 W CURTIS DR SACRAMENTO, CA 95818			
7179 2993 5780 0290 6994		\$ 0.41	\$ 2.65	
Certified	LAURA RICHARDSON 717 E VERNON ST LONG BEACH, CA 90806			
Number of pieces: 3		\$ 1.23	\$ 7.95	

I certify (or Declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct

12/28/07
Date

X ISS
(Declarant)

DECLARATION OF MAILING

Date: 01/10/2008

Type of Mailing: 1 Month

Trustee's Sale No. 723397CA

Loan No.: 

I, LINDA YELNICKER

That I am an officer, agent, or employee of CALIFORNIA RECONVEYANCE COMPANY whose business address is 9200 Oakdale Avenue N 110612 Chatsworth , CA 91311. I am over the age of eighteen years; On 01/10/2008 by 1st Class mail, enclosed in a sealed envelope with postage fully prepaid, I deposited in the United States Post Office at Chatsworth notices, a true and correct copy of which is hereunto attached and made a part hereof, address to the following:

Number of Article	Name of Addressee, Street, and Post Office Address	Postage Fee
1st Class	LAURA RICHARDSON 3622 WEST CURTIS DR SACRAMENTO, CA 95818	\$ 0.41
1st Class	LAURA RICHARDSON 3622 W CURTIS DRIVE SACRAMENTO, CA 95818	\$ 0.41
1st Class	LAURA RICHARDSON 717 E VERNON STREET LONG BEACH, CA 90806	\$ 0.41
Number of pieces: 3		\$ 1.23

I certify (or Declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct

1/10/08
Date

X 
(Declarant)

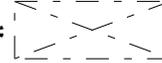
DECLARATION OF MAILING

Date: 01/10/2008

Type of Mailing: 1 Month

Trustee's Sale No. 723397CA

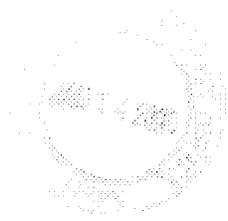
Loan No.:



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Number of Article	Name of Addressee, Street, and Post Office Address	Postage Fee	Cert Fee	R.R. Fee
7179 2993 5780 0302 7742		\$ 0.41	\$ 2.65	
Certified	LAURA RICHARDSON 3622 WEST CURTIS DR SACRAMENTO, CA 95818 ✓			
7179 2993 5780 0302 7759		\$ 0.41	\$ 2.65	
Certified	LAURA RICHARDSON 3622 W CURTIS DRIVE ✓ SACRAMENTO, CA 95818			
7179 2993 5780 0302 7766		\$ 0.41	\$ 2.65	
Certified	LAURA RICHARDSON ✓ 717 E VERNON STREET LONG BEACH, CA 90806			
Number of pieces: 3		\$ 1.23	\$ 7.95	



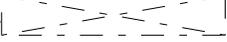
I certify (or Declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct

1/10/08
Date

X [Signature]
(Declarant)

From: Gaugl, Sara C.
Sent: Wednesday, May 21, 2008 7:06 PM
To: Owen, Jan L. <jan.owen@wamu.net>; Baptista, Geri Ann S. <geriann.baptista@wamu.net>
Cc: Hutchinson, Libby G. <libby.hutchinson@wamu.net>; Cook, Don <don.cook@wamu.net>; Elias, Alan <alan.elias@wamu.net>
Subject: FW: Media request from AP

Thanks for forwarding, Debbie. I'm currently on the phone with servicing and our attorneys with regard to this situation.

Gerri Ann, if you'd like to join the call, here's the conference call number. We're just starting now.
(866) 723-

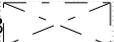
Jan, FYI below.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500. | 206.228.
sara.gaugl@wamu.net

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From: Gordon, Debbie
Sent: Wednesday, May 21, 2008 3:49 PM
To: Gaugl, Sara C.
Cc: Baptista, Geri Ann S.; Hutchinson, Libby G.
Subject: Media request from AP
Importance: High

Reporter	Samantha Young - speak to anyone if she is not there
Publication	AP
Phone Number	916-448- 
Media Request / Scope of the Story	Loan that went into default taken out thru WaMu then referred to the CA Reconveance Company (a subsidiary of WaMu who referred all calls to Corporate). Re: congresswoman Laurie Richardson at 3622 West Curtis Drive, Sacramento, CA. Has documents, wants to confirm what they are looking at. All in the bureau are working on it.
Request Date	5/21/2008
Coverage Date	Not Known
Deadline	ASAP
Lead	S. Gaugl

Debbie Gordon
Executive Assistant
Public Relations
Corporate Communication

Washington Mutual
1301 2nd Ave, WMC2103
Seattle, WA 98101

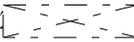
206.500.  direct, 206.377. 
debbie.j.gordon@wamu.net

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From: Gaugl, Sara C.
Sent: Wednesday, May 21, 2008 5:00 PM
To: O'Hanlon, Kellie M. <kellie.ohanlon@wamu.net>
Cc: Friedberg, Patricia E. <patricia.friedberg@wamu.net>
Subject: RE: Research Needed: Congresswoman Richardson/Foreclosure

Thanks, Kellie.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct |  cell
sara.gaugl@wamu.net

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-----Original Message-----

From: O'Hanlon, Kellie M.
Sent: Wednesday, May 21, 2008 1:58 PM
To: Gaugl, Sara C.
Cc: Friedberg, Patricia E.
Subject: FW: Research Needed: Congresswoman Richardson/Foreclosure
Importance: High

Sara,
The property went to auction on 05/07 and proceeds from the auction have been received by Washington Mutual.

-----Original Message-----

From: Friedberg, Patricia E.
Sent: Wednesday, May 21, 2008 1:28 PM
To: O'Hanlon, Kellie M.
Subject: FW: Research Needed: Congresswoman Richardson/Foreclosure
Importance: High

Please review and respond

-----Original Message-----

From: Gaugl, Sara C.
Sent: Wednesday, May 21, 2008 10:26 AM
To: Woodcock, Wendy A.; Friedberg, Patricia E.
Cc: Owen, Jan L.
Subject: RE: Research Needed: Congresswoman Richardson/Foreclosure
Importance: High

Wendy and Pat -
Forwarding to you as well I received Brad's out of office.

Thanks for the help.

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228.1234 cell sara.gaugl@wamu.net

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-----Original Message-----

From: Gaugl, Sara C.
Sent: Wednesday, May 21, 2008 10:24 AM
To: Kallner, Brad
Cc: Champney, Steven D.; Berens, John; Owen, Jan L.; Elias, Alan
Subject: Research Needed: Congresswoman Richardson/Foreclosure
Importance: High

Brad -

Please see the article embedded below for more detail, but long story short, Congresswoman Laura Richardson appears to have defaulted on her WaMu loan (second home) and on March 19, a notice was filed with the county that her property would be sold at auction.

Congresswoman Richardson initially declined to comment, however, Jan Owen has learned from the Congresswoman that she plans to communicate to The Washington Post that she has established a repayment plan with WaMu.

Would you please look into Congresswoman Richardson's situation as soon as possible so that we understand the facts? Her loan number is [REDACTED]

Many thanks,

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228.1234 cell sara.gaugl@wamu.net

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-----Original Message-----

From: Owen, Jan L.
Sent: Wednesday, May 21, 2008 8:36 AM
To: Riley, Olivia; Gaugl, Sara C.; Gaspard, Scott; Watson, Alison
Subject: Fw: Capitol Weekly -- "Foreclosure tale shows that nobody is immune from crisis"

Here we go. I am in meeting and will call in a minute.

----- Original Message -----

From: Kevin Gould
To: FSIR Meeting Group
Sent: Wed May 21 08:01:35 2008
Subject: Capitol Weekly -- "Foreclosure tale shows that nobody is immune from crisis"

Foreclosure tale shows that nobody is immune from crisis

By Anthony York (published Tuesday, May 20, 2008)

As the real estate market softened in 2007, the new owner of a three-bedroom, 1,600-square-foot house in Sacramento's Curtis Park neighborhood ran into trouble. The house that was purchased for \$535,000 in January had lost equity. The owner fell behind in her payments, and eventually, the bank seized the home.

What makes this story different from the thousands like it is that the owner of this house was a member of Congress.

The story of the foreclosure of Long Beach Democrat Laura Richardson's Sacramento home is a tale of a real estate market gone sour. It is also an illustration of how far many candidates will go to seek elected office, even if it means quite literally mortgaging their own financial future.

While being elevated to Congress in a 2007 special election, Richardson apparently stopped making payments on her new Sacramento home, and eventually walked away from it, leaving nearly \$600,000 in unpaid loans and fees.

Richardson's decision to let the house slip into foreclosure was set in motion by an unlikely chain of events, only some of which had to do with Sacramento's crumbling real estate market. Richardson was elected to the Assembly in November 2006, and purchased her new capital home two months later. But in April 2007, Rep. Juanita Millender-McDonald succumbed to cancer, creating a Congressional vacancy in Richardson's district.

Richardson declared her candidacy for the seat, and soon found herself locked in a hotly contested, and very expensive race for Congress against state Sen. Jenny Oropeza, D-Long Beach.

While her campaign heated up, Richardson's house slipped into default. Richardson fell behind on her mortgage payments as she loaned her Congressional campaign \$60,000 – money that has begun to be paid back to Richardson personally from her campaign account, according to records from the Center for Responsive Politics.

Richardson's opponent, Oropeza, loaned herself \$115,000 for her run against Richardson. Oropeza's Congressional committee still shows nearly \$200,000 in debt.

Richardson declined to comment for this story.

But tax records at the Sacramento County assessor's office show that in January 2007, Richardson took out a mortgage for the entire sale price of the house -- \$535,000. The mortgage amount was equal to the sale price of the home, meaning she was able to buy the house without a down payment, even though the housing market was beginning to turn.

A March 19, 2008 notice of trustee's sale indicates that the unpaid balance of Richardson's loan, which is held by Washington Mutual, is more than \$578,000 -- \$40,000 more than the original mortgage.

The Curtis Park house is not Richardson's primary residence. She also owns a four-bedroom house in Long Beach, in her Congressional district. Real estate records show she purchased that house in 1999 for \$135,000. An estimate from Zillow.com puts the current value of that house at \$474,000

Like many homes that have gone through foreclosure, Richardson's new residence quickly became an eyesore. With Richardson gone, upkeep on the home lapsed, and neighbors began to get angry.

"The neighbors are extremely unhappy with her," said Sharon Helmar, who sold the home to Richardson. "She didn't mow the lawn or take out the garbage while she was there. We lived there for a long time, 30 years, and we had to hide our heads whenever we came back to the neighborhood."

Helmar and her husband, Mark, sold the Curtis Park home to Richardson because Sharon's arthritis required the couple to move into a one-story house. With the area's real estate market slowing down, the house remained on the market for months, and the Helmars, who lived in the house for more than 30 years, were getting desperate to sell.

Helmar said that she has never met Richardson personally, but dealt with Richardson through her realtor. The Helmars wound up giving Richardson \$15,000 toward closing costs, she said.

And she is still angry over what happened to a home that clearly she never really wanted to leave. "It's kind of silly. You would think people who are making decisions for others would be able to make good decisions for themselves," she said. "She should have known what she could afford and not afford. In this neighborhood, you just don't do that."

While Richardson walked away from her loan, she bested Oropeza in a June special election, and moved on to Congress. As a member of Congress, Richardson has been asked to vote on legislation pertaining to the spike in foreclosures around the country.

On the biggest pieces of legislation having to do with government bailouts for people whose homes have entered foreclosure, Richardson has recused herself. She did not vote on legislation by Rep. Barney Frank, D-Mass, which would direct \$2.7 billion in government funds to help an estimated 500,000 homeowners who are at risk of foreclosure.

Richardson also did not vote on a measure by Rep. Maxine Waters, D-Los Angeles, that would give local governments \$15 billion to purchase, rehab and resell foreclosed properties.

While Richardson walked away from her bank loan, she has begun to pay herself back for the money she personally invested in her initial race. Records show that Richardson spent \$587,000 out of her Congressional campaign committee since declaring her Congressional candidacy through March of this year. Of those expenditures, Richardson has spent \$18,000 of that money to begin repaying herself for the money Richardson loaned to her campaign.

According to documents at the Sacramento County Clerk's office, Richardson first received a default notice in late 2007. By December 2007, less than a year after Richardson purchased the house, she was behind in her payments by more than \$18,000.

Three months later, on March 19, a notice was filed with the county that Richardson's property would be sold at auction. According to the documents, the unpaid balance and other charges Richardson owed the bank was \$587,384.

From: Gaugl, Sara C.
Sent: Wednesday, May 21, 2008 4:54 PM
To: Baptista, Geri Ann S. <geriann.baptista@wamu.net>
Subject: RE: Research Needed: Congresswoman Richardson/Foreclosure

I'm still on the call... will follow-up with you as soon as I can.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct |   cell
sara.gaugl@wamu.net

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-----Original Message-----

From: Gaugl, Sara C.
Sent: Wednesday, May 21, 2008 11:47 AM
To: Baptista, Geri Ann S.
Subject: FW: Research Needed: Congresswoman Richardson/Foreclosure

Hi, Geri Ann.
FYI, below. As discussed - on the phone with Loss Mit now.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct |   cell
sara.gaugl@wamu.net

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From: Gaugl, Sara C.
Sent: Wednesday, May 21, 2008 10:26 AM
To: Woodcock, Wendy A.; Friedberg, Patricia E.
Cc: Owen, Jan L.
Subject: RE: Research Needed: Congresswoman Richardson/Foreclosure
Importance: High

Wendy and Pat -
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Thanks for the help.

Sara

Sara Gaugl
Home Loans Public Relations

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1301 Second Avenue | WMC40 | Seattle WA 98101
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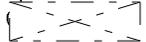
-----Original Message-----

From: Gaugl, Sara C.
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To: Kallner, Brad
Cc: Champney, Steven D.; Berens, John; Owen, Jan L.; Elias, Alan
Subject: Research Needed: Congresswoman Richardson/Foreclosure
Importance: High

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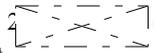
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Would you please look into Congresswoman Richardson's situation as soon as possible so that we understand the facts? Her loan number is 

Many thanks,

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct |  cell
sara.gaugl@wamu.net

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From: Owen, Jan L.
Sent: Wednesday, May 21, 2008 8:36 AM
To: Riley, Olivia; Gaugl, Sara C.; Gaspard, Scott; Watson, Alison

Subject: Fw: Capitol Weekly -- "Foreclosure tale shows that nobody is immune from crisis"

Here we go. I am am in meeting and will call in a minute.

----- Original Message -----

From: Kevin Gould <KGould@CalBankers.com>

To: FSIR Meeting Group <FSIRMeetingGroup@CalBankers.com>

Sent: Wed May 21 08:01:35 2008

Subject: Capitol Weekly -- "Foreclosure tale shows that nobody is immune from crisis"

Foreclosure tale shows that nobody is immune from crisis

By Anthony York (published Tuesday, May 20, 2008)

As the real estate market softened in 2007, the new owner of a three-bedroom, 1,600-square-foot house in Sacramento's Curtis Park neighborhood ran into trouble. The house that was purchased for \$535,000 in January had lost equity. The owner fell behind in her payments, and eventually, the bank seized the home.

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Richardson's decision to let the house slip into foreclosure was set in motion by an unlikely chain of events, only some of which had to do with Sacramento's crumbling real estate market. Richardson was elected to the Assembly in November 2006, and purchased her new capital home two months later. But in April 2007, Rep. Juanita Millender-McDonald succumbed to cancer, creating a Congressional vacancy in Richardson's district.

Richardson declared her candidacy for the seat, and soon found herself locked in a hotly contested, and very expensive race for Congress against state Sen. Jenny Oropeza, D-Long Beach.

While her campaign heated up, Richardson's house slipped into default. Richardson fell behind on her mortgage payments as she loaned her Congressional campaign \$60,000 – money that has begun to be paid back to Richardson personally from her campaign account, according to records from the Center for Responsive Politics.

Richardson's opponent, Oropeza, loaned herself \$115,000 for her run against Richardson. Oropeza's Congressional committee still shows nearly \$200,000 in debt.

Richardson declined to comment for this story.

But tax records at the Sacramento County assessor's office show that in January 2007, Richardson took out a mortgage for the entire sale price of the house -- \$535,000. The mortgage amount was equal to the sale price of the home, meaning she was able to buy the house without a down payment, even though the housing market was beginning to turn.

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The Curtis Park house is not Richardson's primary residence. She also owns a four-bedroom house in Long Beach, in her Congressional district. Real estate records show she purchased that house in 1999 for \$135,000. An estimate from Zillow.com puts the current value of that house at \$474,000

Like many homes that have gone through foreclosure, Richardson's new residence quickly became an eyesore. With Richardson gone, upkeep on the home lapsed, and neighbors began to get angry.

"The neighbors are extremely unhappy with her," said Sharon Helmar, who sold the home to Richardson. "She didn't mow the lawn or take out the garbage while she was there. We lived there for a long time, 30 years, and we had to hide our heads whenever we came back to the neighborhood."

Helmar and her husband, Mark, sold the Curtis Park home to Richardson because Sharon's arthritis required the couple to move into a one-story house. With the area's real estate market slowing down, the house remained on the market for months, and the Helmars, who lived in the house for more than 30 years, were getting desperate to sell.

Helmar said that she has never met Richardson personally, but dealt with Richardson through her realtor. The Helmars wound up giving Richardson \$15,000 toward closing costs, she said.

And she is still angry over what happened to a home that clearly she never really wanted to leave. "It's kind of silly. You would think people who are making decisions for others would be able to make good decisions for themselves," she said. "She should have known what she could afford and not afford. In this neighborhood, you just don't do that."

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On the biggest pieces of legislation having to do with government bailouts for people whose homes have entered foreclosure, Richardson has recused herself. She did not vote on legislation by Rep. Barney Frank, D-Mass, which would direct \$2.7 billion in government funds to help an estimated 500,000 homeowners who are at risk of foreclosure.

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According to documents at the Sacramento County Clerk's office, Richardson first received a default notice in late 2007. By December 2007, less than a year after Richardson purchased the house, she was behind in her payments by more than \$18,000.

Three months later, on March 19, a notice was filed with the county that Richardson's property would be sold at auction. According to the documents, the unpaid balance and other charges Richardson owed the bank was \$587,384.

From: Gaugl, Sara C.
Sent: Wednesday, May 21, 2008 4:24:32 PM
To: Gomez, Ramon
CC: Potolsky, Doug
Subject: RE: Did you see this? It was apparently, a "WaMu Loan".

I did, however thanks for forwarding, Ramon.

I'm actually on the phone discussing now...

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500. | 206.228. |
sara.gaugl@wamu.net

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From: Gomez, Ramon
Sent: Wednesday, May 21, 2008 1:12 PM
To: Gaugl, Sara C.
Cc: Potolsky, Doug
Subject: Did you see this? It was apparently, a "WaMu Loan".

<http://latimesblogs.latimes.com/laland/>

Report: California Congresswoman walked away from \$578K mortgage

Capitol Weekly reports that newly elected California Congresswoman Laura Richardson walked away from the mortgage on her \$535,000 Sacramento home, letting the house slip into foreclosure and disrepair less than two years after she bought it with no money down.

"While being elevated to Congress in a 2007 special election, Richardson apparently stopped making payments on her new Sacramento home, and eventually walked away from it, leaving nearly \$600,000 in unpaid loans and fees," the publication reports. Richardson, a Democrat from Long Beach, declined to comment for the Capitol Weekly story, and her office did not immediately respond to a request for comment from LA Land.

Capitol Weekly, citing tax records at the Sacramento County assessor's office, reports "... in January 2007, Richardson took out a mortgage for the entire sale price of the house -- \$535,000. The mortgage amount was equal to the sale price of the home, meaning she was able to buy the house without a down payment, even though the housing market was beginning to turn. A March 19, 2008 notice of trustee's sale indicates that the unpaid balance of Richardson's loan, which is held by **Washington Mutual**, is more than \$578,000 -- \$40,000 more than the original mortgage."

In addition to 100% financing on the home itself, the report quotes the woman who sold the house to Richardson as saying she also gave Richardson \$15,000 toward closing costs.

The weekly also reports Richardson's residence quickly became an eyesore, angering neighbors. The report says she recused herself on two key house votes on government efforts to address the foreclosure crisis.

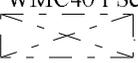
Ramon Gomez
WaMu -- Capital Markets
623 Fifth Avenue, 18th Floor
New York, NY 10022
Telephone: 212.702. |
Cell phone: 973.768. |
email: r.gomez@wamu.net

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From: Gaugl, Sara C.
Sent: Wednesday, May 21, 2008 4:14 PM
To: Battaglia, Paul J. <paul.battaglia@wamu.net>
Subject: FW: Research Needed: Congresswoman Richardson/Foreclosure

REDACTED

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct |  cell
sara.gaugl@wamu.net

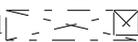
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-----Original Message-----

From: Gaugl, Sara C.
Sent: Wednesday, May 21, 2008 12:34 PM
To: Cook, Don
Subject: FW: Research Needed: Congresswoman Richardson/Foreclosure

REDACTED

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct |  cell
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-----Original Message-----

From: Gaugl, Sara C.
Sent: Wednesday, May 21, 2008 10:24 AM
To: Kallner, Brad
Cc: Champney, Steven D.; Berens, John; Owen, Jan L.; Elias, Alan
Subject: Research Needed: Congresswoman Richardson/Foreclosure
Importance: High

Brad -

Please see the article embedded below for more detail, but long story short, Congresswoman Laura Richardson appears to have defaulted on her WaMu loan (second home) and on March 19, a notice was filed with the county that her property would be sold at

auction.

Congresswoman Richardson initially declined to comment, however, Jan Owen has learned from the Congresswoman that she plans to communicate to The Washington Post that she has established a repayment plan with WaMu.

Would you please look into Congresswoman Richardson's situation as soon as possible so that we understand the facts? Her loan number is [REDACTED]

Many thanks,

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | [REDACTED] cell
sara.gaugl@wamu.net

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Richardson's decision to let the house slip into foreclosure was set in motion by an unlikely chain of events, only some of which had to do with Sacramento's crumbling real estate market. Richardson was elected to the Assembly in November 2006, and purchased her new capital home two months later. But in April 2007, Rep. Juanita Millender-McDonald succumbed to cancer, creating a Congressional vacancy in Richardson's district.

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While her campaign heated up, Richardson's house slipped into default. Richardson fell behind on her mortgage payments as she loaned her Congressional campaign \$60,000 – money that has begun to be paid back to Richardson personally from her campaign account, according to records from the Center for Responsive Politics.

Richardson's opponent, Oropeza, loaned herself \$115,000 for her run against Richardson. Oropeza's Congressional committee still shows nearly \$200,000 in debt.

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Like many homes that have gone through foreclosure, Richardson's new residence quickly became an eyesore. With Richardson gone, upkeep on the home lapsed, and neighbors began to get angry.

"The neighbors are extremely unhappy with her," said Sharon Helmar, who sold the home to Richardson. "She didn't mow the lawn or take out the garbage while she was there. We lived there for a long time, 30 years, and we had to hide our heads whenever we came back to the neighborhood."

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On the biggest pieces of legislation having to do with government bailouts for people whose homes have entered foreclosure, Richardson has recused herself. She did not vote on legislation by Rep. Barney Frank, D-Mass, which would direct \$2.7 billion in government funds to help an estimated 500,000 homeowners who are at risk of foreclosure.

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From: Gaugl, Sara C.
Sent: Wednesday, May 21, 2008 4:08:49 PM
To: Alvarez, Rosalva R.
Subject: RE: (866) 723-5524 PC

Hi, Rosic.

Thanks for joining on such short notice. We have a media/loan issue concerning Congresswoman Laura Richardson.

Her loan number { }

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | { } cell
sara.gaugl@wamu.net

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From: Gaugl, Sara C.
Sent: Wednesday, May 21, 2008 1:07 PM
To: Alvarez, Rosalva R.; Owen, Jan L.; Cook, Don; Woodcock, Wendy A.
Subject: (866) 723-5524 PC { }
Importance: High

Many thanks,

Sara

Sara Gaugl
Home Loans Public Relations

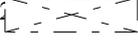
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From: Gaugl, Sara C.
Sent: Wednesday, May 21, 2008 3:34 PM
To: Cook, Don <don.cook@wamu.net>
Subject: FW: Research Needed: Congresswoman Richardson/Foreclosure

REDACTED

Sara Gaugl
Home Loans Public Relations

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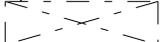
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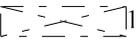
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From: Gaugl, Sara C.
Sent: Wednesday, May 21, 2008 2:58 PM
To: Elias, Alan <alan.elias@wamu.net>
Subject: RE: Request for an interview from theStreet.com

Will do. I'm currently on the phone with loss mitigation re: Congresswoman Richardson..... will fill you in. ugh.

Sara Gaugl
Home Loans Public Relations

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1301 Second Avenue | WMC40 | Seattle WA 98101
206.500. | 206.228. |
sara.gaugl@wamu.net

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From: Elias, Alan
Sent: Wednesday, May 21, 2008 11:48 AM
To: Gaugl, Sara C.
Subject: RE: Request for an interview from theStreet.com

Please give Mike a call to discuss. I understand the hesitation, and it might be that we decline to participate – especially given the recent spate of stories about cuts in credit lines -- but we do continue to offer a HELOC product and should likely make sure the public (and the media) understands that.

My 2 cents worth, anyway...

From: Gaugl, Sara C.
Sent: Wednesday, May 21, 2008 11:39 AM
To: Elias, Alan
Subject: FW: Request for an interview from theStreet.com

Thoughts? I'm not sure this is a topic we want to be too proactive on right now, but let me know what you think. I've got a call out to Peter to better understand his story.

Sara Gaugl
Home Loans Public Relations

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sara.gaugl@wamu.net

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From: Peter McDougall [mailto:mcdougallpeter@wamu.net]
Sent: Wednesday, May 21, 2008 10:09 AM

To: GM Newsroom

Subject: Request for an interview

Hi,

I am a beat reporter with TheStreet.com. I was hoping that I could speak to someone at Washington Mutual about home equity loans. In particular I wanted to ask someone about the continued availability of home equity loans to consumers with good credit and stable home prices, in light of the recent reduction in home equity credit offered by Washington Mutual.

Unfortunately I am on a tight deadline, and was hoping to speak to someone this afternoon.

Thank you so much for any assistance you could provide.

Peter McDougall

207-449-

From: Gaugl, Sara C.
Sent: Wednesday, May 21, 2008 2:47 PM
To: Baptista, Geri Ann S. <geriann.baptista@wamu.net>
Subject: FW: Research Needed: Congresswoman Richardson/Foreclosure

Hi, Geri Ann.
FYI, below. As discussed - on the phone with Loss Mit now.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct |    cell
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From: Gaugl, Sara C.
Sent: Wednesday, May 21, 2008 10:26 AM
To: Woodcock, Wendy A.; Friedberg, Patricia E.
Cc: Owen, Jan L.
Subject: RE: Research Needed: Congresswoman Richardson/Foreclosure
Importance: High

Wendy and Pat -
Forwarding to you as well I received Brad's out of office.

Thanks for the help.

Sara

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206.500.2822 direct |    cell
sara.gaugl@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

-----Original Message-----

From: Gaugl, Sara C.
Sent: Wednesday, May 21, 2008 10:24 AM

To: Kallner, Brad
Cc: Champney, Steven D.; Berens, John; Owen, Jan L.; Elias, Alan
Subject: Research Needed: Congresswoman Richardson/Foreclosure
Importance: High

Brad -

Please see the article embedded below for more detail, but long story short, Congresswoman Laura Richardson appears to have defaulted on her WaMu loan (second home) and on March 19, a notice was filed with the county that her property would be sold at auction.

Congresswoman Richardson initially declined to comment, however, Jan Owen has learned from the Congresswoman that she plans to communicate to The Washington Post that she has established a repayment plan with WaMu.

Would you please look into Congresswoman Richardson's situation as soon as possible so that we understand the facts? Her loan number is [REDACTED]

Many thanks,

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | [REDACTED] cell
sara.gaugl@wamu.net

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From: Owen, Jan L.
Sent: Wednesday, May 21, 2008 8:36 AM
To: Riley, Olivia; Gaugl, Sara C.; Gaspard, Scott; Watson, Alison
Subject: Fw: Capitol Weekly -- "Foreclosure tale shows that nobody is immune from crisis"

Here we go. I am in meeting and will call in a minute.

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From: Kevin Gould <[REDACTED]>
To: FSIR Meeting Group <[REDACTED]>
Sent: Wed May 21 08:01:35 2008
Subject: Capitol Weekly -- "Foreclosure tale shows that nobody is immune from crisis"

Foreclosure tale shows that nobody is immune from crisis

By Anthony York (published Tuesday, May 20, 2008)

As the real estate market softened in 2007, the new owner of a three-bedroom, 1,600-square-foot house in Sacramento's Curtis Park neighborhood ran into trouble. The house that was purchased for \$535,000 in January had lost equity. The owner fell behind in her payments, and eventually, the bank seized the home.

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But tax records at the Sacramento County assessor's office show that in January 2007, Richardson took out a mortgage for the entire sale price of the house -- \$535,000. The mortgage amount was equal to the sale price of the home, meaning she was able to buy the house without a down payment, even though the housing market was beginning to turn.

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The Curtis Park house is not Richardson's primary residence. She also owns a four-bedroom house in Long Beach, in her Congressional district. Real estate records show she purchased that house in 1999 for \$135,000. An estimate from Zillow.com puts the current value of that house at \$474,000

Like many homes that have gone through foreclosure, Richardson's new residence quickly became an eyesore. With Richardson gone, upkeep on the home lapsed, and neighbors began to get angry.

"The neighbors are extremely unhappy with her," said Sharon Helmar, who sold the home to Richardson. "She didn't mow the lawn or take out the garbage while she was there. We lived there for a long time, 30 years, and we had to hide our heads whenever we came back to the neighborhood."

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Helmar said that she has never met Richardson personally, but dealt with Richardson through her realtor. The Helmars wound up giving Richardson \$15,000 toward closing costs, she said.

And she is still angry over what happened to a home that clearly she never really wanted to leave. "It's kind of silly. You would think people who are making decisions for others would be able to make good decisions for themselves," she said. "She should have known what she could afford and not afford. In this neighborhood, you just don't do that."

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From: Gaugl, Sara C.
Sent: Wednesday, May 21, 2008 1:26 PM
To: Woodcock, Wendy A. <wendy.woodcock@wamu.net>; Friedberg, Patricia E. <patricia.friedberg@wamu.net>
Cc: Owen, Jan L. <jan.owen@wamu.net>
Subject: RE: Research Needed: Congresswoman Richardson/Foreclosure

Wendy and Pat -
Forwarding to you as well I received Brad's out of office.

Thanks for the help.

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | [redacted] cell
sara.gaugl@wamu.net

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To: FSIR Meeting Group <FSIRMeetingGroup@CalBankers.com>
Sent: Wed May 21 08:01:35 2008
Subject: Capitol Weekly -- "Foreclosure tale shows that nobody is immune from crisis"

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From: Gaugl, Sara C.
Sent: Wednesday, May 21, 2008 12:51 PM
To: Elias, Alan <alan.elias@wamu.net>
Subject: FW: Capitol Weekly -- "Foreclosure tale shows that nobody is immune from crisis"

Hi, Alan.

FYI, below. I briefly spoke with Jan and she's going to call me back in a minute.

Though we are mentioned in the story, it is focused on Congresswoman Richardson's decision to walk away from her home and her reasons for doing so.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.1234 | 206.228.1234
sara.gaugl@wamu.net

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From: Owen, Jan L. <jan.owen@wamu.net>
Sent: Friday, October 3, 2008 9:48 AM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: Fw: Google Alert - Laura Richardson

I really think we should write a novel about this one! It just cracks me up. J

----- Original Message -----

From: Google Alerts <googlealerts-noreply@google.com>
To: Owen, Jan L.
Sent: Fri Oct 03 00:54:21 2008
Subject: Google Alert - Laura Richardson

Google News Alert for: Laura Richardson

Richardson's Sacramento code violation case is dropped <http://www.dailybreeze.com/ci_10622638>

Daily Breeze - Torrance, CA, USA

Laura Richardson after determining that her yard has been adequately cleaned up. The South Bay Democrat nearly lost the house in May after failing to pay ...

See all stories on this topic <http://news.google.com/news?hl=en&ncl=http://www.dailybreeze.com/ci_10622638>

This as-it-happens Google Alert is brought to you by Google.

Remove <<http://www.google.com/alerts/remove?s=EAAAAGz0onYDp17gZa6sA0VAeRM&hl=en&gl=>>> this alert.

Create <<http://www.google.com/alerts?hl=en&gl=>>> another alert.

Manage <<http://www.google.com/alerts/manage?hl=en&gl=>>> your alerts.

From: Owen, Jan L. <jan.owen@wamu.net>
Sent: Saturday, September 20, 2008 3:05 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: Fw: Google Alert - Laura Richardson

I am not thrilled about this

----- Original Message -----

From: Google Alerts <googlealerts-noreply@google.com>
To: Owen, Jan L.
Sent: Sat Sep 20 11:04:38 2008
Subject: Google Alert - Laura Richardson

Google Blogs Alert for: Laura Richardson

Laura Richardson to chat with Whoopi Goldberg <<http://www.inboxrobot.com/news.php?fid=189109879>> on ABC's "The View," will serve as a guest panelist with Richardson at the Congressional Black Caucus Foundation's annual legislative conference. Richardson's discussion, "Image of Blacks in America: Is it Our ...

Inbox Robot: Congressional Black... - <http://www.inboxrobot.com/news/cbc-congressional-black-caucus>
<<http://www.inboxrobot.com/news/cbc-congressional-black-caucus>>

This as-it-happens Google Alert is brought to you by Google.

Remove <<http://www.google.com/alerts/remove?s=EAAAAGz0onYDp17gZa6sA0VAeRM&hl=en&gl=>>> this alert.
Create <<http://www.google.com/alerts?hl=en&gl=>>> another alert.
Manage <<http://www.google.com/alerts/manage?hl=en&gl=>>> your alerts.

From: Smith, Kimberly <kimberly.brown@wamu.net>
Sent: Wednesday, May 21, 2008 5:30 PM
To: Kallner, Brad <brad.kallner@wamu.net>; Gaugl, Sara C. <sara.gaugl@wamu.net>
Cc: Champney, Steven D. <steven.champney@wamu.net>; Berens, John <john.berens@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>; Elias, Alan <alan.elias@wamu.net>; Siedzik, Tasha A. <tasha.siedzik@wamu.net>
Subject: RE: Research Needed: Congresswoman Richardson/Foreclosure

...just one clarification

The foreclosure hold that was placed in April was not initiated by loss mit

After loss mitigation denied the workout request, it appears the homeowner called in and requested additional time to reinstate the loan. On 4/3/08, our executive response team submitted a request to the attorney to postpone the 4/7/08 sale date.

Thanks!

Kimberly Brown Smith
Department Manager, Community Outreach
Homeownership Preservation Team
904-886-1308

Washington Mutual Bank

This email is confidential and the property of Washington Mutual Inc. It is intended solely for the use of the individual or entity to whom this e-mail is addressed. If you are not the intended recipient or otherwise have reason to believe that you have received this message in error, please completely delete this message immediately from your computer. Any other use, retention, dissemination, forwarding, printing, or copying of this e-mail is strictly prohibited.

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From: Kallner, Brad
Sent: Wednesday, May 21, 2008 5:16 PM
To: Gaugl, Sara C.
Cc: Champney, Steven D.; Berens, John; Owen, Jan L.; Elias, Alan; Siedzik, Tasha A.; Smith, Kimberly
Subject: RE: Research Needed: Congresswoman Richardson/Foreclosure

I have checked with Kim, we tried to work a modification, unfortunately she had a deficit monthly of over \$2,100. We placed the original foreclosure sale date on hold for 30 days in April. The loan went to sale on 5/7/08, third party outbid.

Sara, please feel free to give Kim or I a call if you need to discuss.

Brad

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Would you please look into Congresswoman Richardson's situation as soon as possible so that we understand the facts? Her loan number is [REDACTED]

Many thanks,

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Sara Gaugl
Home Loans Public Relations

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1301 Second Avenue 1 WMC40 1 Seattle WA 98101
206.500.2822 direct 1 [REDACTED] cell sara.gaugl@wamu.net

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On the biggest pieces of legislation having to do with government bailouts for people whose homes have entered foreclosure, Richardson has recused herself. She did not vote on legislation by Rep. Barney Frank, D-Mass, which would direct \$2.7 billion in government funds to help an estimated 500,000 homeowners who are at risk of foreclosure.

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repaying herself for the money Richardson loaned to her campaign.

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Three months later, on March 19, a notice was filed with the county that Richardson's property would be sold at auction. According to the documents, the unpaid balance and other charges Richardson owed the bank was \$587,384.

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Wednesday, May 21, 2008 1:24 PM
To: Kallner, Brad <brad.kallner@wamu.net>
Cc: Champney, Steven D. <steven.champney@wamu.net>; Berens, John <john.berens@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>; Elias, Alan <alan.elias@wamu.net>
Subject: Research Needed: Congresswoman Richardson/Foreclosure

Brad -

Please see the article embedded below for more detail, but long story short, Congresswoman Laura Richardson appears to have defaulted on her WaMu loan (second home) and on March 19, a notice was filed with the county that her property would be sold at auction.

Congresswoman Richardson initially declined to comment, however, Jan Owen has learned from the Congresswoman that she plans to communicate to The Washington Post that she has established a repayment plan with WaMu.

Would you please look into Congresswoman Richardson's situation as soon as possible so that we understand the facts? Her loan number is [REDACTED]

Many thanks,

Sara

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | [REDACTED] cell
sara.gaugl@wamu.net

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-----Original Message-----

From: Owen, Jan L.
Sent: Wednesday, May 21, 2008 8:36 AM
To: Riley, Olivia; Gaugl, Sara C.; Gaspard, Scott; Watson, Alison
Subject: Fw: Capitol Weekly -- "Foreclosure tale shows that nobody is immune from crisis"

Here we go. I am in meeting and will call in a minute.

----- Original Message -----

From: Kevin Gould [REDACTED]
To: FSIR Meeting Group [REDACTED]
Sent: Wed May 21 08:01:35 2008
Subject: Capitol Weekly -- "Foreclosure tale shows that nobody is immune from crisis"

Foreclosure tale shows that nobody is immune from crisis

By Anthony York (published Tuesday, May 20, 2008)

As the real estate market softened in 2007, the new owner of a three-bedroom, 1,600-square-foot house in Sacramento's Curtis Park neighborhood ran into trouble. The house that was purchased for \$535,000 in January had lost equity. The owner fell behind in her payments, and eventually, the bank seized the home.

What makes this story different from the thousands like it is that the owner of this house was a member of Congress.

The story of the foreclosure of Long Beach Democrat Laura Richardson's Sacramento home is a tale of a real estate market gone sour. It is also an illustration of how far many candidates will go to seek elected office, even if it means quite literally mortgaging their own financial future.

While being elevated to Congress in a 2007 special election, Richardson apparently stopped making payments on her new Sacramento home, and eventually walked away from it, leaving nearly \$600,000 in unpaid loans and fees.

Richardson's decision to let the house slip into foreclosure was set in motion by an unlikely chain of events, only some of which had to do with Sacramento's crumbling real estate market. Richardson was elected to the Assembly in November 2006, and purchased her new capital home two months later. But in April 2007, Rep. Juanita Millender-McDonald succumbed to cancer, creating a Congressional vacancy in Richardson's district.

Richardson declared her candidacy for the seat, and soon found herself locked in a hotly contested, and very expensive race for Congress against state Sen. Jenny Oropeza, D-Long Beach.

While her campaign heated up, Richardson's house slipped into default. Richardson fell behind on her mortgage payments as she loaned her Congressional campaign \$60,000 – money that has begun to be paid back to Richardson personally from her campaign account, according to records from the Center for Responsive Politics.

Richardson's opponent, Oropeza, loaned herself \$115,000 for her run against Richardson. Oropeza's Congressional committee still shows nearly \$200,000 in debt.

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But tax records at the Sacramento County assessor's office show that in January 2007, Richardson took out a mortgage for the entire sale price of the house -- \$535,000. The mortgage amount was equal to the sale price of the home, meaning she was able to buy the house without a down payment, even though the housing market was beginning to turn.

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From: Gaugl, Sara C.
Sent: Tuesday, May 27, 2008 3:31:02 PM
To: Schneider, David C.; Berens, John; Champney, Steven D.
CC: Thorn, Ann; Owen, Jan L.; Elias, Alan
Subject: Richardson Coverage: Calculated Risk Blog

All:

As expected, coverage on Congresswoman Richardson's financial situation has continued to evolve after it was reported on Friday that she has defaulted on other loans -- including her primary residence. I'm forwarding the blog posting embedded below in particular, as it reflects the current viewpoint among other journalists and links to key articles/postings published to date.

- Sara

UPDATED: A Congressional Speculator? – Calculated Risk

by Tanta

<http://calculatedrisk.blogspot.com/2008/05/congressional-speculator.html>

This is an update to post below on Rep. Laura Richardson's foreclosure woes.

Gene Maddaus of the Daily Breeze kindly forwarded today's additions to the saga. There are not two, but three homes owned by Richardson in foreclosure. And yes, she appears to have cashed out her primary residence back in 2006 to fund her campaign for State Assembly. So it looks like a pattern.

* * * * *

I have been watching the story of Representative Laura Richardson and her foreclosure woes for a while now, while heretofore hesitating to post on it. For one thing, the original story--a member of Congress losing her expensive second home to foreclosure--had that kind of celebrity car-crash quality to it that I'm not especially interested in for the purposes of this blog. For another thing, posting about anything even tangentially related to politics invites the kind of comments that personally bore me to tears.

All that is still true, but the story has taken such an unfortunate turn that I feel obligated to weigh in on it. Specifically, Rep. Richardson is threatening us:

Rather than shy away from voting on mortgage-related bills, Richardson said her experiences could help her craft legislation to make sure others don't experience what she did. For example, she sees a need to add steps to inform property owners before their property can be sold.

"We have to ensure that lenders and lenders have the tools with proper timing to resolve this," she said.

If Rep. Richardson is going to base legislative proposals on her own experience, then it matters to the rest of us what that experience was. So click the link below if you can stand to hear about it.

* * * * *

The story was originally reported in the Sacramento Capitol Weekly, and picked up by the Wall Street Journal, and thence covered by a number of blogs, with the storyline being that Rep. Richardson "walked away" from her home, a second home she purchased in Sacramento after being elected to the State Assembly. The "walk away" part came from a remark made by the real estate investor who purchased the home at the foreclosure auction, not Rep. Richardson or anyone who could be expected to understand her financial situation, but that didn't stop the phrase "walk away" from headlining blog posts.

Rep. Richardson has variously claimed at different times that the house was not in foreclosure, that she had worked out a modification with the lender, and that the lender improperly foreclosed after having agreed to accept her payments. Frankly, unless and until Rep. Richardson gives her lender, Washington Mutual, permission to tell its side of the story--I'm not holding my breath on that--we're unlikely to be able to sort out this mess of claims to my satisfaction, at least.

It's possible that WaMu screwed this up--that it accepted payments on a workout plan with the understanding that

foreclosure was "on hold" and then sold the property at auction the next week anyway. It's possible that Richardson's version of what went on is muddled, too. Without some more hard information I'm not inclined to assume the servicer did most of the screwing up, if for no other reason that we didn't find out until late yesterday, courtesy of the [L.A. Land and Foreclosure Truth](#) blogs, that Richardson's other home--her primary residence--was also in foreclosure proceedings as recently as March of this year, a detail that as far as I can tell Richardson never disclosed in all the previous discussion of the facts surrounding the foreclosure of her second home.

What part of this I am most interested in, right now, is the question of what in the hell exactly Richardson was thinking when she bought the Sacramento home in the first place. Since the story is quite complex, let's get straight on a few details. Richardson was a Long Beach City Council member who was elected to the state legislature in November of 2006. In January of 2007 she purchased a second home in Sacramento, presumably to live in during the Assembly session. In April 2007, the U.S. Congressional Representative from Richardson's district died, and Richardson entered an expensive race for that seat, winning in a special election in August of 2007. By December 2007 the Sacramento home was in default, and it was foreclosed in early May of 2008. The consensus in the published reports seems to be that Richardson spent what money she had on her campaign, not her bills.

According to the AP:

Richardson, 46, makes nearly \$170,000 as a member of Congress and was paid \$113,000 during the eight months she served in the state Assembly in 2007 before her election to Congress. She also received a per diem total of \$20,000 from California, according to a financial disclosure form she filed with the House of Representatives clerk.

It seems to me that all this focus on what happened after she bought the Sacramento home--running for the suddenly-available Congressional seat, changing jobs, etc.--is obscuring the issue of the original transaction.

In November of 2006, Richardson already owned a home in Long Beach. As a newly-elected state representative, she would have been required to maintain her principal residence in her district, but she would also have had to make some arrangements for staying in Sacramento during Assembly sessions, given the length of the commute from L.A. County to the state capitol. She seems to have told the AP reporter that "Lawmakers are required to maintain two residences while other people don't have to," which is not exactly the way I'd have put it. Lawmakers are required to maintain one primary residence (which need not be owned) in their district. They are not required to buy a home at the capitol (of California or the U.S.); many legislators do rent. Richardson is a single woman with no children, yet she felt "required" to purchase a 3-bedroom, 1 1/2 bathroom home in what sounds like one of Sacramento's pricier neighborhoods for \$535,500, with no downpayment and with \$15,000 in closing cost contributions from the property seller. (The NAR median price in Sacramento in the first quarter of 2007 was \$365,300.)

I have no idea what loan terms Richardson got for a 100% LTV second home purchase in January 2007, but I'm going to guess that if she got something like a 7.00% interest only loan (without additional mortgage insurance), she got a pretty darn good deal. If she got that good a deal, her monthly interest payment would have been \$3123.75. Assuming taxes and insurance of 1.50% of the property value, her total payment would have been \$3793.13.

The AP reports that Richardson's salary as a state representative was \$113,000 in 2007, and she received \$20,000 in per diem payments (which are, of course, intended to offset the additional expense of traveling to and staying in the Capitol during sessions). I assume the per diem is non-taxable, so I'll gross it up to \$25,000. That gives me an annual income of \$138,000 or a gross monthly income of \$11,500.

The total payment on the second home, then, with my sunny assumptions about loan terms, comes to 33% of Richardson's gross income. I have no idea what the payment is for her principal residence in Long Beach. I have no idea what other debt she might have. I am ignoring her congressional race and job changes and all that because at the point she took out this mortgage, that was all in the future and Richardson didn't know that the incumbent would die suddenly and all that. I'm just trying to figure out what went through this woman's mind when she decided it was a wise financial move to spend one-third of her pre-tax income on a second home. (There's no point trying to figure out what went through the lender's mind at the time. There just isn't.)

Now, Richardson has [this](#) to say about herself:

"I'm Laura Richardson. I'm an American, I'm a single woman who had four employment changes in less than four months," Richardson told the AP. "I had to figure out just like every other American how I could restructure the obligations that I had with the income I had."

Yeah, well, I'm Tanta, I'm an American, I'm a single woman, and I say you're full of it. You need to show us what your

plan for affording this home was *before* the job changes, girlfriend. You might also tell me why you felt you needed such an expensive second home when you had no money to put down on it or even to pay your own closing costs. As it happens, the Mercury News/AP reported that by June of 2007--five months after purchase--you had a lien filed for unpaid utility bills. You didn't budget for the lights?

But what are we going to get? We're going to get Richardson all fired up in Congress about tinkering with foreclosure notice timing, which is last I knew a question of state, not federal, law, and which has as far as I can see squat to do with why this loan failed.

Quite honestly, if WaMu did give Richardson some loan modification deal, I'd really like to know what went through the Loss Mit Department's collective and individual minds when they signed off on that. Sure, Richardson's salary went up to \$170,000 when she became a member of the U.S. Congress, but what does she need a home in Sacramento for after that? Where's she going to live in Washington, DC? And, well, her principal residence was also in the process of foreclosure at the same time. I suppose I might have offered a short sale or deed-in-lieu here, but a modification? Why would anybody do that? Because she's a Congresswoman?

I'm quite sure Richardson wants to be treated like just a plain old American and not get special treatment. Well, I was kind of hard on a plain old American the other day who wrote a "hardship letter" that didn't pass muster with me. I feel obligated to tell Richardson that she sounds like a real estate speculator who bought a home she obviously couldn't afford, defaulted on it, and now wants WaMu to basically subsidize her Congressional campaign by lowering her mortgage payment or forgiving debt. And that's . . . disgusting. At the risk of sounding like Angelo.

I know some of you are thinking that maybe poor Ms. Richardson got taken advantage of by some fast-talking REALTOR who encouraged her to buy more house than she could afford.

According to Pete Viles at L.A. Land, She likes the Realtors, and they like her. She filed financial disclosure forms with the House Ethics Committee reporting the National Assn. of Realtors flew her to Las Vegas in November to help swear in the new president of the association, Realtor Dick Gaylord of Long Beach.

In suggested remarks* at the NAR gathering, also filed with the House, Richardson's script read: "I might be one of the newest members of Congress but I am not a new member of the REALTOR Party. When I needed help to win a tough primary, REALTORS stood up and backed me even though I was the underdog."

--Real estate industry professionals have given her \$39,500 in campaign contributions in the current election cycle, according to Open Secrets.

No wonder she's blaming the lender.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228. cell
sara.gaugl@wamu.net

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From: Schneider, David C.
Sent: Wednesday, May 21, 2008 11:51 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>
Subject: Re: Congresswoman Laura Richardson -- WaMu Foreclosure/Public Relations Item -- Attorney Client Privileged Communication

Story doesn't seem to be too bad.

Are ther ripples with this one? ds

----- Original Message -----

From: Gaugl, Sara C.
To: Schneider, David C.
Cc: Battaglia, Paul J.; Elias, Alan; Cook, Don
Sent: Wed May 21 20:29:37 2008
Subject: RE: Congresswoman Laura Richardson -- WaMu Foreclosure/Public Relations Item -- Attorney Client Privileged Communication

David,

As a follow-up to Paul's message, Capitol Weekly broke this story today (full-text article embedded below for your reference). This news has since been reported by a L.A Times blogger, and we know that the AP and Washington Post have picked up on the story as well. Additional coverage is expected tomorrow.

- Sara

Foreclosure tale shows that nobody is immune from crisis

By Anthony York (published Tuesday, May 20, 2008)

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Richardson's decision to let the house slip into foreclosure was set in motion by an unlikely chain of events, only some of which had to do with Sacramento's crumbling real estate market. Richardson was elected to the Assembly in November 2006, and purchased her new capital home two months later. But in April 2007, Rep. Juanita Millender-McDonald succumbed to cancer, creating a Congressional vacancy in Richardson's district.

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From: Battaglia, Paul J.
Sent: Wednesday, May 21, 2008 8:16 PM
To: Schneider, David C.
Cc: Berens, John; Champney, Steven D.; Cook, Don; Owen, Jan L.; Gaugl, Sara C.; Elias, Alan
Subject: Congresswoman Laura Richardson -- WaMu Foreclosure/Public Relations Item -- Attorney Client Privileged Communication

David,



Paul J. Battaglia
First Vice President and Senior Counsel
Washington Mutual Bank
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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Thank You.

From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Thursday, May 22, 2008 1:49 AM
To: Schneider, David C. <u215416@wamu.com>
Subject: RE: Congresswoman Laura Richardson -- WaMu Foreclosure/Public Relations Item -- Attorney Client Privileged Communication

My apologies - here is the AP article.

Calif. congresswoman's home threatened with repo

By DON THOMPSON

SACRAMENTO, Calif. (AP) — Rep. Laura Richardson has an unusual perspective on the housing foreclosure bills moving through Congress: One of her own homes was threatened with repossession after she failed to pay the mortgage.

Richardson, a Southern California Democrat, bought a two-story home in a leafy, upper-middle-class neighborhood of Sacramento in January 2007, just months after winning a seat in the state Assembly.

She bought the three-bedroom, 1 1/2-bath home in the state capital for \$535,500. The bill collectors started knocking soon after, according to records reviewed Wednesday by The Associated Press.

The city utility department placed a lien on her property in June 2007 for \$154 in unpaid bills, according to documents at the Sacramento County recorder's office. In December, she received a default notice on the mortgage from the collection agency of Washington Mutual Inc., her lender. At that point, she owed \$18,356.

At the time, she had left the Legislature after a quick rise from the Long Beach City Council and moved to Washington after winning a special election to fill a vacant congressional seat. Richardson on Wednesday blamed the frequent job-shifting for financial problems related to the Sacramento property.

A default notice in March this year put the "unpaid balance and other expenses" at \$578,384 and said her 1,639-square-foot house would be auctioned at a trustee sale.

County records show the property was sold to a company called Red Rock Mortgage Inc. of Sacramento for \$388,000 — although the county assessor's office continues to list Richardson as the owner. No listing could be found for Red Rock.

That sale was officially recorded Monday, according to the records. But Richards said the home was not in foreclosure and had not been seized.

"I have worked with my lender to complete a loan modification and have renegotiated the terms of the agreement — with no special provisions," Richardson said in a statement Wednesday. "I fully intend to fulfill all financial obligations of this property."

Richardson's chief of staff, Kimberly Parker, told the AP that the mortgage on the home had been sold but that the house had not. The collection agency referred inquiries to Washington Mutual, which did not return a call.

A real estate agent's lock box hung Wednesday from the front door of the 1926-vintage house.

Records at a Sacramento County tax office also show Richardson is delinquent in paying \$8,950 in property taxes.

Richardson moved from the Long Beach City Council to her Assembly seat in 2006, and the next year won a special election to represent a heavily Democratic congressional district that includes Long Beach.

Congressional records show Richardson did not cast votes May 8 on three bills related to the Foreclosure Prevention Act. In her statement, she said she was away from Washington because of her father's funeral.

"I understand that these homeownership issues are a reflection of what many Americans are going through as they fight to keep their homes and to remain financially stable," Richardson said in her statement.

From: Gaugl, Sara C.
Sent: Wed 05/21/2008 10:47 PM
To: Schneider, David C.
Subject: RE: Congresswoman Laura Richardson -- WaMu Foreclosure/Public Relations Item -- Attorney Client Privileged Communication

David,
So far, WaMu is not a significant focus of this news cycle and we haven't been positioned in a negative light.

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Please feel free to call at any time if you'd like to further discuss. 206-228-

- Sara

From: Schneider, David C.
Sent: Wed 05/21/2008 8:51 PM
To: Gaugl, Sara C.
Subject: Re: Congresswoman Laura Richardson -- WaMu Foreclosure/Public Relations Item -- Attorney Client Privileged Communication

Story doesn't seem to be too bad.

Are there ripples with this one? ds

----- Original Message -----

From: Gaugl, Sara C.
To: Schneider, David C.
Cc: Battaglia, Paul J.; Elias, Alan; Cook, Don
Sent: Wed May 21 20:29:37 2008

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Foreclosure tale shows that nobody is immune from crisis

By Anthony York (published Tuesday, May 20, 2008)

As the real estate market softened in 2007, the new owner of a three-bedroom, 1,600-square-foot house in Sacramento's Curtis Park neighborhood ran into trouble. The house that was purchased for \$535,000 in January had lost equity. The owner fell behind in her payments, and eventually, the bank seized the home.

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The story of the foreclosure of Long Beach Democrat Laura Richardson's Sacramento home is a tale of a real estate market gone sour. It is also an illustration of how far many candidates will go to seek elected office, even if it means quite literally mortgaging their own financial future.

While being elevated to Congress in a 2007 special election, Richardson apparently stopped making payments on her new Sacramento home, and eventually walked away from it, leaving nearly \$600,000 in unpaid loans and fees.

Richardson's decision to let the house slip into foreclosure was set in motion by an unlikely chain of events, only some of which had to do with Sacramento's crumbling real estate market. Richardson was elected to the Assembly in November 2006, and purchased her new capital home two months later. But in April 2007, Rep. Juanita Millender-McDonald succumbed to cancer, creating a Congressional vacancy in Richardson's district.

Richardson declared her candidacy for the seat, and soon found herself locked in a hotly contested, and very expensive race for Congress against state Sen. Jenny Oropeza, D-Long Beach.

While her campaign heated up, Richardson's house slipped into default. Richardson fell behind on her mortgage payments as she loaned her Congressional campaign \$60,000 – money that has begun to be paid back to Richardson personally from her campaign account, according to records from the Center for Responsive Politics.

Richardson's opponent, Oropeza, loaned herself \$115,000 for her run against Richardson. Oropeza's Congressional committee still shows nearly \$200,000 in debt.

Richardson declined to comment for this story.

But tax records at the Sacramento County assessor's office show that in January 2007, Richardson took out a mortgage for the entire sale price of the house -- \$535,000. The mortgage amount was equal to the sale price of the home, meaning she was able to buy the house without a down payment, even though the housing market was beginning to turn.

A March 19, 2008 notice of trustee's sale indicates that the unpaid balance of Richardson's loan, which is held by Washington Mutual, is more than \$578,000 –\$40,000 more than the original mortgage.

The Curtis Park house is not Richardson's primary residence. She also owns a four-bedroom house in Long Beach, in her Congressional district. Real estate records show she purchased that house in 1999 for \$135,000. An estimate from Zillow.com puts the current value of that house at \$474,000

Like many homes that have gone through foreclosure, Richardson's new residence quickly became an eyesore. With Richardson gone, upkeep on the home lapsed, and neighbors began to get angry.

"The neighbors are extremely unhappy with her," said Sharon Helmar, who sold the home to Richardson. "She didn't mow the lawn or take out the garbage while she was there. We lived there for a long time, 30 years, and we had to hide our heads whenever we came back to the neighborhood."

Helmar and her husband, Mark, sold the Curtis Park home to Richardson because Sharon's arthritis required the couple to move into a one-story house. With the area's real estate market slowing down, the house remained on the market for months, and the Helmars, who lived in the house for more than 30 years, were getting desperate to sell.

Helmar said that she has never met Richardson personally, but dealt with Richardson through her realtor. The Helmars wound up giving Richardson \$15,000 toward closing costs, she said.

And she is still angry over what happened to a home that clearly she never really wanted to leave. "It's kind of silly. You would think people who are making decisions for others would be able to make good decisions for themselves," she said. "She should have known what she could afford and not afford. In this neighborhood, you just don't do that."

While Richardson walked away from her loan, she bested Oropeza in a June special election, and moved on to Congress. As a member of Congress, Richardson has been asked to vote on legislation pertaining to the spike in foreclosures around the country.

On the biggest pieces of legislation having to do with government bailouts for people whose homes have entered foreclosure, Richardson has recused herself. She did not vote on legislation by Rep. Barney Frank, D-Mass, which would direct \$2.7 billion in government funds to help an estimated 500,000 homeowners who are at risk of foreclosure.

Richardson also did not vote on a measure by Rep. Maxine Waters, D-Los Angeles, that would give local governments \$15 billion to purchase, rehab and resell foreclosed properties.

While Richardson walked away from her bank loan, she has begun to pay herself back for the money she personally invested in her initial race. Records show that Richardson spent \$587,000 out of her Congressional campaign committee since declaring her Congressional candidacy through March of this year. Of those expenditures, Richardson has spent \$18,000 of that money to begin repaying herself for the money Richardson loaned to her campaign.

According to documents at the Sacramento County Clerk's office, Richardson first received a default notice in late 2007. By December 2007, less than a year after Richardson purchased the house, she was behind in her payments by more than \$18,000.

Three months later, on March 19, a notice was filed with the county that Richardson's property would be sold at auction. According to the documents, the unpaid balance and other charges Richardson owed the bank was \$587,384.

Sara Gaugl
Home Loans Public Relations

WaMu
1301 Second Avenue | WMC40 | Seattle WA 98101
206.500.2822 direct | 206.228. cell
sara.gaugl@wamu.net

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From: Gaugl, Sara C. <sara.gaugl@wamu.net>
Sent: Thursday, May 22, 2008 1:48 AM
To: Schneider, David C. <u215416@wamu.com>
Subject: RE: Congresswoman Laura Richardson -- WaMu Foreclosure/Public Relations Item -- Attorney Client Privileged Communication

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From: Laura Richardson <laurarichardson@wamu.net>
Sent: Wednesday, June 18, 2008 7:27 PM
To: Gaugl, Sara C. <sara.gaugl@wamu.net>
Cc: Thorn, Ann <ann.thorn@wamu.net>
Subject: WaMu Statement

Ann,
Could you forward this letter to Sara? I am not sure I have the correct spelling of her name or her email address.

Washington Mutual
1301 2nd Ave.
Seattle , Washington 98101

Dear Sara Gaugl:

Over the last several weeks, I have read the following quotes from you in various newspapers:

"I'm unable to discuss the specifics of Ms. Richardson's loan situation because she has not provided us with authorization to publicly discuss her loan."

And:

"More broadly, if the loan has gone to foreclosure sale in error, we will work to take appropriate measures to rectify the situation."

It is my understanding that a statement has been released on behalf of Washington Mutual. Despite efforts by those assisting me in this process, no one on my staff has received a copy of the release.

Could you please e-mail a copy of the release regarding the property @ 3622 Curtis Drive , Sacramento , CA., to my e-mail address: laurarichardson@wamu.net at your earliest convenience.

Further, I did sign a consent form to release the document from WaMU that acknowledged terms and that no further action would occur prior to June 6th. I hereby consent again the release of that document and WaMu explanations as to why a rescission is being sought and allowable in this case. Please forward a copy of that explanation to me as well at laurarichardson@wamu.net

Sincerely,

Laura Richardson

Cc: Ann Thorn

From: Thornton, Gamae M.
Sent: Thursday, August 28, 2008 5:06:24 PM
To: Klein, Jason C.
Subject: Newspaper articles

Attachments: Defaults.pdf; Appraisers.pdf

Hi Jason. I found the articles that you wanted scanned on sfgate.com and PDF'd them from there.



Defaults.pdf
(142 kB)



Appraisers.pdf
(123 kB)

Gamae M. Thornton
Legal Assistant
Legal Department
Legal Division Admin - WMB

Washington Mutual Bank
201 Mission Street, 12th Floor
Mail Stop: CSSF112
San Francisco, CA 94105

415.278.4713 direct, 415.278.6012 fax
gamae.thornton@wamu.net

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Please consider the environment before printing this e-mail. Thank you.

SFGate.com

Defaults seem unlikely to sink Rep. Richardson

Laura E. Davis, Associated Press

Sunday, August 24, 2008



(08-24) 04:00 PDT Long Beach --

Like many voters in this port city and the gritty urban areas of Rep. Laura Richardson's political turf, Johnetta Walker is disenchanted with the lawmaker whose meteoric rise has been marked with personal financial failures.

Richardson's ambitious one-year ascent from City Council to state Assembly to Congress gained national attention in May when one of her houses was sold in foreclosure, followed by news of several loan defaults.

"How can you be a leader of anything if you can't be a leader of your home?" asks Walker, a bus driver who lives in Compton (Los Angeles County), a working-class city in Richardson's district.

Walker says she won't vote for Richardson in November, but her effort will most likely be in vain. A disorganized field of last-minute challengers and no recall option means there's little angered constituents can do to unseat the financially troubled Democrat.

After news came out about the foreclosure and sale of Richardson's Sacramento home, which she bought in January 2007 after winning a seat in the state Assembly, a pattern of years of financial irresponsibility emerged.

A few days before the June primary, the Long Beach Press-Telegram reported that Richardson, who won her House seat last year in a special election, had been issued multiple defaults on two Southern California homes. Five of those occurred in the previous 13 months, when Richardson was using \$177,500 of her own money to finance her political career.

Despite a challenger's news conference highlighting her problems, the lawmaker coasted through the primary with nearly three-fourths of the vote, setting her up to run unopposed in November.

Democratic voter registration in her 37th Congressional District - which includes parts of working-class South Central Los Angeles, Carson (Los Angeles County), Compton and most of Long Beach - outnumbers Republican registration 59.3 percent to 17.5 percent, and Republicans didn't bother to field a candidate this year.

Yet her decisive primary victory and apparent clear sailing in November failed to end criticism.

Unpaid bills

The local paper reported that she didn't pay car repair bills for years, failed to disclose certain financial details - including a loan from a strip club owner - and leased the priciest car in the House at taxpayers' expense. She also once had a real estate license, suggesting she should have known how to better handle her properties.

A Washington watchdog group called for a House Ethics Committee investigation into Richardson's personal finances, citing her history of defaulting on home loans and suspicions of special treatment when her bank rescinded the sale of her foreclosed Sacramento home. She and the bank denied the allegation after the property was returned to her, but it has fallen into disrepair and was recently declared a public nuisance.

As Richardson's problems surfaced this summer, so did three challengers: two write-ins, Lee Davis and Peter Mathews, both of whom lost to Richardson in the primary, and independent Nicholas Dibs, a schoolteacher and political novice.

The three candidates say they were encouraged to run by people unhappy with Richardson and point to voter discontent as signs that their challenges could be successful.

"I walk the streets, and people say, 'Please run as a write-in. We will vote for you. We don't want her,'" said Davis, publisher of the community paper the Wrigley Bulletin and News.

An everywoman?

Richardson - who voted for a mortgage debt forgiveness bill that later passed - has portrayed her foreclosure as an example of how even a member of Congress can suffer a plight plaguing tens of thousands of hapless Americans.

But that explanation hasn't impressed many of her constituents, who have been quick to share their opinions publicly or post them on Web sites.

"If she can't take care of herself, then how is she going to take care of other people (while serving) in Congress?" said Juliana Flores as she left her job at a Target store in Carson.

Some voters say they will do more research on Richardson to determine whether she can separate her own problems from her political duties.

"You always want to make sure someone is capable of handling their personal issues and the issues of the public at large," said Ed Smith, a manager of a fast food restaurant. "I don't vote for someone just because they're the only one running for a particular position."

Write-in candidate Mathews, a college professor who has made several bids for Congress, pointed to a July poll in the Press-Telegram, taken before Davis and Dibs had officially become candidates, that had 57 percent of respondents saying he has a chance of beating Richardson.

But Gary Jacobson, a political science professor at UC San Diego, said independent and write-in candidates rarely win seats in Congress because they usually can't match the money, name recognition and organization of incumbents or candidates backed by a party.

Splitting the opposition

He added that Richardson's three challengers may actually be working against each other.

"It makes it virtually impossible to beat her because it will divide the opposition," he said.

Richardson refused to be interviewed for this story, but campaign spokesman William Marshall Jr. issued a statement. While ignoring her reported indiscretions, the statement said Richardson has consistently gained voter support because of her legislative record and noted some of her achievements in less than a year in Congress.

"She will diligently repeat her resounding (primary) victory of over 74 percent," the statement concluded.

Richardson has received the backing of some of her powerful Democratic colleagues, including House Speaker Nancy Pelosi and popular local lawmaker Rep. Maxine Waters, who represents an adjacent district. In addition, House Majority Leader Steny Hoyer, D-Md., held a Capitol Hill fundraiser for Richardson in June.

If Richardson is re-elected, recall will not be possible, either, because the Constitution does not allow it for members of Congress.

That leaves the 2010 Democratic primary as the next chance for voters to remove Richardson from her seat.

"There's only a remote danger in the general election this year, but a very serious danger in the 2010 primary," said Jack Pitney, a government professor at Claremont McKenna College. "Ambitious politicians in that area are going to be carefully weighing a primary against her."

<http://sfgate.com/cgi-bin/article.cgi?f=/c/a/2008/08/24/BAIS12H06Q.DTL>

This article appeared on page **B - 6** of the San Francisco Chronicle

SFGate.com

Appraisers still getting pressure on prices

Kenneth Harney

Sunday, August 24, 2008

(08-24) 04:00 PDT Washington -- Have the real estate valuation shenanigans and inflated home appraisals that characterized the boom years disappeared from the marketplace?

Are mortgage loan officers and realty agents - even individual home sellers - continuing to influence or attempting to interfere with appraisals despite new federal rules that ban such behavior?

Ask appraisers, and many will tell you it's still business as usual. Attempts at encouraging inflated appraisals continue to be commonplace, though in some cases the techniques have become subtler.

"Absolutely, appraisers continue to get pressured" to hit the numbers needed to push transactions to closing, said Bill Garber, government affairs director for the Appraisal Institute, the country's largest professional organization representing appraisers.

"That has not changed yet," added Garber, even though recently signed federal housing legislation toughened appraisal standards and the Federal Reserve's new truth-in-lending rules ban interference, bribes or intimidation designed to influence appraisers' valuations. The most recent national poll of appraisers, conducted by October Research Corp. two years ago, found that 90 percent of those interviewed reported some form of interference or intimidation by retail loan officers, brokers and third-party appraisal management firms, among others.

Gary Crabtree, principal of Affiliated Appraisers in Bakersfield, said "it hasn't gone away," and there are even some developments on the horizon that could make things worse. Starting Oct. 1, a federal foreclosure-relief refinancing program gets under way that will require lenders to write down the value of distressed houses to 90 percent of current market value to enable borrowers to be refinanced.

Some appraisers "could find themselves under pressure to inflate values" on those properties to cut lenders' losses, said Crabtree, even though the federal legislation authorizing the refi program specifically prohibits interference.

Sara Schwarzentraub, president of Inter-State Appraisal Service of La Mesa (San Diego County), recalled how one client complained that, "If you didn't know you could hit what was needed, you shouldn't have taken the assignment." The number needed by the caller - a mortgage company employee - was \$50,000 to \$60,000 higher than comparable values in the area could support, according to Schwarzentraub.

In Owings, Md., Michael Tsourounis, president of Calvert Appraisal and Realty Services, recounted

a recent experience when he visited a mortgage company in his area. Tsourounis inquired about the possibility of doing appraisal work for the lender.

"The office manager asked me directly: 'If I sent you out to appraise a million-dollar home and the comps (comparable values) only came in at \$800,000 ... but in your heart you knew it was worth a million dollars, what would you bring it in at?'"

Tsourounis said he told the manager that "the market is full of million-dollar houses selling for \$750,000. Why should I be responsible for adding one more foreclosed property to the already growing list?"

"Not surprisingly," he said, he's never heard back from the lender, never received an appraisal assignment. "Was that a form of interference? You bet it was," said Tsourounis. "It was just a little subtler, a little less direct, than it used to be."

The obvious intent here, according to Frank Gregoire, immediate past chairman of the Florida Real Estate Appraisal Board and an appraiser in the St. Petersburg-Tampa area, "is really to find out: Will this guy play ball? Will he be cooperative when we need him?" Gregoire said appraisers still routinely receive probing e-mails and phone calls from lenders and brokers designed to elicit the same information: Will an appraiser "pre-comp" a property with a sales contract pending at a specific price? Can a specific valuation number needed for a refinancing - which may be far out of line with current property values - be reliably reached by the appraiser?

Part of the reason in today's market environment, he said, "is that things are tough, sales volumes are down, and some lenders know that they'll eventually find someone who'll cooperate," often a newcomer who badly needs an assignment. "It's not easy for some of them to say no, especially when they see business go to folks who everybody knows are playing the game."

Only when federal and state governments severely punish unethical appraisers and the people who pressure them "will all this start to get under control," Gregoire said. But he sees some signs for optimism: State regulators in Florida and elsewhere are cracking down increasingly on appraisers, even stripping away their licenses. And the new federal legislation authorizes financial penalties to be imposed by the secretary of housing when appraisers are found to have caved to pressure and cooked the books to inflate values.

E-mail Kenneth Harney at kenharney@earthlink.net.

<http://sfgate.com/cgi-bin/article.cgi?f=/c/a/2008/08/24/RE9512D5H3.DTL>

This article appeared on page **K - 3** of the San Francisco Chronicle

Subject: Call re Laura Richardson F/C Rescission

Start: 6/13/2008 7:00 PM

End: 6/13/2008 7:30 PM

Show Time As: Busy

Recurrence: (none)

Number: 866-736-

Participant Code:



From: Thorn, Ann <ann.thorn@wamu.net>
Sent: Friday, February 13, 2009 10:03 AM
To: Mathis, Julie A. <julie.mathis@wamu.net>
Subject: RE: [redacted] Richardson

Can we mod her again due to the escrow increase. Her payment going up almost \$500 per month

*Ann Thom, FVP
National Asset Recovery Manager
WaMu, now part of JP Morgan Chase
office: 904-462-2150
cell: [redacted]*

For Internal Use Only

From: Mathis, Julie A.
Sent: Thursday, February 12, 2009 8:47 PM
To: Thorn, Ann
Subject: FW: [redacted] Richardson

Ann, do you need anything from me on this?

thanks,

Julie

Julie Mathis, VP
Department Manager
Loss Mitigation
Home Loans

WaMu, now backed by the strength of JPMorgan Chase
7255 Baymeadows Way, JAXA2000
Jacksonville, FL 32256

904.886.1305 direct, 904. 886.1325 fax
julie.mathis@wamu.net

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From: Todd, Kevin C.
Sent: Tuesday, February 10, 2009 9:02 AM
To: Thorn, Ann
Cc: Leviner, Cheryl H.; Mathis, Julie A.; Rogers, Savannah L.; Adams-McElveen, Dena M.
Subject: FW: [redacted] Richardson

*Ann,
The \$508.41 was correct at the time the taxes were disbursed; whether the tax office did not know if the two bills would be combined by the 08/09 billing or the tax research associate did not ask, either way the amounts should have been combined on the line to prevent a deeper shortage.*

WaMu does not pay CA supplemental bills on cycle, these are bills that are sent to the homeowner and unless the homeowner calls with a request to pay them, WaMu is not aware they exist, unless they are reported as delinquent. In this case due to the fact that the account was non escrow, would have been reported delinquent along with the full year 07/08 secured bill. At this point unless the homeowner makes improvements to her property, she should no longer have a supplemental bill.

The increase from \$508.41 to \$2,930.67 for the taxes is due to the secured tax bill merging with the supplemental bill. Please see below :

Internet Explorer - http://www.eproptax.saccounty.net/BillDetail.asp?FullRollYear=2008&BillNumber=17688

File Edit View Favorites Tools Help

Back Forward Stop Refresh Home Search Favorites

Address: http://www.eproptax.saccounty.net/BillDetail.asp?FullRollYear=2008&BillNumber=17688

Favorites: Add... Organize...

Links: WAMU.COM, WAMU.NET, Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, DC, Delaware, Florida, Georgia, Guam, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Long Island, Louisiana, Maine, Maryland, Massachusetts, Missouri

New Search

Effective Date of Ownership: 1/10/2007
 Bill Number: [input type="text"]
 Bill Type: Secured Annual
 Assessment Year: 2008-2009
 Issued Date: 9/29/2008
 Original Bill Amount: \$5,861.34 [View Direct Levies](#) Total Bill Amount Due: \$2,930.67

	First Installment	Second Installment
Due Date:	12/10/2008	4/10/2009
Amount:	\$2,930.67	\$2,930.67
Penalty:	\$0.00	\$0.00
Installment Amount Due:	\$0.00	\$2,930.67
Status:	Paid 12/10/2008	Unpaid

[Pay Installment Online](#)
[Pay Installment By Mail](#)

The Tax Collector cannot accept partial payments. Please make payments for the Installment Amount Due listed. Second installment payments cannot be accepted before the first installment has been paid. Click on the Pay installment link to pay online. A convenience fee will apply to credit card and electronic check payments. Click on the **Pay Installment By Mail** link to print a tax bill payment stub to mail in with your payment.

When the tax bill due date falls on a Saturday, Sunday or legal Holiday, the hour of delinquency is 5:00 p.m. on the next business day.

The Tax Collector accepts and processes payments based on the postmark date. Depending on the volume, payments submitted with the correct payment stubs, and/or envelopes postmarked by the due date, payments may not be credited to the tax bill for several business days. If your payment has not been posted, or you have questions regarding the tax bills, please contact the Sacramento County Tax Collector's Office at (916) 874-6522 during regular business hours.

Internet

Session A (24 x 80) Unshad - Keyboard Inbox: Microsoft O... PW: 0729542x33 R 8:35 AM

Kevin C. Todd
 LS Section Mgr II
 Tax Mitigation - Relationship Mgt.

WaMu, now backed by the strength of JPMorgan Chase

2210 Enterprise Dr.
 Florence, SC 29501

(843) 673-3887 direct, (843) 673-3008 fax
 kevin.todd@wamu.net

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From: Adams-McElveen, Dena M.
 Sent: Monday, February 09, 2009 5:07 PM
 To: Todd, Kevin C.
 Cc: Leviner, Cheryl H.; Thorn, Ann; Mathis, Julie A.; Rogers, Savannah L.
 Subject: RE: [input type="text"]Richardson

The issue at hand is the increase on the tax line from \$508.41 to \$2930.67 per installment. When the modification was completed, the tax line had the \$508.41. The modification included all delinquent taxes; so it was funded correctly with no shortage based on the \$508.41 anticipated tax installments. When the \$2930.67 paid in 11/08; the escrow shortage was created. The shortage includes the difference in the anticipated amount and the actual amount paid; in addition to the difference needed to make the 3/09 installment at \$2930.67.

I think we all need to know why the tax line was loaded at \$508.41 when the modification was completed; but the actual payment was \$2930.67. I saw Tess' email; but that really doesn't explain the difference in the tax amount loaded on the line and the tax amount paid in 11/08. Michelle Thomas has it documented that \$508.41 was the correct amount in 7/08. Why the substantial increase? Is the \$2930.67 correct? It appears that Michelle loaded the base amount on the lines (per Tess' amount of \$1016.82). If the property is fully assessed now or due to the change in ownership issues that occurred on the loan, is that the reason for the increase? The borrower is questioning the increase in the taxes. Was this something we could not have known or prevented at the time of the modification? We just need to provide Ann with information she can give to the borrower to explain why she now has a shortage after her modification.

Thanks!

Dena Adams-McElveen
LS Section Manager II
Escrow Analysis & FHA Insurance
WaMu, now backed by the strength of JPMorgan Chase

843-673-4057 Business
843-673-3142 Fax

From: Thorn, Ann
Sent: Monday, February 09, 2009 4:30 PM
To: Mathis, Julie A.; Rogers, Savannah L.; Adams-McElveen, Dena M.; Todd, Kevin C.
Subject: FW: [redacted] Richardson

There are a few people working on this and I got an old email that was going around about the escrow/taxes for Richardson.

Would appear from the figures below that the modification INCLUDED the \$19,119 in taxes, but another email from Dena said the tax line said \$508 at the time of the modification.

I am no tax expert, but something is not making sense. I know we were to have included all delinquent taxes in her modification.

Have we found out anything further. Kevin, I saw that you had forwarded to someone for research.

*Ann Thom, FVP
National Asset Recovery Manager
WaMu, now part of JP Morgan Chase
office: 904-462-2150
cell: [redacted]*

For Internal Use Only

From: Battaglia, Paul J.
Sent: Monday, February 09, 2009 4:12 PM
To: Thorn, Ann
Subject: [redacted] Richardson

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
JPMorgan Chase Bank, National Association
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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From: Lyman, Daryl W.
Sent: Wednesday, July 09, 2008 10:38 AM
To: Thorn, Ann; Rogers, Savannah L.
Cc: Coker, Darlene; Mathis, Julie A.; Beal, Pamela S.; Battaglia, Paul J.
Subject: RE: [redacted] Richardson

REDACTED

From: Thorn, Ann
Sent: Wednesday, July 09, 2008 10:31 AM

JPMC - 003322
CONFIDENTIAL
CSOC.RICH.004815

To: Lyman, Daryl W.; Rogers, Savannah L.; Battaglia, Paul J.
Cc: Coker, Darlene; Mathis, Julie A.; Beal, Pamela S.
Subject: RE: [REDACTED] Richardson

REDACTED

Ann Thom, FVP
Washington Mutual
National Asset Recovery Manager
office: 904-462-2150
cell: [REDACTED]

For Internal Use Only

From: Lyman, Daryl W.
Sent: Wednesday, July 09, 2008 1:24 PM
To: Thorn, Ann; Rogers, Savannah L.; Battaglia, Paul J.
Cc: Coker, Darlene; Mathis, Julie A.; Beal, Pamela S.
Subject: RE: [REDACTED] Richardson

REDACTED

Daryl W. Lyman
First Vice President & Senior Counsel

Washington Mutual
Legal Department
1301 Second Avenue, WMC 3501
Seattle, WA 98101

206.500.4260 direct | 206.377.2784 fax
daryl.lyman@wamu.net

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From: Thorn, Ann
Sent: Tuesday, July 08, 2008 5:44 AM
To: Rogers, Savannah L.; Battaglia, Paul J.; Lyman, Daryl W.
Cc: Coker, Darlene; Mathis, Julie A.; Beal, Pamela S.
Subject: RE: [REDACTED] Richardson

REDACTED

Ann Thom, FVP
Washington Mutual
National Asset Recovery Manager
office: 904-462-2150
cell: [REDACTED]

For Internal Use Only

From: Rogers, Savannah L.
Sent: Tuesday, July 08, 2008 8:42 AM
To: Battaglia, Paul J.
Cc: Thorn, Ann; Coker, Darlene; Mathis, Julie A.; Beal, Pamela S.
Subject: RE: [REDACTED] Richardson

REDACTED

Current UPB \$533,455.31
Capitalized Amount \$73,314.03
Delinquent Interest 07/07-08/08 \$50,856.13
Escrow (Taxes) \$19,119.14
Foreclosure Fees \$3,338.76
New Modified UPB \$606,769.34

JPMC - 003323
CONFIDENTIAL
CSOC.RICH.004816

1st payment date 9/1/08 \$4,060.73
New P&I \$2,627.62
New Escrow \$1,433.11
Amortization term 480; Maturity term 342

REDACTED

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Thorn, Ann
Sent: Monday, July 07, 2008 6:12 PM
To: Thomas, Michelle M.; Pound, Robert A.; Rogers, Savannah L.
Cc: Coker, Darlene; Mathis, Julie A.
Subject: RE: [redacted] Richardson

thank you for your help.

Savannah, let's get our part done tomorrow and get copies of new documents out and communicated to Richardson

From: Thomas, Michelle M.
Sent: Mon 07/07/2008 05:00 PM
To: Thorn, Ann; Pound, Robert A.
Cc: Coker, Darlene
Subject: RE: [redacted] Richardson

Done

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net

From: Thorn, Ann
Sent: Monday, July 07, 2008 5:33 PM
To: Pound, Robert A.
Cc: Coker, Darlene; Thomas, Michelle M.
Subject: RE: [redacted] Richardson

Remove the stop and pay the taxes

From: Pound, Robert A.
Sent: Mon 07/07/2008 04:16 PM
To: Thorn, Ann
Cc: Coker, Darlene; Thomas, Michelle M.
Subject: RE: [redacted] Richardson

Ann,

In regards to your request, we have reached out to several people to have the disbursement stop 1 removed and have been unsuccessful. If you give me permission to remove the stop, we will be able to disburse taxes.

Thanks

Robert Pound
Washington Mutual
LS Section Manager I
843-673-4007

JPMC - 003324
CONFIDENTIAL
CSOC.RICH.004817

From: Thorn, Ann
Sent: Monday, July 07, 2008 3:50 PM
To: Rogers, Savannah L.; Thomas, Michelle M.
Cc: Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.; Pound, Robert A.; Coker, Darlene
Subject: RE:   Richardson

Michelle, can you please get this changed today as this is a highly escalated matter.
Thank you.

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
office: 904-462-2150
cell:    
For Internal Use Only*

From: Rogers, Savannah L.
Sent: Monday, July 07, 2008 3:39 PM
To: Thomas, Michelle M.
Cc: Thorn, Ann; Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.; Pound, Robert A.
Subject: FW:   Richardson
Importance: High

Michelle,
Please request the disbursement stop be removed so we can get this file out immediately. Ann Thorn is requesting we escalate this issue... in case you are not getting a response.

Please let us know this has been taken care of so Loss Mit can proceed.

Thank you,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Thomas, Michelle M.
Sent: Thursday, July 03, 2008 10:51 AM
To: Rogers, Savannah L.
Cc: Thorn, Ann; Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.; Pound, Robert A.
Subject: RE:   Richardson

Savannah

There is now a disbursement stop 1 preventing me from disbursing these taxes. I am attempting to contact the appropriate person to have that stop removed. Also California tax offices are adding redemption amounts to their tax roll. I have to verify with them the new amount to be paid for the month of July after it becomes available.

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4725
email: michelle.m.thomas@wamu.net
<< OLE Object: Picture (Metafile) >>

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 10:38 AM
To: Thomas, Michelle M.
Cc: Thorn, Ann; Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.
Subject: FW:   Richardson

Hi Michelle,
Can you give us an idea on how long it will take for the escrow to appear? Can this be done today or will it take until Monday to see the changes in the system?

Thank you very much-

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Thorn, Ann
Sent: Thursday, July 03, 2008 10:19 AM
To: Rogers, Savannah L.; Battaglia, Paul J.
Cc: Beal, Pamela S.; Mathis, Julie A.
Subject: RE: [REDACTED] Richardson

Ok, that is probably going to be a problem.....

What are the new numbers and what changes are being made? Paul, fyi.....

*Ann Thom, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150*

For Internal Use Only

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 9:50 AM
To: Thorn, Ann
Cc: Beal, Pamela S.; Mathis, Julie A.
Subject: RE: [REDACTED] Richardson

Yes, you are correct.

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Thorn, Ann
Sent: Thursday, July 03, 2008 9:03 AM
To: Rogers, Savannah L.; Mathis, Julie A.
Cc: Beal, Pamela S.
Subject: RE: [REDACTED] Richardson
Importance: High

Ok, I need to understand something. We already talked to Richardson and told her the terms of the Modification as I understood. Then we realized taxes/insurance were not paid by Red Rock and now need to pay 2-3 weeks later and get back to her with new figures? Is that the case?

I need to understand this because it is my impression that Richardson thinks she has a new deal.....please clarify.

*****Please note my phone number has changed to 904-462-2150

*Ann Thom, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150*

For Internal Use Only

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 8:56 AM
To: Thorn, Ann
Cc: Mathis, Julie A.; Beal, Pamela S.; Thomas, Michelle M.
Subject: RE: [redacted] Richardson

Ann.

Once the taxes are disbursed and the escrow is set up I will work up the Modification terms. We will contact the mortgagor to verify the terms and have the documents sent.

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Thorn, Ann
Sent: Thursday, July 03, 2008 8:47 AM
To: Rogers, Savannah L.; Thomas, Michelle M.
Cc: Mathis, Julie A.; Beal, Pamela S.
Subject: RE: [redacted] Richardson

What is going on with the Mod?

*****Please note my phone number has changed to 904-462-2150

*Ann Thom, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150*

For Internal Use Only

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 8:36 AM
To: Thomas, Michelle M.
Cc: Thorn, Ann; Mathis, Julie A.; Beal, Pamela S.
Subject: FW: [redacted] Richardson

Hi Michelle,
Please see below, the foeclosure stop 7 has been removed. Please disburse the tax payment so we can proceed with the Mod.

Thanks

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Thorn, Ann
Sent: Wednesday, July 02, 2008 3:39 PM
To: Mathis, Julie A.; Beal, Pamela S.; Rogers, Savannah L.
Subject: FW: [redacted] Richardson

*****Please note my phone number has changed to 904-462-2150

*Ann Thom, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150*

For Internal Use Only

From: Boulton, Elizabeth A.
Sent: Wednesday, July 02, 2008 3:37 PM
To: Thorn, Ann
Subject: RE: [REDACTED] Richardson

Done.

Thank you,

Beth

From: Thorn, Ann
Sent: Wednesday, July 02, 2008 1:01 PM
To: Boulton, Elizabeth A.
Subject: FW: [REDACTED] Richardson
Importance: High

Can you change back to presale stop code

*****Please note my phone number has changed to 904-462-2150

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150*

For Internal Use Only

From: Mathis, Julie A.
Sent: Wednesday, July 02, 2008 12:01 PM
To: Thorn, Ann
Cc: Rogers, Savannah L.; Beal, Pamela S.
Subject: FW: [REDACTED] Richardson
Importance: High

Ann, do you know how we can have the FC stop 7 removed?

From: Rogers, Savannah L.
Sent: Wednesday, July 02, 2008 10:57 AM
To: Mathis, Julie A.
Cc: Beal, Pamela S.
Subject: RE: [REDACTED] Richardson

I sent an email to Chrissy 6/26/08 but didn't hear anything back. Do you know how/when the fc stop 7 will be removed? That is preventing us from getting the taxes disbursed and escrow set up.

<< Message: RE: [REDACTED] Richardson >>
Thank you,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Mathis, Julie A.
Sent: Tuesday, July 01, 2008 9:20 PM
To: Rogers, Savannah L.
Cc: Beal, Pamela S.
Subject: FW: 0729942433 Richardson

Are we ok with this one?

Thanks!

Julie

From: Thomas, Michelle M.
Sent: Thursday, June 26, 2008 11:03 AM
To: Rogers, Savannah L.; Lopez, Christina; Haywood, Oriska S.; Mathis, Julie A.
Cc: Springs, Sonya E.; Pound, Robert A.
Subject: RE:  Richardson

Please see tax notes on the above reference loan number indicating I will not be able to disburse tax payment until the foreclosure stop 7 has been removed. I will monitor the account for the removal of the foreclosure stop.

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net
<< OLE Object: Picture (Metafile) >>

From: Thomas, Michelle M.
Sent: Thursday, June 26, 2008 9:57 AM
To: Rogers, Savannah L.; Lopez, Christina; Haywood, Oriska S.; 'Julie.Mathis@wamu.net'
Cc: Springs, Sonya E.; Pound, Robert A.
Subject: RE:  Richardson

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net
<< OLE Object: Picture (Metafile) >>

From: Springs, Sonya E.
Sent: Wednesday, June 25, 2008 2:27 PM
To: Thomas, Michelle M.
Subject: FW:  Richardson

Michelle,

I am copying you on this email so you can respond to the original parties on the email.

Thanks,

Sonya Springs

<< OLE Object: Picture (Metafile) >>

Tax Mitigation Specialist, Senior
Phone (843)673-3706
Fax (843) 673-4728
Mailstop FSC0211

Sonya.Springs@Wamu.net

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Please refer to tax notes dated 06-26-08. I will not be able to disburse tax payment for the delinquent taxes until the foreclosure stop =7 is removed. I will monitor account for the removal of the stop.

From: Pound, Robert A.
Sent: Wednesday, June 25, 2008 2:23 PM
To: Springs, Sonya E.; Morris, Linda
Cc: Kirby, Louise L.
Subject: RE:  Richardson

I have reassigned this to Michelle Thomas. But until the FCL Stop 7 is removed she will not be able to pay taxes.

Robert Pound

From: Springs, Sonya E.
Sent: Wednesday, June 25, 2008 2:08 PM
To: Morris, Linda

Cc: Pound, Robert A.; Kirby, Louise L.
Subject: RE: [redacted] Richardson
Importance: High

Louise,
There is already a NON123 task open and its assigned to Linda Morris.

Linda,
Can you go ahead and research this loan? Then e-mail a response to the all parties the e-mail below.

Thanks,
Sonya Springs
<< OLE Object: Picture (Metafile) >>

Tax Mitigation Specialist, Senior
Phone (843)673-3708
Fax (843) 673-4728
Mailstop FSC0211

Sonya.Springs@Wamu.net

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From: Kirby, Louise L.
Sent: Wednesday, June 25, 2008 12:02 PM
To: Lopez, Christina; Rogers, Savannah L.
Cc: Springs, Sonya E.
Subject: RE: [redacted] Richardson

Sonya,
Please assign this account to someone on the non/esc team to follow up and respond to Savannah and Christina.

Thanks.

LOUISE KIRBY
LS Section Manager II
Tax Mitigation
(843) 673-4737 (phone)
(843) 673-4728 (fax)

From: Lopez, Christina
Sent: Wednesday, June 25, 2008 9:16 AM
To: Rogers, Savannah L.
Cc: Kirby, Louise L.
Subject: RE: [redacted] Richardson

Louise,

Loss Mit only blocks taxes on short sales. This is not a short sale and it doesn't appear that we placed the disbursement stop. Per SAF1, processor EDC placed the block on there on 5/14/08. It appears her name is Veronica McNeil-Ellis. Can you check with her to determine if the block can be removed?

Thanks

From: Rogers, Savannah L.
Sent: Wednesday, June 25, 2008 8:56 AM
To: Lopez, Christina
Cc: Kirby, Louise L.
Subject: RE: [redacted] Richardson

Chrissy,
This fc sale was rescinded...what should I do to get this moving? Do you know if the fc dept should remove their stops?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Kirby, Louise L.
Sent: Wednesday, June 25, 2008 8:50 AM
To: Rogers, Savannah L.
Subject: RE:  Richardson

Savannah,
Per instructions we have received by Christina Lopez dated 12/3/07, we cannot disburse tax if the man code is "w" with disbursement stop 1.

So with the codes that are on the account now, we are not able to pay any tax payments.

Also there is a foreclosure code 7-conveyed, which also prevents us from paying.

LOUISE KIRBY
LS Section Manager II
Tax Mitigation
(843) 673-4737 (phone)
(843) 673-4728 (fax)

From: Rogers, Savannah L.
Sent: Wednesday, June 25, 2008 8:35 AM
To: Kirby, Louise L.
Subject: PW  Richardson
Importance: High

Louise,
Management is requesting we get this Mod out asap. I just want to make sure I asked the right person (Wonza) to help me set up the escrow - property taxes are delinquent. There is a note on the loan from 5/20/08 saying the taxes were not going to be paid because of the mancode. Now that the mancode is W - can this be taken care of? Do you have a timeframe for completion so I can let management know?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Rogers, Savannah L.
Sent: Tuesday, June 24, 2008 9:39 AM
To: Johnson, Wonza L.
Cc: Haywood, Oriska S.; Mathis, Julie A.
Subject:  Richardson
Importance: High

Hi Wonza,
There were two checks returned 4/21/08 for delinquent property taxes \$8109.81 + \$405.49. This loan went to fc sale which has been rescinded and we will be modifying this loan. Who can send the task to set up the escrow for these taxes and possibly research if those taxes are still delinquent since the checks came back from Sacramento County?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Adams-McElveen, Dena M. <dena.adams-mcelveen@wamu.net>
Sent: Monday, February 9, 2009 5:07 PM
To: Todd, Kevin C. <kevin.todd@wamu.net>
Cc: Leviner, Cheryl H. <cheryl.leviner@wamu.net>; Thorn, Ann <ann.thorn@wamu.net>; Mathis, Julie A. <julie.mathis@wamu.net>; Rogers, Savannah L. <savannah.rogers@wamu.net>
Subject: RE: [REDACTED] Richardson

The issue at hand is the increase on the tax line from \$508.41 to \$2930.67 per installment. When the modification was completed, the tax line had the \$508.41. The modification included all delinquent taxes; so it was funded correctly with no shortage based on the \$508.41 anticipated tax installments. When the \$2930.67 paid in 11/08; the escrow shortage was created. The shortage includes the difference in the anticipated amount and the actual amount paid; in addition to the difference needed to make the 3/09 installment at \$2930.67.

I think we all need to know why the tax line was loaded at \$508.41 when the modification was completed; but the actual payment was \$2930.67. I saw Tess' email; but that really doesn't explain the difference in the tax amount loaded on the line and the tax amount paid in 11/08. Michelle Thomas has it documented that \$508.41 was the correct amount in 7/08. Why the substantial increase? Is the \$2930.67 correct? It appears that Michelle loaded the base amount on the lines (per Tess' amount of \$1016.82). If the property is fully assessed now or due to the change in ownership issues that occurred on the loan, is that the reason for the increase? The borrower is questioning the increase in the taxes. Was this something we could not have known or prevented at the time of the modification? We just need to provide Ann with information she can give to the borrower to explain why she now has a shortage after her modification.

Thanks!

Dena Adams-McElveen
LS Section Manager II
Escrow Analysis & FHA Insurance
WaMu, now backed by the strength of JPMorgan Chase

843-673-4057 Business
843-673-3142 Fax

From: Thorn, Ann
Sent: Monday, February 09, 2009 4:30 PM
To: Mathis, Julie A.; Rogers, Savannah L.; Adams-McElveen, Dena M.; Todd, Kevin C.
Subject: FW: [REDACTED] Richardson

There are a few people working on this and I got an old email that was going around about the escrow/taxes for Richardson.

Would appear from the figures below that the modification INCLUDED the \$19,119 in taxes, but another email from Dena said the tax line said \$508 at the time of the modification.

I am no tax expert, but something is not making sense. I know we were to have included all delinquent taxes in her modification.

Have we found out anything further. Kevin, I saw that you had forwarded to someone for research.

Ann Thorn, FVP
National Asset Recovery Manager
WaMu, now part of JP Morgan Chase
office: 904-462-2150
cell: [REDACTED]

For Internal Use Only

From: Battaglia, Paul J.
Sent: Monday, February 09, 2009 4:12 PM
To: Thorn, Ann
Subject: [REDACTED] Richardson

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
JPMorgan Chase Bank, National Association
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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From: Lyman, Daryl W.
Sent: Wednesday, July 09, 2008 10:38 AM
To: Thorn, Ann; Rogers, Savannah L.
Cc: Coker, Darlene; Mathis, Julie A.; Beal, Pamela S.; Battaglia, Paul J.
Subject: RE: [REDACTED] Richardson

Okay good. I looked at Savannah's numbers and the math adds up, so you're good to go forward and prepare the mod documents based on these numbers. If not already done, I recommend someone make a call to Richardson to inform her that the taxes are included (capitalized) in the MOD and documents are on the way. From her e-mail to Julie and Ann yesterday she is inquiring about the taxes.

-Daryl

From: Thorn, Ann
Sent: Wednesday, July 09, 2008 10:31 AM
To: Lyman, Daryl W.; Rogers, Savannah L.; Battaglia, Paul J.
Cc: Coker, Darlene; Mathis, Julie A.; Beal, Pamela S.
Subject: RE: [REDACTED] Richardson

REDACTED

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
office: 904-462-2150
cell: [redacted]

For Internal Use Only

From: Lyman, Daryl W.
Sent: Wednesday, July 09, 2008 1:24 PM
To: Thorn, Ann; Rogers, Savannah L.; Battaglia, Paul J.
Cc: Coker, Darlene; Mathis, Julie A.; Beal, Pamela S.
Subject: RE: [redacted] Richardson

Ann: Yes. Per my voice mail message, I'm trying to understand the MOD terms as they were communicated to Richardson. Are the terms the same as listed below by Savannah? Or does the recently discovered tax advance crate an issue?

Daryl W. Lyman
First Vice President & Senior Counsel

Washington Mutual
Legal Department
1301 Second Avenue, WMC 3501
Seattle, WA 98101

206.500.4260 direct | 206.377.2784 fax
daryl.lyman@wamu.net

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From: Thorn, Ann
Sent: Tuesday, July 08, 2008 5:44 AM
To: Rogers, Savannah L.; Battaglia, Paul J.; Lyman, Daryl W.
Cc: Coker, Darlene; Mathis, Julie A.; Beal, Pamela S.
Subject: RE: [redacted] Richardson

Daryl, not sure if you are covering for Paul in his absence....

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
office: 904-462-2150
cell: [redacted]

For Internal Use Only

From: Rogers, Savannah L.
Sent: Tuesday, July 08, 2008 8:42 AM
To: Battaglia, Paul J.
Cc: Thorn, Ann; Coker, Darlene; Mathis, Julie A.; Beal, Pamela S.
Subject: RE: [redacted] Richardson

Paul,

These are the new terms that will be communicated to the mortgagor once you approve them so the documents can be sent out.

Current UPB \$533,455.31
Capitalized Amount \$73,314.03
Delinquent Interest 07/07-08/08 \$50,856.13
Escrow (Taxes) \$19,119.14
Foreclosure Fees \$3,338.76
New Modified UPB \$606,769.34
1st payment date 9/1/08 \$4,060.73
New P&I \$2,627.62
New Escrow \$1,433.11
Amortization term 480; Maturity term 342

Step Rate Extending Amortization Term (Balloon will be due at the Maturity date 2/1/2037)

Step Rate:	Year 1	Year 2	Year 3	Year 4
Rate:	4.241%	4.241%	5.241%	6.241%
Term:	480	468	456	444
P&I:	\$2,627.62	\$2,627.62	\$3,009.88	\$3,407.00
1st pyt date:	9/1/08	9/1/09	9/1/10	9/1/11

Please let me know if you have any questions on the terms.

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Thorn, Ann
Sent: Monday, July 07, 2008 6:12 PM
To: Thomas, Michelle M.; Pound, Robert A.; Rogers, Savannah L.
Cc: Coker, Darlene; Mathis, Julie A.
Subject: RE: [redacted] Richardson

thank you for your help.

Savannah, let's get our part done tomorrow and get copies of new documents out and communicated to Richardson

From: Thomas, Michelle M.
Sent: Mon 07/07/2008 05:00 PM
To: Thorn, Ann; Pound, Robert A.
Cc: Coker, Darlene
Subject: RE: [REDACTED] Richardson

Done

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net

From: Thorn, Ann
Sent: Monday, July 07, 2008 5:33 PM
To: Pound, Robert A.
Cc: Coker, Darlene; Thomas, Michelle M.
Subject: RE: [REDACTED] Richardson

Remove the stop and pay the taxes

From: Pound, Robert A.
Sent: Mon 07/07/2008 04:16 PM
To: Thorn, Ann
Cc: Coker, Darlene; Thomas, Michelle M.
Subject: RE: [REDACTED] Richardson

Ann,

In regards to your request, we have reached out to several people to have the disbursement stop 1 removed and have been unsuccessful. If you give me permission to remove the stop, we will be able to disburse taxes.

Thanks

Robert Pound
Washington Mutual
LS Section Manager I
843-673-4007

From: Thorn, Ann
Sent: Monday, July 07, 2008 3:50 PM
To: Rogers, Savannah L.; Thomas, Michelle M.
Cc: Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.; Pound, Robert A.; Coker, Darlene
Subject: RE: [REDACTED] Richardson

Michelle, can you please get this changed today as this is a highly escalated matter.
Thank you.

Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
office: 904-462-2150
cell: [redacted]

For Internal Use Only

From: Rogers, Savannah L.
Sent: Monday, July 07, 2008 3:39 PM
To: Thomas, Michelle M.
Cc: Thorn, Ann; Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.; Pound, Robert A.
Subject: FW: [redacted] Richardson
Importance: High

Michelle,
Please request the disbursement stop be removed so we can get this file out immediately. Ann Thorn is requesting we escalate this issue... in case you are not getting a response.

Please let us know this has been taken care of so Loss Mit can proceed.

Thank you,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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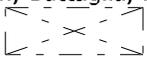
From: Thomas, Michelle M.
Sent: Thursday, July 03, 2008 10:51 AM
To: Rogers, Savannah L.
Cc: Thorn, Ann; Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.; Pound, Robert A.
Subject: RE: [redacted] Richardson

Savannah

There is now a disbursement stop 1 preventing me from disbursing these taxes. I am attempting to contact the appropriate person to have that stop removed. Also California tax offices are adding redemption amounts to their tax roll. I have to verify with them the new amount to be paid for the month of July after it becomes available.

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net

<< OLE Object: Picture (Metafile) >>

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 10:38 AM
To: Thomas, Michelle M.
Cc: Thorn, Ann; Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.
Subject: FW:  Richardson

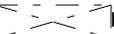
Hi Michelle,

Can you give us an idea on how long it will take for the escrow to appear? Can this be done today or will it take until Monday to see the changes in the system?

Thank you very much-

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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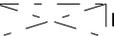
From: Thorn, Ann
Sent: Thursday, July 03, 2008 10:19 AM
To: Rogers, Savannah L.; Battaglia, Paul J.
Cc: Beal, Pamela S.; Mathis, Julie A.
Subject: RE:  Richardson

Ok, that is probably going to be a problem.....

What are the new numbers and what changes are being made? Paul, fyi.....

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150*

For Internal Use Only

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 9:50 AM
To: Thorn, Ann
Cc: Beal, Pamela S.; Mathis, Julie A.
Subject: RE:  Richardson

Yes, you are correct.

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Thorn, Ann
Sent: Thursday, July 03, 2008 9:03 AM
To: Rogers, Savannah L.; Mathis, Julie A.
Cc: Beal, Pamela S.
Subject: RE: [REDACTED] Richardson
Importance: High

Ok, I need to understand something. We already talked to Richardson and told her the terms of the Modification as I understood. Then we realized taxes/insurance were not paid by Red Rock and now need to pay 2-3 weeks later and get back to her with new figures? Is that the case?

I need to understand this because it is my impression that Richardson thinks she has a new deal.....please clarify.

*****Please note my phone number has changed to 904-462-2150

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150*

For Internal Use Only

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 8:56 AM
To: Thorn, Ann
Cc: Mathis, Julie A.; Beal, Pamela S.; Thomas, Michelle M.
Subject: RE: [REDACTED] Richardson

Ann.

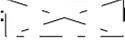
Once the taxes are disbursed and the escrow is set up I will work up the Modification terms. We will contact the mortgage to verify the terms and have the documents sent.

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937

Direct fax 469 549 5978

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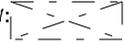
From: Thorn, Ann
Sent: Thursday, July 03, 2008 8:47 AM
To: Rogers, Savannah L.; Thomas, Michelle M.
Cc: Mathis, Julie A.; Beal, Pamela S.
Subject: RE:  Richardson

What is going on with the Mod?

*****Please note my phone number has changed to 904-462-2150

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150*

For Internal Use Only

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 8:36 AM
To: Thomas, Michelle M.
Cc: Thorn, Ann; Mathis, Julie A.; Beal, Pamela S.
Subject: FW:  Richardson

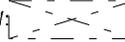
Hi Michelle,

Please see below, the foreclosure stop 7 has been removed. Please disburse the tax payment so we can proceed with the Mod.

Thanks

**Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978**

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From: Thorn, Ann
Sent: Wednesday, July 02, 2008 3:39 PM
To: Mathis, Julie A.; Beal, Pamela S.; Rogers, Savannah L.
Subject: FW:  Richardson

*****Please note my phone number has changed to 904-462-2150

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150*

For Internal Use Only

From: Boulton, Elizabeth A.
Sent: Wednesday, July 02, 2008 3:37 PM
To: Thorn, Ann
Subject: RE: [REDACTED] Richardson

Done.

Thank you,

Beth

From: Thorn, Ann
Sent: Wednesday, July 02, 2008 1:01 PM
To: Boulton, Elizabeth A.
Subject: FW: [REDACTED] Richardson
Importance: High

Can you change back to presale stop code

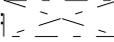
*****Please note my phone number has changed to 904-462-2150

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150*

For Internal Use Only

From: Mathis, Julie A.
Sent: Wednesday, July 02, 2008 12:01 PM
To: Thorn, Ann
Cc: Rogers, Savannah L.; Beal, Pamela S.
Subject: FW: [REDACTED] Richardson
Importance: High

Ann, do you know how we can have the FC stop 7 removed?

From: Rogers, Savannah L.
Sent: Wednesday, July 02, 2008 10:57 AM
To: Mathis, Julie A.
Cc: Beal, Pamela S.
Subject: RE:  Richardson

I sent an email to Chrissy 6/26/08 but didn't hear anything back. Do you know how/when the fc stop 7 will be removed? That is preventing us from getting the taxes disbursed and escrow set up.

<< Message: RE:  Richardson >>

Thank you,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Mathis, Julie A.
Sent: Tuesday, July 01, 2008 9:20 PM
To: Rogers, Savannah L.
Cc: Beal, Pamela S.
Subject: FW:  Richardson

Are we ok with this one?

Thanks!

Julie

From: Thomas, Michelle M.
Sent: Thursday, June 26, 2008 11:03 AM
To: Rogers, Savannah L.; Lopez, Christina; Haywood, Oriska S.; Mathis, Julie A.
Cc: Springs, Sonya E.; Pound, Robert A.
Subject: RE:  Richardson

Please see tax notes on the above reference loan number indicating I will not be able to disburse tax payment until the foreclosure stop 7 has been removed. I will monitor the account for the removal of the foreclosure stop.

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net
<< OLE Object: Picture (Metafile) >>

From: Thomas, Michelle M.
Sent: Thursday, June 26, 2008 9:57 AM
To: Rogers, Savannah L.; Lopez, Christina; Haywood, Oriska S.; 'Jullie.Mathis@wamu.net'
Cc: Springs, Sonya E.; Pound, Robert A.
Subject: RE: [REDACTED] Richardson

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net
<< OLE Object: Picture (Metafile) >>

From: Springs, Sonya E.
Sent: Wednesday, June 25, 2008 2:27 PM
To: Thomas, Michelle M.
Subject: FW: [REDACTED] Richardson

Michelle,

I am copying you on this email so you can respond to the original parties on the email.

Thanks,
Sonya Springs
<< OLE Object: Picture (Metafile) >>

Tax Mitigation Specialist, Senior
Phone (843)673-3706
Fax (843) 673-4728
Mailstop FSC0211

Sonya.Springs@Wamu.net

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Please refer to tax notes dated 06-26-08. I will not be able to disburse tax payment for the delinquent taxes until the foreclosure stop =7 is removed. I will monitor account for the removal of the stop.

From: Pound, Robert A.
Sent: Wednesday, June 25, 2008 2:23 PM
To: Springs, Sonya E.; Morris, Linda
Cc: Kirby, Louise L.
Subject: RE: [REDACTED] Richardson

I have reassigned this to Michelle Thomas. But until the FCL Stop 7 is removed she will not be able to pay taxes.

Robert Pound

From: Springs, Sonya E.
Sent: Wednesday, June 25, 2008 2:08 PM
To: Morris, Linda
Cc: Pound, Robert A.; Kirby, Louise L.
Subject: RE:   Richardson
Importance: High

Louise,
There is already a NON123 task open and its assigned to Linda Morris.

Linda,
Can you go ahead and research this loan? Then e-mail a response to the all parties the e-mail below.

Thanks,

Sonya Springs

<< OLE Object: Picture (Metafile) >>

Tax Mitigation Specialist, Senior
Phone (843)673-3706
Fax (843) 673-4728
Mailstop FSC0211

Sonya.Springs@Wamu.net

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From: Kirby, Louise L.
Sent: Wednesday, June 25, 2008 12:02 PM
To: Lopez, Christina; Rogers, Savannah L.
Cc: Springs, Sonya E.
Subject: RE:   Richardson

Sonya,
Please assign this account to someone on the non/esc team to follow up and respond to Savannah and Christina.

Thanks.

LOUISE KIRBY
LS Section Manager II
Tax Mitigation
(843) 673-4737 (phone)
(843) 673-4728 (fax)

From: Lopez, Christina
Sent: Wednesday, June 25, 2008 9:16 AM

To: Rogers, Savannah L.
Cc: Kirby, Louise L.
Subject: RE: [REDACTED] Richardson

Louise,

Loss Mit only blocks taxes on short sales. This is not a short sale and it doesn't appear that we placed the disbursement stop. Per SAF1, processor EDC placed the block on there on 5/14/08. It appears her name is Veronica McNeil-Ellis. Can you check with her to determine if the block can be removed?

Thanks

From: Rogers, Savannah L.
Sent: Wednesday, June 25, 2008 8:56 AM
To: Lopez, Christina
Cc: Kirby, Louise L.
Subject: RE: [REDACTED] Richardson

Chrissy,
This fc sale was rescinded...what should I do to get this moving? Do you know if the fc dept should remove their stops?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Kirby, Louise L.
Sent: Wednesday, June 25, 2008 8:50 AM
To: Rogers, Savannah L.
Subject: RE: [REDACTED] Richardson

Savannah,
Per instructions we have received by Christina Lopez dated 12/3/07, we cannot disburse tax if the man code is "w" with disbursement stop 1.

So with the codes that are on the account now, we are not able to pay any tax payments.

Also there is a foreclosure code 7--conveyed, which also prevents us from paying.

LOUISE KIRBY
LS Section Manager II

Tax Mitigation
(843) 673-4737 (phone)
(843) 673-4728 (fax)

From: Rogers, Savannah L.
Sent: Wednesday, June 25, 2008 8:35 AM
To: Kirby, Louise L.
Subject: FW: [Richardson]
Importance: High

Louise,
Management is requesting we get this Mod out asap. I just want to make sure I asked the right person (Wonza) to help me set up the escrow - property taxes are delinquent. There is a note on the loan from 5/20/08 saying the taxes were not going to be paid because of the mancode. Now that the mancode is W - can this be taken care of? Do you have a timeframe for completion so I can let management know?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Rogers, Savannah L.
Sent: Tuesday, June 24, 2008 9:39 AM
To: Johnson, Wonza L.
Cc: Haywood, Oriska S.; Mathis, Julie A.
Subject: [Richardson]
Importance: High

Hi Wonza,
There were two checks returned 4/21/08 for delinquent property taxes \$8109.81 + \$405.49. This loan went to fc sale which has been rescinded and we will be modifying this loan. Who can send the task to set up the escrow for these taxes and possibly research if those taxes are still delinquent since the checks came back from Sacramento County?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Todd, Kevin C. <kevin.todd@wamu.net>
Sent: Monday, February 9, 2009 4:40 PM
To: Thorn, Ann <ann.thorn@wamu.net>
Cc: Peshoff, Darlene <darlene.peshoff@wamu.net>; Adams-McElveen, Dena M. <dena.adams-mcelveen@wamu.net>; Rogers, Savannah L. <savannah.rogers@wamu.net>; Mathis, Julie A. <julie.mathis@wamu.net>
Subject: FW: URGENT - Richardson [redacted]

Ann,
Please see Tess's comments below in regards to the delinquent tax payments. If you have any further questions please let us know. Thanks!

Kevin C. Todd
LS Section Mgr II
Tax Mitigation - Relationship Mgt.

WaMu, now backed by the strength of JPMorgan Chase

2210 Enterprise Dr.
Florence, SC 29501

(843) 673-3887 direct, (843) 673-3008 fax
kevin.todd@wamu.net

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From: Palmatier, Tess E.
Sent: Monday, February 09, 2009 4:14 PM
To: Todd, Kevin C.
Subject: RE: URGENT - Richardson [redacted]

Per Brianna at Sacramento County Tax Office WaMu posted paid - 07/08 full year secured tax bill total base \$1,016.82, 06/07 full year supplemental bill base \$2,098.35 and a 07/08 full year supplemental bill base \$4,994.64 – total \$8,109.81 with \$977.63 total penalty.

There were 2 consecutive installments which per CA gives the mortgage company the right to force escrow.

Any additional questions please feel free to ask .

Tess Palmatier

*Servicing - Real Estate Tax Associate - SR
Tax Mitigation - Priority Research
PH#-843-673-4552
Toll Free 1-800-353-3860 EXN: 4552
Fax# 843-673-3008*

WaMu - Now backed by the strength of JPMorgan Chase

"A wise man will make more opportunities than he finds."

Francis Bacon

-----Original Message-----

From: Todd, Kevin C.

Sent: Monday, February 09, 2009 12:49 PM

To: Palmatier, Tess E.

Cc: Peshoff, Darlene; Thorn, Ann

Subject: RE: URGENT - Richardson

Importance: High



Tess,

Please research this loan and respond back ASAP with all the tax details. Thanks!

Kevin C. Todd

LS Section Mgr II

Tax Mitigation - Relationship Mgt.

WaMu, now backed by the strength of JPMorgan Chase

2210 Enterprise Dr.

Florence, SC 29501

(843) 673-3887 direct, (843) 673-3008 fax

kevin.todd@wamu.net

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-----Original Message-----

From: Thorn, Ann

Sent: Monday, February 09, 2009 11:58 AM

To: Peshoff, Darlene; Todd, Kevin C.

Subject: FW: URGENT - Richardson

Importance: High



Darlene/Todd-----

This is a Congresswoman that we did a modification on several months ago. She was a non-escrowed account and we ended up paying her delinquent taxes but I can not remember all the details. Her analysis now is increasing her payment by \$500 and I need some details from taxes on the situation.

Can you please let me know what you can find.....

Thanks.

Ann Thorn, FVP

National Asset Recovery Manager

WaMu, now part of JP Morgan Chase

office: 904-462-2150

cell:

For Internal Use Only

-----Original Message-----

From: Adams-McElveen, Dena M.

Sent: Monday, February 09, 2009 7:51 AM

To: Thorn, Ann; Mathis, Julie A.

Cc: Leviner, Cheryl H.

Subject: RE: URGENT - Richardson [redacted]

The tax line was updated to the higher amount after the modification was completed. Neither Escrow Analysis nor Loss Mit had anyway of knowing this increase was going to take place. The modification and the subsequent analysis was based on the amounts the Tax Dept. had loaded on the line at the time of the modification.

Dena Adams-McElveen
LS Section Manager II
Escrow Analysis & FHA Insurance
WaMu, now backed by the strength of JPMorgan Chase

843-673-4057 Business
843-673-3142 Fax

-----Original Message-----

From: Thorn, Ann
Sent: Friday, February 06, 2009 5:25 PM
To: Adams-McElveen, Dena M.; Mathis, Julie A.
Cc: Leviner, Cheryl H.
Subject: Re: URGENT - Richardson [redacted]

I am still not getting why this was not recognized during the mod process...
We are still telling her she has a \$500 increase

Sent from my BlackBerry Wireless Handheld

----- Original Message -----

From: Adams-McElveen, Dena M.
To: Mathis, Julie A.
Cc: Thorn, Ann; Leviner, Cheryl H.
Sent: Fri Feb 06 13:54:27 2009
Subject: RE: URGENT - Richardson [redacted]

The escrow account is correct. When the modification occurred, the amount on the tax lines were \$508.41. The account was analyzed with this information on 9/22/08 effective 10/08. (All appeared correct. Escrow funding had the over/short at \$0.00; which is expected on modifications.) The monthly escrow payment was \$84.74. The total payment was \$4352.32.

When the taxes were paid in 11/08, the line was updated to the billed amount of \$2930.67. (I believe this is an automated process within the Tax Dept.) This disbursement created a large escrow shortage; which triggered an off cycle analysis. The analysis was performed on 11/20/08 effective 1/09. The monthly escrow payment increased from \$84.74 to \$488.45; in addition, there was an escrow shortage of \$4440.81 being collected at \$370.07 per month. The total payment increased from \$4352.32 to \$5126.10.

On 2/2/09, I was contacted by ECC and asked to make an exception for the homeowner and accept the old payment amount (\$4352.32) for 1/09-2/09 and to run a new analysis with a 36 month escrow shortage spread effective for 3/09. I adjusted the payment on PCH1 to the old amount for 1/09-2/09.

On 2/3/09, I ran the new analysis with the effective date of 3/09 and a 36 month escrow shortage spread. The new payment amount is now \$4885.19 beginning 3/09.

Please let me know if you need any additional information.

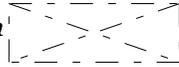
Thank you,

Dena Adams-McElveen
LS Section Manager II
Escrow Analysis & FHA Insurance
WaMu, now backed by the strength of JPMorgan Chase

843-673-4057 Business
843-673-3142 Fax

-----Original Message-----

From: Mathis, Julie A.
Sent: Friday, February 06, 2009 4:15 PM
To: Adams-McElveen, Dena M.
Cc: Thorn, Ann
Subject: URGENT - Richardson
Importance: High



Dena,

Can you please help us with the issue below on this loan? We just modified the loan and it appears we did not collect enough escrow funding nor is the monthly escrow payment correct.

Thanks,

Julie

Julie Mathis, VP
Department Manager
Loss Mitigation
Home Loans

WaMu, now backed by the strength of JPMorgan Chase
7255 Baymeadows Way, JAXA2000
Jacksonville, FL 32256

904.886.1305 direct, 904. 886.1325 fax
julie.mathis@wamu.net

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-----Original Message-----

From: Waelde, Sean D.
Sent: Friday, February 06, 2009 4:06 PM
To: Mathis, Julie A.
Cc: Thorn, Ann
Subject: RE: Richardson



Why yes I do....Dena Adams-McElveen.

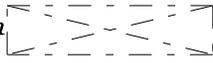
Sean D. Waelde
Default ERT Section Manager II
CARE Team Default Executive Response

WaMu, now backed by the strength of JPMorgan Chase
7255 Baymeadows Way, JAXA3000
Jacksonville, FL 32256
Tel: 904-462-1821 Fax: 866-271-7346

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-----Original Message-----

*From: Mathis, Julie A.
Sent: Friday, February 06, 2009 4:04 PM
To: Waelde, Sean D.
Cc: Thorn, Ann
Subject: FW: Richardson
Importance: High*



Sean, this the loan I discussed with you last nite, do you have a contact in escrow?

Thanks!

Julie

*Julie Mathis, VP
Department Manager
Loss Mitigation
Home Loans*

*WaMu, now backed by the strength of JPMorgan Chase
7255 Baymeadows Way, JAXA2000
Jacksonville, FL 32256*

*904.886.1305 direct, 904. 886.1325 fax
julie.mathis@wamu.net*

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-----Original Message-----

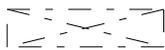
*From: Thomas, Michelle M.
Sent: Friday, February 06, 2009 3:57 PM
To: Thorn, Ann; Rogers, Savannah L.
Cc: Mathis, Julie A.; Pound, Robert A.
Subject: RE: Richardson*



I can't determine if we are collecting the correct amount of escrow. This has to be done in the escrow department. I can confirm that the tax amounts on the lines are correct. Unfortunately, I don't have a contact in the escrow department for you.

*Michelle M. Thomas
Real Estate Tax Associate, Sr.
Wamu, now backed by the strength of JP Morgan Chase 1-800-353-3860 ext. 4726 michelle.m.thomas@wamu.net -----
Original Message-----*

*From: Thorn, Ann
Sent: Friday, February 06, 2009 3:36 PM
To: Rogers, Savannah L.; Thomas, Michelle M.
Cc: Mathis, Julie A.
Subject: RE: Richardson*



Did we get resolution? This is a Congresswoman that we need to get some information to so she can make her payment for Jan. and Feb.

Please advise

Thanks

Ann Thorn, FVP
National Asset Recovery Manager
WaMu, now part of JP Morgan Chase
office: 904-462-2150
cell: [REDACTED]

For Internal Use Only

-----Original Message-----

From: Rogers, Savannah L.
Sent: Friday, February 06, 2009 9:17 AM
To: Thomas, Michelle M.
Cc: Mathis, Julie A.; Thorn, Ann
Subject: Richardson [REDACTED]
Importance: High

Hi Michelle,

You helped with researching this escrowed property tax bill in July 2008 and since then we have a portion of the tax bill (which I have attached from NETRonline.com). I noticed on TAX2 we last paid \$2,930.67 and the second portion is \$2,930.67 which is due 3/09. This appears on ANA1 making the new escrow payment effective 3/09 \$488.45 and total payment will be \$4,885.19 (PCH2/hpmt).

Would you mind researching to make sure we have escrowed the right amount to cover this mortgagor's taxes? The mortgagor has received notification that her escrow is too low to cover her taxes.

Thank you,

Savannah Rogers
Negotiator-Prime
Loss Mitigation
Home Loans

WaMu, now backed by the strength of JPMorgan Chase
7255 Baymeadows Way
Jacksonville, FL 32256

866.926.8937 x17577, 469.549.5978 fax
savannah.rogers@wamu.net

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-----Original Message-----

From: Mathis, Julie A.
Sent: Thursday, February 05, 2009 5:38 PM
To: Rogers, Savannah L.
Cc: Thorn, Ann
Subject: FW: Emailing: Richardson [REDACTED] Workbook v10 04 07 08.xls
Importance: High

Savannah,

Please review - the mortgagor's escrow payment is much too low to pay her taxes and she has already received notice of such. Please review and let Ann and I know asap what the escrow payment should be.

Thanks,

Julie

Julie Mathis, VP
Department Manager
Loss Mitigation
Home Loans

WaMu, now backed by the strength of JPMorgan Chase
7255 Baymeadows Way, JAXA2000
Jacksonville, FL 32256

904.886.1305 direct, 904. 886.1325 fax
julie.mathis@wamu.net

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-----Original Message-----

From: Rogers, Savannah L.

Sent: Thursday, February 05, 2009 5:25 PM

To: Mathis, Julie A.

Subject: Emailing: Richardson [REDACTED]Workbook v10 04 07 08.xls

The message is ready to be sent with the following file or link attachments:

Richardson [REDACTED]Workbook v10 04 07 08.xls

Note: To protect against computer viruses, e-mail programs may prevent sending or receiving certain types of file attachments. Check your e-mail security settings to determine how attachments are handled.

From: Thorn, Ann <ann.thorn@wamu.net>
Sent: Monday, February 9, 2009 4:30 PM
To: Mathis, Julie A. <julie.mathis@wamu.net>; Rogers, Savannah L. <savannah.rogers@wamu.net>; Adams-McElveen, Dena M. <dena.adams-mcelveen@wamu.net>; Todd, Kevin C. <kevin.todd@wamu.net>
Subject: FW: [REDACTED]Richardson

There are a few people working on this and I got an old email that was going around about the escrow/taxes for Richardson.

Would appear from the figures below that the modification INCLUDED the \$19,119 in taxes, but another email from Dena said the tax line said \$508 at the time of the modification. I am no tax expert, but something is not making sense. I know we were to have included all delinquent taxes in her modification.

Have we found out anything further. Kevin, I saw that you had forwarded to someone for research.

*Ann Thorn, FVP
National Asset Recovery Manager
WaMu, now part of JP Morgan Chase
office: 904-462-2150
cell: [REDACTED]*

For Internal Use Only

From: Battaglia, Paul J.
Sent: Monday, February 09, 2009 4:12 PM
To: Thorn, Ann
Subject: [REDACTED]Richardson

REDACTED

Paul J. Battaglia
First Vice President and Senior Counsel
JPMorgan Chase Bank, National Association
1301 2nd Avenue, WMC 3501
Seattle WA 98101
Phone: 206-500-4261
Fax: 206-377-2784

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From: Lyman, Daryl W.
Sent: Wednesday, July 09, 2008 10:38 AM
To: Thorn, Ann; Rogers, Savannah L.
Cc: Coker, Darlene; Mathis, Julie A.; Beal, Pamela S.; Battaglia, Paul J.
Subject: RE: [REDACTED] Richardson

Okay good. I looked at Savannah's numbers and the math adds up, so you're good to go forward and prepare the mod documents based on these numbers. If not already done, I recommend someone make a call to Richardson to inform her that the taxes are included (capitalized) in the MOD and documents are on the way. From her e-mail to Julie and Ann yesterday she is inquiring about the taxes.

-Daryl

From: Thorn, Ann
Sent: Wednesday, July 09, 2008 10:31 AM
To: Lyman, Daryl W.; Rogers, Savannah L.; Battaglia, Paul J.
Cc: Coker, Darlene; Mathis, Julie A.; Beal, Pamela S.
Subject: RE: [REDACTED] Richardson

Taxes are included and new mod figs need to be communicated to richardson to let her know that taxes are now included, but we amended the interest and maturity to keep payments the same as originally communicated.

REDACTED

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
office: 904-462-2150
cell: [REDACTED]*

For Internal Use Only

From: Lyman, Daryl W.
Sent: Wednesday, July 09, 2008 1:24 PM
To: Thorn, Ann; Rogers, Savannah L.; Battaglia, Paul J.
Cc: Coker, Darlene; Mathis, Julie A.; Beal, Pamela S.
Subject: RE: [REDACTED] Richardson

Ann: Yes. Per my voice mail message, I'm trying to understand the MOD terms as they were communicated to Richardson. Are the terms the same as listed below by Savannah? Or does the recently discovered tax advance create an issue?

Daryl W. Lyman
First Vice President & Senior Counsel

Washington Mutual
Legal Department
1301 Second Avenue, WMC 3501
Seattle, WA 98101

206.500.4260 direct | 206.377.2784 fax
daryl.lyman@wamu.net

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From: Thorn, Ann
Sent: Tuesday, July 08, 2008 5:44 AM
To: Rogers, Savannah L.; Battaglia, Paul J.; Lyman, Daryl W.
Cc: Coker, Darlene; Mathis, Julie A.; Beal, Pamela S.
Subject: RE: [REDACTED] Richardson

Daryl, not sure if you are covering for Paul in his absence....

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
office: 904-462-2150
cell: [REDACTED]*

For Internal Use Only

From: Rogers, Savannah L.
Sent: Tuesday, July 08, 2008 8:42 AM
To: Battaglia, Paul J.
Cc: Thorn, Ann; Coker, Darlene; Mathis, Julie A.; Beal, Pamela S.
Subject: RE: [REDACTED] Richardson

Paul,

REDACTED

REDACTED

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Thorn, Ann
Sent: Monday, July 07, 2008 6:12 PM
To: Thomas, Michelle M.; Pound, Robert A.; Rogers, Savannah L.
Cc: Coker, Darlene; Mathis, Julie A.
Subject: RE: [REDACTED] Richardson

thank you for your help.

Savannah, let's get our part done tomorrow and get copies of new documents out and communicated to Richardson

From: Thomas, Michelle M.
Sent: Mon 07/07/2008 05:00 PM
To: Thorn, Ann; Pound, Robert A.
Cc: Coker, Darlene
Subject: RE: [REDACTED] Richardson

Done

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net

From: Thorn, Ann
Sent: Monday, July 07, 2008 5:33 PM
To: Pound, Robert A.
Cc: Coker, Darlene; Thomas, Michelle M.
Subject: RE: [REDACTED] Richardson

Remove the stop and pay the taxes

From: Pound, Robert A.
Sent: Mon 07/07/2008 04:16 PM
To: Thorn, Ann
Cc: Coker, Darlene; Thomas, Michelle M.
Subject: RE: [REDACTED] Richardson

JPMC - 003358
CONFIDENTIAL
CSOC.RICH.004851

Ann,

In regards to your request, we have reached out to several people to have the disbursement stop 1 removed and have been unsuccessful. If you give me permission to remove the stop, we will be able to disburse taxes.

Thanks

Robert Pound
Washington Mutual
LS Section Manager I
843-673-4007

From: Thorn, Ann
Sent: Monday, July 07, 2008 3:50 PM
To: Rogers, Savannah L.; Thomas, Michelle M.
Cc: Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.; Pound, Robert A.; Coker, Darlene
Subject: RE: [REDACTED] Richardson

Michelle, can you please get this changed today as this is a highly escalated matter.
Thank you.

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
office: 904-462-2150
cell: [REDACTED]*

For Internal Use Only

From: Rogers, Savannah L.
Sent: Monday, July 07, 2008 3:39 PM
To: Thomas, Michelle M.
Cc: Thorn, Ann; Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.; Pound, Robert A.
Subject: FW: [REDACTED] Richardson
Importance: High

Michelle,
Please request the disbursement stop be removed so we can get this file out immediately. Ann Thorn is requesting we escalate this issue... in case you are not getting a response.

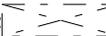
Please let us know this has been taken care of so Loss Mit can proceed.

Thank you,

Savannah Rogers
Homeownership Preservation
Washington Mutual

Toll Free 866 926 8937
Direct fax 469 549 5978

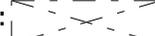
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From: Thomas, Michelle M.
Sent: Thursday, July 03, 2008 10:51 AM
To: Rogers, Savannah L.
Cc: Thorn, Ann; Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.; Pound, Robert A.
Subject: RE:  Richardson

Savannah

There is now a disbursement stop 1 preventing me from disbursing these taxes. I am attempting to contact the appropriate person to have that stop removed. Also California tax offices are adding redemption amounts to their tax roll. I have to verify with them the new amount to be paid for the month of July after it becomes available.

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net
<< OLE Object: Picture (Metafile) >>

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 10:38 AM
To: Thomas, Michelle M.
Cc: Thorn, Ann; Battaglia, Paul J.; Beal, Pamela S.; Mathis, Julie A.
Subject: FW:  Richardson

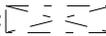
Hi Michelle,

Can you give us an idea on how long it will take for the escrow to appear? Can this be done today or will it take until Monday to see the changes in the system?

Thank you very much-

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Thorn, Ann
Sent: Thursday, July 03, 2008 10:19 AM
To: Rogers, Savannah L.; Battaglia, Paul J.
Cc: Beal, Pamela S.; Mathis, Julie A.
Subject: RE:  Richardson

Ok, that is probably going to be a problem.....

What are the new numbers and what changes are being made? Paul, fyi.....

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150*

For Internal Use Only

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 9:50 AM
To: Thorn, Ann
Cc: Beal, Pamela S.; Mathis, Julie A.
Subject: RE: [REDACTED] Richardson

Yes, you are correct.

**Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978**

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From: Thorn, Ann
Sent: Thursday, July 03, 2008 9:03 AM
To: Rogers, Savannah L.; Mathis, Julie A.
Cc: Beal, Pamela S.
Subject: RE: [REDACTED] Richardson
Importance: High

Ok, I need to understand something. We already talked to Richardson and told her the terms of the Modification as I understood. Then we realized taxes/insurance were not paid by Red Rock and now need to pay 2-3 weeks later and get back to her with new figures? Is that the case?

I need to understand this because it is my impression that Richardson thinks she has a new deal.....please clarify.

*****Please note my phone number has changed to 904-462-2150

Ann Thorn, FVP

*Washington Mutual
National Asset Recovery Manager
904-462-2150*

For Internal Use Only

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 8:56 AM
To: Thorn, Ann
Cc: Mathis, Julie A.; Beal, Pamela S.; Thomas, Michelle M.
Subject: RE: [REDACTED] Richardson

Ann.

Once the taxes are disbursed and the escrow is set up I will work up the Modification terms. We will contact the mortgage to verify the terms and have the documents sent.

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Thorn, Ann
Sent: Thursday, July 03, 2008 8:47 AM
To: Rogers, Savannah L.; Thomas, Michelle M.
Cc: Mathis, Julie A.; Beal, Pamela S.
Subject: RE: [REDACTED] Richardson

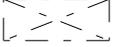
What is going on with the Mod?

*****Please note my phone number has changed to 904-462-2150

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150*

For Internal Use Only

From: Rogers, Savannah L.
Sent: Thursday, July 03, 2008 8:36 AM

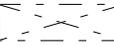
To: Thomas, Michelle M.
Cc: Thorn, Ann; Mathis, Julie A.; Beal, Pamela S.
Subject: FW:  Richardson

Hi Michelle,
Please see below, the foreclosure stop 7 has been removed. Please disburse the tax payment so we can proceed with the Mod.

Thanks

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

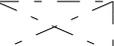
This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Thorn, Ann
Sent: Wednesday, July 02, 2008 3:39 PM
To: Mathis, Julie A.; Beal, Pamela S.; Rogers, Savannah L.
Subject: FW:  Richardson

*****Please note my phone number has changed to **904-462-2150**

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150*

For Internal Use Only

From: Boulton, Elizabeth A.
Sent: Wednesday, July 02, 2008 3:37 PM
To: Thorn, Ann
Subject: RE:  Richardson

Done.

Thank you,

Beth

From: Thorn, Ann

Sent: Wednesday, July 02, 2008 1:01 PM
To: Boulton, Elizabeth A.
Subject: FW: [redacted] Richardson
Importance: High

Can you change back to presale stop code

*****Please note my phone number has changed to 904-462-2150

*Ann Thorn, FVP
Washington Mutual
National Asset Recovery Manager
904-462-2150*

For Internal Use Only

From: Mathis, Julie A.
Sent: Wednesday, July 02, 2008 12:01 PM
To: Thorn, Ann
Cc: Rogers, Savannah L.; Beal, Pamela S.
Subject: FW: [redacted] Richardson
Importance: High

Ann, do you know how we can have the FC stop 7 removed?

From: Rogers, Savannah L.
Sent: Wednesday, July 02, 2008 10:57 AM
To: Mathis, Julie A.
Cc: Beal, Pamela S.
Subject: RE: [redacted] Richardson

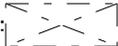
I sent an email to Chrissy 6/26/08 but didn't hear anything back. Do you know how/when the fc stop 7 will be removed? That is preventing us from getting the taxes disbursed and escrow set up.

<< Message: RE: [redacted] Richardson >>

Thank you,
Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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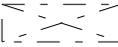
From: Mathis, Julie A.
Sent: Tuesday, July 01, 2008 9:20 PM
To: Rogers, Savannah L.
Cc: Beal, Pamela S.

Subject: FW:  Richardson

Are we ok with this one?

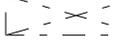
Thanks!

Julie

From: Thomas, Michelle M.
Sent: Thursday, June 26, 2008 11:03 AM
To: Rogers, Savannah L.; Lopez, Christina; Haywood, Oriska S.; Mathis, Julie A.
Cc: Springs, Sonya E.; Pound, Robert A.
Subject: RE:  Richardson

Please see tax notes on the above reference loan number indicating I will not be able to disburse tax payment until the foreclosure stop 7 has been removed. I will monitor the account for the removal of the foreclosure stop.

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net
<< OLE Object: Picture (Metafile) >>

From: Thomas, Michelle M.
Sent: Thursday, June 26, 2008 9:57 AM
To: Rogers, Savannah L.; Lopez, Christina; Haywood, Oriska S.; 'Jullie.Mathis@wamu.net'
Cc: Springs, Sonya E.; Pound, Robert A.
Subject: RE:  Richardson

Michelle M. Thomas
Real Estate Tax Associate Sr.
1-800-353-3860 ext. 4726
email: michelle.m.thomas@wamu.net
<< OLE Object: Picture (Metafile) >>

From: Springs, Sonya E.
Sent: Wednesday, June 25, 2008 2:27 PM
To: Thomas, Michelle M.
Subject: FW:  Richardson

Michelle,

I am copying you on this email so you can respond to the original parties on the email.

Thanks,
Sonya Springs
<< OLE Object: Picture (Metafile) >>

Tax Mitigation Specialist, Senior

Phone (843)673-3706
Fax (843) 673-4728
Mailstop FSC0211

Sonya.Springs@Wamu.net

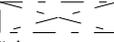
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Please refer to tax notes dated 06-26-08. I will not be able to disburse tax payment for the delinquent taxes until the foreclosure stop #7 is removed. I will monitor account for the removal of the stop.

From: Pound, Robert A.
Sent: Wednesday, June 25, 2008 2:23 PM
To: Springs, Sonya E.; Morris, Linda
Cc: Kirby, Louise L.
Subject: RE:  Richardson

I have reassigned this to Michelle Thomas. But until the FCL Stop 7 is removed she will not be able to pay taxes.

Robert Pound

From: Springs, Sonya E.
Sent: Wednesday, June 25, 2008 2:08 PM
To: Morris, Linda
Cc: Pound, Robert A.; Kirby, Louise L.
Subject: RE:  richardson
Importance: High

Louise,
There is already a NON123 task open and its assigned to Linda Morris.

Linda,
Can you go ahead and research this loan? Then e-mail a response to the all parties the e-mail below.

Thanks,

Sonya Springs

<< OLE Object: Picture (Metafile) >>

Tax Mitigation Specialist, Senior

Phone (843)673-3706
Fax (843) 673-4728
Mailstop FSC0211

Sonya.Springs@Wamu.net

"The information above shall be treated as confidential and is intended solely for the named recipient(s). Without Washington Mutual's prior written consent, this information shall not be disclosed to any person other than an officer or employee of the recipient(s) company with a need to know the information. If you are not the intended recipient(s), any review, dissemination, distribution, disclosure, or copying of this message is strictly prohibited. If you have received this communication in error, please notify the sender immediately by reply e-mail, and

delete the original message."

From: Kirby, Louise L.
Sent: Wednesday, June 25, 2008 12:02 PM
To: Lopez, Christina; Rogers, Savannah L.
Cc: Springs, Sonya E.
Subject: RE: [REDACTED] Richardson

Sonya,
Please assign this account to someone on the non/esc team to follow up and respond to Savannah and Christina.

Thanks.

LOUISE KIRBY
LS Section Manager II
Tax Mitigation
(843) 673-4737 (phone)
(843) 673-4728 (fax)

From: Lopez, Christina
Sent: Wednesday, June 25, 2008 9:16 AM
To: Rogers, Savannah L.
Cc: Kirby, Louise L.
Subject: RE: [REDACTED] Richardson

Louise,

Loss Mit only blocks taxes on short sales. This is not a short sale and it doesn't appear that we placed the disbursement stop. Per SAF1, processor EDC placed the block on there on 5/14/08. It appears her name is Veronica McNeil-Ellis. Can you check with her to determine if the block can be removed?

Thanks

From: Rogers, Savannah L.
Sent: Wednesday, June 25, 2008 8:56 AM
To: Lopez, Christina
Cc: Kirby, Louise L.
Subject: RE: [REDACTED] Richardson

Chrissy,
This fc sale was rescinded...what should I do to get this moving? Do you know if the fc dept should remove their stops?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Kirby, Louise L.
Sent: Wednesday, June 25, 2008 8:50 AM
To: Rogers, Savannah L.
Subject: RE: [REDACTED] Richardson

Savannah,
Per instructions we have received by Christina Lopez dated 12/3/07, we cannot disburse tax if the man code is "w" with disbursement stop 1.

So with the codes that are on the account now, we are not able to pay any tax payments.

Also there is a foreclosure code 7--conveyed, which also prevents us from paying.

LOUISE KIRBY
LS Section Manager II
Tax Mitigation
(843) 673-4737 (phone)
(843) 673-4728 (fax)

From: Rogers, Savannah L.
Sent: Wednesday, June 25, 2008 8:35 AM
To: Kirby, Louise L.
Subject: FW: [REDACTED] Richardson
Importance: High

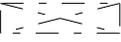
Louise,
Management is requesting we get this Mod out asap. I just want to make sure I asked the right person (Wonza) to help me set up the escrow - property taxes are delinquent. There is a note on the loan from 5/20/08 saying the taxes were not going to be paid because of the mancode. Now that the mancode is W - can this be taken care of? Do you have a timeframe for completion so I can let management know?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents.

From: Rogers, Savannah L.
Sent: Tuesday, June 24, 2008 9:39 AM
To: Johnson, Wonza L.
Cc: Haywood, Oriska S.; Mathis, Julie A.
Subject:  Richardson
Importance: High

Hi Wonza,

There were two checks returned 4/21/08 for delinquent property taxes \$8109.81 + \$405.49. This loan went to fc sale which has been rescinded and we will be modifying this loan. Who can send the task to set up the escrow for these taxes and possibly research if those taxes are still delinquent since the checks came back from Sacramento County?

Thanks,

Savannah Rogers
Homeownership Preservation
Washington Mutual
Toll Free 866 926 8937
Direct fax 469 549 5978

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From: Adams-McElveen, Dena M. <dena.adams-mcelveen@wamu.net>
Sent: Monday, February 9, 2009 7:51 AM
To: Thorn, Ann <ann.thorn@wamu.net>; Mathis, Julie A. <julie.mathis@wamu.net>
Cc: Leviner, Cheryl H. <cheryl.leviner@wamu.net>
Subject: RE: URGENT - Richardson [REDACTED]

The tax line was updated to the higher amount after the modification was completed. Neither Escrow Analysis nor Loss Mit had anyway of knowing this increase was going to take place. The modification and the subsequent analysis was based on the amounts the Tax Dept. had loaded on the line at the time of the modification.

Dena Adams-McElveen
LS Section Manager II
Escrow Analysis & FHA Insurance
WaMu, now backed by the strength of JPMorgan Chase

843-673-4057 Business
843-673-3142 Fax

-----Original Message-----

From: Thorn, Ann
Sent: Friday, February 06, 2009 5:25 PM
To: Adams-McElveen, Dena M.; Mathis, Julie A.
Cc: Leviner, Cheryl H.
Subject: Re: URGENT - Richardson [REDACTED]

I am still not getting why this was not recognized during the mod process...
We are still telling her she has a \$500 increase

Sent from my BlackBerry Wireless Handheld

----- Original Message -----

From: Adams-McElveen, Dena M.
To: Mathis, Julie A.
Cc: Thorn, Ann; Leviner, Cheryl H.
Sent: Fri Feb 06 13:54:27 2009
Subject: RE: URGENT - Richardson [REDACTED]

The escrow account is correct. When the modification occurred, the amount on the tax lines were \$508.41. The account was analyzed with this information on 9/22/08 effective 10/08. (All appeared correct. Escrow funding had the over/short at \$0.00; which is expected on modifications.) The monthly escrow payment was \$84.74. The total payment was \$4352.32.

When the taxes were paid in 11/08, the line was updated to the billed amount of \$2930.67. (I believe this is an automated process within the Tax Dept.) This disbursement created a large escrow shortage; which triggered an off cycle analysis. The analysis was performed on 11/20/08 effective 1/09. The monthly escrow payment increased from \$84.74 to \$488.45; in addition, there was an escrow shortage of \$4440.81 being collected at \$370.07 per month. The total payment increased from \$4352.32 to \$5126.10.

On 2/2/09, I was contacted by ECC and asked to make an exception for the homeowner and accept the old payment amount (\$4352.32) for 1/09-2/09 and to run a new analysis with a 36 month escrow shortage spread effective for 3/09. I adjusted the payment on PCII1 to the old amount for 1/09-2/09.

On 2/3/09, I ran the new analysis with the effective date of 3/09 and a 36 month escrow shortage spread. The new payment amount is now \$4885.19 beginning 3/09.

Please let me know if you need any additional information.

Thank you,

Dena Adams-McElveen
I.S Section Manager II
Escrow Analysis & FHA Insurance
WaMu, now backed by the strength of JPMorgan Chase

843-673-4057 Business
843-673-3142 Fax

-----Original Message-----

From: Matlis, Julie A.

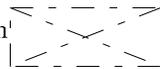
Sent: Friday, February 06, 2009 4:15 PM

To: Adams-McElveen, Dena M.

Cc: Thorn, Ann

Subject: URGENT - Richardson

Importance: High



Dena,

Can you please help us with the issue below on this loan? We just modified the loan and it appears we did not collect enough escrow funding nor is the monthly escrow payment correct.

Thanks,

Julie

Julie Mathis, VP
Department Manager
Loss Mitigation
Home Loans

WaMu, now backed by the strength of JPMorgan Chase
7255 Baymeadows Way, JAXA2000
Jacksonville, FL 32256

904.886.1305 direct, 904. 886.1325 fax
julie.mathis@wamu.net

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you.

-----Original Message-----

From: Waelde, Sean D.

Sent: Friday, February 06, 2009 4:06 PM

To: Mathis, Julie A.

Cc: Thorn, Ann

Subject: RE: Richardson



Why yes I do....Dena Adams-McElveen.

Sean D. Waelde

Default ERT Section Manager II

CARE Team Default Executive Response

WaMu, now backed by the strength of JPMorgan Chase

7255 Baymeadows Way, JAXA3000

Jacksonville, FL 32256

Tel: 904-462-1821 Fax: 866-271-7346

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-----Original Message-----

From: Mathis, Julie A.

Sent: Friday, February 06, 2009 4:04 PM

To: Waelde, Sean D.

Cc: Thorn, Ann

Subject: FW: Richardson

Importance: High



Sean, this the loan I discussed with you last nite, do you have a contact in escrow?

Thanks!

Julie

Julie Mathis, VP

Department Manager

Loss Mitigation

Home Loans

WaMu, now backed by the strength of JPMorgan Chase

7255 Baymeadows Way, JAXA2000

Jacksonville, FL 32256

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-----Original Message-----

From: Thomas, Michelle M.
Sent: Friday, February 06, 2009 3:57 PM
To: Thorn, Ann; Rogers, Savannah L.
Cc: Mathis, Julie A.; Pound, Robert A.
Subject: RE: Richardson [redacted]

I can't determine if we are collecting the correct amount of escrow. This has to be done in the escrow department. I can confirm that the tax amounts on the lines are correct. Unfortunately, I don't have a contact in the escrow department for you.

Michelle M. Thomas
Real Estate Tax Associate, Sr.
Wamu, now backed by the strength of JP Morgan Chase 1-800-353-3860 ext. 4726 michcllc.m.thomas@wamu.net -----Original Message-----

From: Thorn, Ann
Sent: Friday, February 06, 2009 3:36 PM
To: Rogers, Savannah L.; Thomas, Michelle M.
Cc: Mathis, Julie A.
Subject: RE: Richardson [redacted]

Did we get resolution? This is a Congresswoman that we need to get some information to so she can make her payment for Jan. and Feb.

Please advise

Thanks

Ann Thorn, FVP
National Asset Recovery Manager
WaMu, now part of JP Morgan Chase
office: 904-462-2150 [redacted]
cell: [redacted]

For Internal Use Only

-----Original Message-----

From: Rogers, Savannah L.
Sent: Friday, February 06, 2009 9:17 AM
To: Thomas, Michelle M.
Cc: Mathis, Julie A.; Thorn, Ann
Subject: Richardson [redacted]
Importance: High

Hi Michelle,

You helped with researching this escrowed property tax bill in July 2008 and since then we have a portion of the tax bill (which I have attached from NETRonline.com). I noticed on TAX2 we last paid \$2,930.67 and the second portion is \$2,930.67 which is due 3/09.

This appears on ANA1 making the new escrow payment effective 3/09 \$488.45 and total payment will be \$4,885.19 (PCH2/hpmt).

Would you mind researching to make sure we have escrowed the right amount to cover this mortgagor's taxes? The mortgagor has received notification that her escrow is too low to cover her taxes.

Thank you,

Savannah Rogers
Negotiator-Prime
Loss Mitigation
Home Loans

WaMu, now backed by the strength of JPMorgan Chase
7255 Baymeadows Way
Jacksonville, FL 32256

866.926.8937 x17577, 469.549.5978 fax
savannah.rogers@wamu.net

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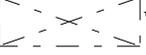
-----Original Message-----

From: Mathis, Julie A.

Sent: Thursday, February 05, 2009 5:38 PM

To: Rogers, Savannah L.

Cc: Thorn, Ann

Subject: FW: Emailing: Richardsor  Workbook v10 04 07 08.xls

Importance: High

Savannah,

Please review - the mortgagor's escrow payment is much too low to pay her taxes and she has already received notice of such. Please review and let Ann and I know asap what the escrow payment should be.

Thanks,

Julie

Julie Mathis, VP
Department Manager
Loss Mitigation
Home Loans

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Jacksonville, FL 32256

904.886.1305 direct, 904. 886.1325 fax
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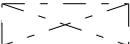
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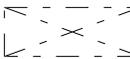
From: Rogers, Savannah L.

Sent: Thursday, February 05, 2009 5:25 PM

To: Mathis, Julie A.

Subject: Emailing: Richardson  Workbook v10 04 07 08.xls

The message is ready to be sent with the following file or link attachments:

Richardson  Workbook v10 04 07 08.xls

Note: To protect against computer viruses, e-mail programs may prevent sending or receiving certain types of file attachments. Check your e-mail security settings to determine how attachments are handled.

From: Thorn, Ann <ann.thorn@wamu.net>
Sent: Friday, February 6, 2009 5:25 PM
To: Adams-McElveen, Dena M. <dena.adams-mcelveen@wamu.net>; Mathis, Julie A. <julie.mathis@wamu.net>
Cc: Leviner, Cheryl H. <cheryl.leviner@wamu.net>
Subject: Re: URGENT - Richardson [REDACTED]

I am still not getting why this was not recognized during the mod process...
We are still telling her she has a \$500 increase

Sent from my BlackBerry Wireless II handheld

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Subject: RE: URGENT - Richardson [REDACTED]

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On 2/3/09, I ran the new analysis with the effective date of 3/09 and a 36 month escrow shortage spread. The new payment amount is now \$4885.19 beginning 3/09.

Please let me know if you need any additional information.

Thank you,

Dena Adams-McElveen
LS Section Manager II
Escrow Analysis & FHA Insurance
WaMu, now backed by the strength of JPMorgan Chase

843-673-4057 Business
843-673-3142 Fax

-----Original Message-----

From: Mathis, Julie A.

Sent: Friday, February 06, 2009 4:15 PM

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Cc: Thorn, Ann

Subject: URGENT - Richardson [REDACTED]

Importance: High

Dena,

Can you please help us with the issue below on this loan? We just modified the loan and it appears we did not collect enough escrow funding nor is the monthly escrow payment correct.

Thanks,

Julie

Julie Mathis, VP

Department Manager

Loss Mitigation

Home Loans

WaMu, now backed by the strength of JPMorgan Chase

7255 Baymeadows Way, JAXA2000

Jacksonville, FL 32256

904.886.1305 direct, 904. 886.1325 fax

julie.mathis@wamu.net

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-----Original Message-----

From: Waelde, Sean D.

Sent: Friday, February 06, 2009 4:06 PM

To: Mathis, Julie A.

Cc: Thorn, Ann

Subject: RE: Richardson [REDACTED]

Why yes I do....Dena Adams-McElveen.

Sean D. Waelde

Default ERT Section Manager II

CARE Team Default Executive Response

WaMu, now backed by the strength of JPMorgan Chase

7255 Baymeadows Way, JAXA3000

Jacksonville, FL 32256

Tel: 904-462-1821 Fax: 866-271-7346

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Cc: Thorn, Ann
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Julie

Julie Mathis, VP
Department Manager
Loss Mitigation
Home Loans

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Jacksonville, FL 32256

904.886.1305 direct, 904. 886.1325 fax
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Cc: Mathis, Julie A.; Pound, Robert A.
Subject: RE: Richardson [REDACTED]

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Michelle M. Thomas
Real Estate Tax Associate, Sr.
Wamu, now backed by the strength of JP Morgan Chase 1-800-353-3860 ext. 4726 michelle.m.thomas@wamu.net -----Original Message-----

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To: Rogers, Savannah L.; Thomas, Michelle M.
Cc: Mathis, Julie A.
Subject: RE: Richardsor [REDACTED]

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Ann Thorn, FVP
National Asset Recovery Manager
WaMu, now part of JP Morgan Chase
office: 904-462-2150
cell: [redacted]

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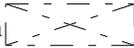
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Julie Mathis, VP
Department Manager
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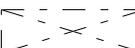
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Sent: Friday, February 6, 2009 4:54 PM
To: Mathis, Julie A. <julie.mathis@wamu.net>
Cc: Thorn, Ann <ann.thorn@wamu.net>; Leviner, Cheryl H. <cheryl.leviner@wamu.net>
Subject: RE: URGENT - Richardson []

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Thank you,

Dena Adams-McElveen
LS Section Manager II
Escrow Analysis & FHA Insurance
WaMu, now backed by the strength of JPMorgan Chase

843-673-4057 Business
843-673-3142 Fax

-----Original Message-----

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Sent: Friday, February 06, 2009 4:15 PM
To: Adams-McElveen, Dena M.
Cc: Thorn, Ann
Subject: URGENT - Richardson []
Importance: High

Dena,

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Thanks,

Julie

Julie Mathis, VP
Department Manager
Loss Mitigation
Home Loans

WaMu, now backed by the strength of JPMorgan Chase
7255 Baymeadows Way, JAXA2000
Jacksonville, FL 32256

904.886.1305 direct, 904. 886.1325 fax
julie.mathis@wamu.net

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-----Original Message-----

From: Waelde, Sean D.
Sent: Friday, February 06, 2009 4:06 PM
To: Mathis, Julie A.
Cc: Thorn, Ann
Subject: RE: Richardson



Why yes I do....Dena Adams-McElveen.

Sean D. Waelde
Default ERT Section Manager II
CARE Team Default Executive Response

WaMu, now backed by the strength of JPMorgan Chase
7255 Baymeadows Way, JAXA3000
Jacksonville, FL 32256
Tel: 904-462-1821 Fax: 866-271-7346

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-----Original Message-----

From: Mathis, Julie A.
Sent: Friday, February 06, 2009 4:04 PM
To: Waelde, Sean D.
Cc: Thorn, Ann
Subject: FW: Richardson
Importance: High



Sean, this the loan I discussed with you last nite, do you have a contact in escrow?

Thanks!

Julie

Julie Mathis, VP
Department Manager
Loss Mitigation
Home Loans

WaMu, now backed by the strength of JPMorgan Chase
7255 Baymeadows Way, JAXA2000
Jacksonville, FL 32256

904.886.1305 direct, 904. 886.1325 fax
julie.mathis@wamu.net

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-----Original Message-----

From: Thomas, Michelle M.
Sent: Friday, February 06, 2009 3:57 PM
To: Thorn, Ann; Rogers, Savannah L.
Cc: Mathis, Julie A.; Pound, Robert A.
Subject: RE: Richardson [REDACTED]

I can't determine if we are collecting the correct amount of escrow. This has to be done in the escrow department. I can confirm that the tax amounts on the lines are correct. Unfortunately, I don't have a contact in the escrow department for you.

Michelle M. Thomas
Real Estate Tax Associate, Sr.
Wamu, now backed by the strength of JP Morgan Chase 1-800-353-3860 ext. 4726 michelle.m.thomas@wamu.net -----Original Message-----

From: Thorn, Ann
Sent: Friday, February 06, 2009 3:36 PM
To: Rogers, Savannah L.; Thomas, Michelle M.
Cc: Mathis, Julie A.
Subject: RE: Richardson [REDACTED]

Did we get resolution? This is a Congresswoman that we need to get some information to so she can make her payment for Jan. and Feb.

Please advise

Thanks

Ann Thorn, FVP
National Asset Recovery Manager
WaMu, now part of JP Morgan Chase
office: 904-462-2150
cell: [REDACTED]

For Internal Use Only

-----Original Message-----

From: Rogers, Savannah L.
Sent: Friday, February 06, 2009 9:17 AM
To: Thomas, Michelle M.
Cc: Mathis, Julie A.; Thorn, Ann
Subject: Richardson 
Importance: High

Hi Michelle,

You helped with researching this escrowed property tax bill in July 2008 and since then we have a portion of the tax bill (which I have attached from NETRonline.com). I noticed on TAX2 we last paid \$2,930.67 and the second portion is \$2,930.67 which is due 3/09. This appears on ANA1 making the new escrow payment effective 3/09 \$488.45 and total payment will be \$4,885.19 (PCH2/hpmt).

Would you mind researching to make sure we have escrowed the right amount to cover this mortgagor's taxes? The mortgagor has received notification that her escrow is too low to cover her taxes.

Thank you,

Savannah Rogers
Negotiator-Prime
Loss Mitigation
Home Loans

WaMu, now backed by the strength of JPMorgan Chase
7255 Baymeadows Way
Jacksonville, FL 32256

866.926.8937 x17577, 469.549.5978 fax
savannah.rogers@wamu.net

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-----Original Message-----

From: Mathis, Julie A.
Sent: Thursday, February 05, 2009 5:38 PM
To: Rogers, Savannah L.
Cc: Thorn, Ann
Subject: FW: Emailing: Richardson  Workbook v10 04 07 08.xls
Importance: High

Savannah,

Please review - the mortgagor's escrow payment is much too low to pay her taxes and she has already received notice of such. Please review and let Ann and I know asap what the escrow payment should be.

Thanks,

Julie

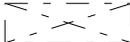
Julie Mathis, VP
Department Manager
Loss Mitigation
Home Loans

WaMu, now backed by the strength of JPMorgan Chase
7255 Baymeadows Way, JAXA2000
Jacksonville, FL 32256

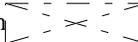
904.886.1305 direct, 904. 886.1325 fax
julie.mathis@wamu.net

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-----Original Message-----

From: Rogers, Savannah L.
Sent: Thursday, February 05, 2009 5:25 PM
To: Mathis, Julie A.
Subject: Emailing: Richardson  Workbook v10 04 07 08.xls

The message is ready to be sent with the following file or link attachments:

Richardson  Workbook v10 04 07 08.xls

Note: To protect against computer viruses, e-mail programs may prevent sending or receiving certain types of file attachments. Check your e-mail security settings to determine how attachments are handled.

Subject: Richardson
Location: 562 706 

Start: 7/15/2008 8:30 AM
End: 7/15/2008 9:00 AM
Show Time As: Busy

Recurrence: (none)

Meeting Status: Organizer

Required Attendees: Mathis, Julie A.; Rogers, Savannah L.

Subject: Call Laura Richardson

Start: 7/11/2008 2:00 PM

End: 7/11/2008 2:30 PM

Show Time As: Busy

Recurrence: (none)

Meeting Status: Organizer

Required Attendees: Mathis, Julie A.; Rogers, Savannah L.

Subject: Richardson
Location: call her

Start: 6/23/2008 4:00 PM
End: 6/23/2008 4:30 PM
Show Time As: Busy

Recurrence: (none)

Meeting Status: Organizer

Required Attendees: Mathis, Julie A.; Rogers, Savannah L.
Optional Attendees: Thorn, Ann

Subject: Congresswoman Richardson
Location: Ann will join Wendy in her office

Start: 6/6/2008 12:00 PM
End: 6/6/2008 1:00 PM
Show Time As: Busy

Recurrence: (none)

Meeting Status: Accepted

Required Attendees: Woodcock, Wendy A.; Mathis, Julie A.

Resources: Ann will join Wendy in her office

When: Friday, June 06, 2008 12:00 PM-1:00 PM (GMT-05:00) Eastern Time (US & Canada).

Where: Ann will join Wendy in her office

~~*~*~*~*~*~*~*~*

From: Riley, Olivia
Sent: Friday, June 27, 2008 11:52:40 AM
To: Aney, Derek; Rodriguez, Adrian; Gaspard, Scott; Watson, Alison; Owen, Jan L.; Brandeberry, Mike E.; Aghamirzadeh, Reza; Horn, Karen E.; Magleby, Alan F.; Wisdorf, Doug; Baker, Todd; Robinson, John; Doperalski, Cathy L.; Hume, Sophie; Gailey, Ron P.; Hutchinson, Libby G.
Subject: CONFIDENTIAL: Attorney/Client Privileged: June 26, 2008 Issues Briefing

Attachments: Issues Management Threat Overview 06-27-08.doc



Issues
Management
Threat
Overview
06-27-08.doc
(35 kB)

Good evening all,
Attached is the Issues Briefing for tomorrow morning's council meeting.

Best,
Olivia

Olivia Riley, VP
Public Relations
Corporate Communications

Washington Mutual
1301 Second Avenue, WMC2103
Seattle, WA 98101

206.500.2834 direct, 206.377.2023 fax
olivia.riley@wamu.net

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REDACTED

REDACTED

From: GM PR
Sent: Wednesday, June 11, 2008 10:59:19 AM
Subject: Breaking News: Seattle PI, Los Angeles Times, American Banker, TheStreet.com

WaMu Focused News

1. Ex-WaMu workers tapped for their mortgage expertise

June 10, 2008

By BILL VIRGIN

Seattle Post-Intelligencer

Rising defaults and delinquencies on loans, houses staying on the market longer and fetching less-than-hoped-for prices when they do sell, a weakening economy -- sounds like a great time for banks to get into or expand their presence in the mortgage business.

Yet several banks in this region are doing just that.

And they've got just the place to go to recruit people they need to increase the number of home loans they write: former **Washington Mutual** employees.

KeyBank became the latest to tap the pool of former **WaMu** home-loan personnel when it named Michael Taylor as its vice president and sales manager for its Northwest region; he had been regional manager for **Washington Mutual's** Eastern Washington, Idaho and Utah markets.

Taylor, in turn, has hired Ed Sauriol, a 16-year **WaMu** veteran, as producing sales manager for Key's South Puget Sound region.

That's just the start. Although Key started the year with 13 employees on its mortgage lending staff in Washington, Taylor says the bank is at 30 now and could be up to 50 by the end of the year "as long as I find the right talent."

Taylor and Key are hoping to generate home-loan business not only from its existing customers, but also from the contacts with real estate agents, builders and others in the community those recruits bring with them. Key wants to double its mortgage lending in the 13 states it operates in nationally, and triple its mortgage writing in Washington state.

Key's not alone, either in expanding home lending or recruiting former **WaMu** employees to accomplish that.

Wells Fargo & Co. opened a new downtown Seattle home-loan office with 31 employees, all from the same **WaMu** home-loan center. Wells Fargo has also added 10 former **WaMu** employees on the Eastside, five in Bellingham, four in Mount Vernon and a couple in the South Sound area, according to spokeswoman Lara Underhill.

JPMorgan Chase, meanwhile, has hired former **WaMu** mortgage staffers in Seattle, California and Utah.

Those employees are available because of **WaMu's** decision, announced in April, to close all of its free-standing home-loan centers -- 186 nationally, 23 in Washington -- and lay off 3,000 employees. **WaMu** plans to make home loans through its retail bank branches.

"These are experienced mortgage officers," Wells Fargo's Underhill says. "They're familiar with the market."

Less obvious is why Key, Wells and others would want to expand in home lending just now.

KeyBank's Taylor says that for all the bad news about the housing sector -- "the consumer has a feeling the mortgage business has shut down" -- there's still business to be done. Maybe even more business, he adds, with **WaMu** and others pulling back not just from retail lending, but also the wholesale business (loans written by brokers and other lenders).

"It's creating some opportunity for us," Taylor said. "Even though the mortgage pic has shrunk, the number of hands in that pic has shrunk even further."

"We're still writing mortgages; we're still in business," adds JPMorgan Chase spokeswoman Christine Holevas. "People still want the American dream. They want to own their own home. We're helping them do so in a prudent manner."

Those banks say prudent lending in the past -- not loading up on the sorts of exotic and risky mortgages now going sour -- puts them in a position to expand now. Taylor says FHA lending programs are regaining favor. "It's old-school stuff," he says. Interest rates that are still attractive are driving business for new loans and refinancing activity.

Lenders are expanding in the Seattle area, he adds, because "we were never down as far as the national market. That doesn't mean we were without pain. But inventory is moving. ... We could potentially see a rebound this summer," although he's not predicting it will be substantial.

WaMu Related News

2. In an "extremely unusual" move, WaMu goes to bat for Rep. Richardson

June 10, 2008

Los Angeles Times

Just when you thought you were safe from news about U.S. Rep. Laura Richardson, Democrat of Long Beach: The Daily Breeze reports that her lender, **Washington Mutual**, is trying to help her get her foreclosed house back (That's the house at right, located in Sacramento).

The Breeze's Gene Maddaus: "The real estate broker who bought Rep. Laura Richardson's house at a foreclosure sale last month is accusing her of receiving preferential treatment because her lender has issued a notice to rescind the sale.

Neither Richardson nor **WaMu** would talk to Maddaus about the situation. Richardson has yet to answer L.A. Land's questions, posed in writing on May 22, about the Sacramento mortgage, and the modification to the mortgage she says she received from **WaMu**.

Catching up: I must confess I failed to post a story about Richardson's car troubles. Here's how the Long Beach Press-Telegram told

it: "In 2005, when she was still on the Long Beach City Council, she left one mechanic in a lurch with an unpaid bill, then later had her badly damaged BMW towed to an auto body shop but didn't pay for any work and abandoned the car there, owners of the businesses said this week. The next day, Richardson began using a city-owned vehicle -- putting almost 31,000 miles on it in about a year -- and continued driving the car five days after she had left the council to serve in the state Assembly, city records show." In a terrific example of public service journalism, though, the Press-Telegram did manage to get some money for the mechanic. It reports that Richardson paid the 2-year-old, \$735 bill after the newspaper called seeking an interview about the unpaid debt. More: "James York, owner of Red Rock Mortgage, said he would file a lawsuit against Richardson and her lender, **Washington Mutual**, by the end of the week, and has every intention of keeping the house. 'I'm just amazed they've done this,' York said. 'They never would have done this for anybody else.' "

Maddaus seeks out analysis from foreclosure expert Leo Nordine, who opines that a bank going to bat for a former homeowner in a situation such as this is "extremely unusual." "Unless [the borrower] filed bankruptcy beforehand, they'd never do it."

3. Overdraft and ATM Fees Rise, As Economy Slumps

June 2008

By Anthony Malakian

American Banker

Consumers are always wary of being nickel-and-dimed to death, and thanks to the current economic malaise, more banks are heading in that direction. Many of the biggest banks are raising fees for ATM usage and overdrafts, which analysts say isn't such a bad idea. Bank of America recently raised its overdraft fee (also called NSF for non-sufficient funds) to \$25 from \$20 for the first day, and \$35 for each subsequent day. First Horizon raised its NSF fee to \$35 from \$32. **Washington Mutual** upped its overdraft to \$34 from \$32 in most states. Citibank now also is charging a \$3 ATM fee for non-customers, as is BofA, which raised its surcharge last July.

Bank of the Sierra, a \$1.3-billion-asset bank in Porterville, CA, hasn't joined the wave of increased fees, but bank president and CEO James Holly acknowledges the changing attitude. "Years ago, if you overdrew your account, we couldn't wait to close your account and throw you out," says Holly, joking. "Now we have to go find those people and bring them in, because they are really valuable folks to have."

Robert Hammer, chairman and CEO of Thousand Oaks, CA-based bank advisory firm R.K. Hammer Investment Bankers, says banks should be mandated to raise fees. "Without a doubt, bank fees are rising, but you have to understand that rising risk in our industry today is indisputable," Hammer says. "In an environment of rising risk, you would expect fees of those risks to rise, too. It would be an abdication of responsibility for bank management to not have fees rising as well."

While some argue this promotes customer dissatisfaction, it doesn't seem to lead to attrition, says Greg Lowell, senior manager in the financial-services strategy group for research company Accenture. In a report to be released this month, Accenture found a 23 percent difference in customer satisfaction between banks that charged fees and those that didn't. Yet, 61 percent of customers said that if their bank charged a fee, they would continue to do business with it, only 12 percent less than those banks that wouldn't charge a fee for the service. "Our research does bear out that customers in retail banking do tend to stay with the bank, not necessarily out of a strong sense of loyalty, but out of a reluctance to make the move to another bank because of all the time and cost in making that happen," says Lowell.

Certain fees really aggravate customers, such as customer-service fees, monthly service fees and product-purchase fees. Overdraft fees, on the other hand, were found to be somewhat accepted, because "people, for the most part, understand it's a fee related to a specific error on their part," Lowell says. Consumers also understand a fee for use of an ATM not connected to their bank. Lowell says banks need to understand how their customers view certain fees and not just make a "knee-jerk increase in fees" because BofA did.

Ed Woods, a senior analyst at Boston-based consultant Celent, agrees that not all fees are greeted with anger. "There are segments of the population that aren't adverse to paying late fees," he says. "What seems to be most important to them is to have the flexibility to get [the payment or take out money] when they want."

Ron Shevlin, senior analyst at Boston-based consultant Aite Group, says, though, banks do need to worry about silent attrition. While higher fees may not provoke a customer to leave his bank, he may not keep depositing money or buying new products, either. "In the short term, it seems like a great business move. The problem is that it leaves such a bad taste in the consumer's mouth," Shevlin says. "These are the kinds of things that over time build up dissatisfaction, but the bank won't see that in terms of a hit for at least a couple of quarters."

Shevlin adds that there is no reason to believe that fees will go back down, either. "If they were to spend the next year maintaining their retention rates in the face of increasing fees, the business will look at it and say, 'Why would we want to reduce the fees now?'" Shevlin says.

4. Lessons for Small Biz in Bank Blowups

Elizabeth Blackwell

June 10, 2008

TheStreet.com

No one pities CEOs these days, what with their stratospheric compensation, company-paid perks and golden parachutes. Even when they do get fired, they don't have to join the line at the local unemployment office.

Still, most of us wouldn't want to be running a major financial institution these days, when bank CEOs seem to be dropping left and

right. Citigroup (C - Cramer's Take - Stockpickr) and Merrill Lynch (MER - Cramer's Take - Stockpickr) both gave their CEOs the boot late last year; this week, Wachovia (WAC - Cramer's Take - Stockpickr) did the same. **Washington Mutual's (WAMU - Cramer's Take - Stockpickr)** CEO got to keep his job -- barely -- but was forced to give up his chairman title, a move that was the result of pressure from shareholders.

All this fallout from the subprime mortgage mess may seem far removed from the average small business owner (unless your small business happens to be a title company or mortgage lender). But the lack of confidence in Wachovia's and **Washington Mutual's** leadership serves as a cautionary tale for anyone who runs a business, no matter what size.

It's not as if Wachovia's CEO was trolling suburban subdivisions, hustling no-interest loans to unqualified buyers. But the current mortgage meltdown is partially the result of incentives put in place by high-ranking executives. Those top dogs are now realizing that any shady dealings within their companies -- no matter how far removed from their corner offices -- can bring them down, too.

The lesson here is clear: If you give your employees incentives to cut corners, however unintentionally, their shoddy tactics can eventually be pinned on you. You need to know how your subordinates operate, because you may ultimately be the fall guy for their mistakes.

At Wachovia and other major banks, "Everyone had a cash incentive to approve loans, and that started at the top," says Tomas Norton of The Norton Group, which provides banking-related consulting and litigation support services. "A mindset based on volume went from the absolute top to the very bottom of the food chain."

Troubled Mentality

The repeal of the Glass-Steagall Act in 1999, which allowed commercial and investment banks to merge, was the beginning of what Norton points to as a change in mentality in the lending business. "It put an investment banker mentality into a commercial banking operation," he says. Mortgages became commodities that were packaged into securities. The more mortgages were approved, the more executive compensation soared.

CEOs, in search of the short-term profits that could boost stock prices, demanded more and more loans. And they didn't ask too many questions about how those mortgages were being approved.

For banks like **Washington Mutual** and Wachovia, the result was a disconnect between public perception and real-world tactics. To the general public, banks remained traditional, even conservative institutions. Bank branches continued to spring up in suburban subdivisions and big-city downtowns, creating the illusion that these banks were a part of the community.

But behind the scenes, banks were indulging in speculative, risky financial behavior. "They created the impression of community banking by having a branch on every corner," says Norton. "But they had no relationship with the customer. They wanted to get your loan, keep it for five minutes, then sell it off for short-term profits."

And they were willing to overlook all the warning signs, such as home buyers who didn't have enough income to pay off their loans. For a while it worked -- until the whole system fell apart.

Bank CEOs had a few great years, where they took credit for soaring stock prices and were compensated accordingly. And you could do the same, by overlooking red flags and making some short-term profits. But if you want your business to last, you'd better take a close look at how your employees are operating on your behalf.

Do you reward results, regardless of how they were obtained? Do you send the message -- overt or implied -- that you're always thinking short-term? For the banks, says Norton, "Compensation was based on approval. No one wanted to say no to loans." Are you willing to say no?

It's easy to think -- as the bank CEOs did -- that the folks in charge should focus on the big picture. But if they don't know exactly how the people at the bottom are operating, they won't stay on top very long.

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From: Riley, Olivia
Sent: Friday, June 13, 2008 11:49:31 AM
To: Hutchinson, Libby G.; Rodriguez, Adrian; Gaspard, Scott; Watson, Alison; Owen, Jan L.; Brandeberry, Mike E.; Aghamirzadeh, Reza; Horn, Karen E.; Magleby, Alan F.; Wisdorf, Doug; Baker, Todd; Robinson, John; Doperalski, Cathy L.; Hume, Sophie; Gailey, Ron P.
Subject: CONFIDENTIAL: Attorney/Client Privileged: June 13, 2008 Issues Briefing

Attachments: Issues Management Threat Overview 06-13-08.doc



Issues
Management
Threat
Overview
06-13-08.doc
(35 kB)

Good morning,
Attached is the briefing for this morning's Issues Council meeting.

Olivia

Olivia Riley, VP
Public Relations
Corporate Communications

Washington Mutual
1301 Second Avenue, WMC2103
Seattle, WA 98101

206.500.2834 direct, 206.377.2023 fax
olivia.riley@wamu.net

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REDACTED

REDACTED

From: Finch, Brian <[redacted]>
Sent: Friday, February 6, 2009 5:35 PM
To: Villegas, Peter R. <peter.villegas@wamu.net>; Manning, Antonio L. <antonio.manning@wamu.net>; Owen, Jan L. <jan.owen@wamu.net>; Arredondo, Angelica <angelica.arredondo@wamu.net>; Agopian, Vera <vera.agopian@wamu.net>
Cc: Kishner, Gary <gary.kishner@wamu.net>; Delgiorno-Andonian, Laura R. <[redacted]>; Prenta, Ronald <ronald.prenta@wamu.net>; Ware, Janet <[redacted]>
Subject: Updated govt invitee list for Glendale HOC event
Attach: Glendale HOC govt outreach_02-06-09.doc

All--

Attached is the government outreach list for the Glendale HOC. Column 3 shows those who have been invited and any response we've received.

(1) Please let me know if you've received a response not listed in Column 3. Also let me know if there are others you invited who aren't reflected here.

(2) The next step after the event is to more broadly distribute the press release and an information sheet to key offices in L.A, San Bernardino and Orange Counties. I want to take advantage of your local relationships. Please let me know:

(a) if there is anyone listed in Column 4 with whom you have a good relationship with the official or senior staff, and where it's effective for the press release to come from you.

(b) other key local leaders in LA, San Bernardino and Orange Counties whom you know and to whom we should send this info.

Thanks again for everyone's teamwork and help.

<p>400 N. Brand Blvd, Suite 120 Glendale, CA 92103 MSA: Glendale 818-548-1234 Opened 12/29/08</p> <p>Open House: Thurs, Feb. 12th – 9:00 am until 11:00 am</p>					
In-district	1. Engage officials	2. Extend Open House invite	3. Send press release on 2/12		
U.S. Sen Feinstein (LA office)		Invited thru Villegas Childress to connect with DC office	Villegas Childress (D.C.)		
U.S. Sen Boxer (LA office)		Invited thru Finch	Finch		
U.S. Rep. Adam B. Schiff (D-29)		Childress to connect with DC office Invited thru Finch, Will send TBD rep	Childress (D.C.) Finch		
Governor Schwarzenegger (LA office)			Finch		
CA Sen Carol Liu (D-21)	Jan triangulating with capitol office Finch reached out to district director	Invited thru Finch	Finch Owen (SAC)		
CA Assm. Paul Krekorian (D-43)	Krekorian's office is located at 620 N Brand Blvd Finch working with CoS and district manager	Invited thru Finch	Finch		
L.A. County Supervisor Mike Antonovich (D-5)		Invited thru Manning	Manning		
City Manager Jim Starbird		Invited thru Agopian	Yes		
Glendale Mayor John Drayman		Invited thru Finch, Not available	Yes		
Glendale Councilman Ara Najarian		Invited thru Finch, Not available	Yes		
Glendale Councilman Frank Quintero		Invited thru Finch, Not available	Yes		
Glendale Councilman Dave Weaver		Invited thru Finch, Will attend and provide remarks	Yes		
Glendale Councilman Bob Yousefian		Invited thru Finch, Not available	Yes		
Glendale Director of Community Development & Housing Madalyn Blake		Invited thru Agopian???	Yes		
Glendale Director of Community Development & Housing Assoc Sam Yereimian		Invited thru Agopian???	Yes		
Adjacent to district					
U.S. Rep Xavier Becerra (D-31)			Villegas		
U.S. Rep Howard Berman (D-28)			Villegas		
U.S. Rep Hilda Solis (D-32) *			Villegas		
CA Sen Alex Padilla (D-20)	Jan triangulating with capitol office	Invited thru Owen	Yes		
CA Sen. Fran Pavley (D-23)			Yes		

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CA SD 26 – vacant			Yes
CA Sen. Gil Cedillo (D-22)			Yes
CA Sen. Bob Huff (R-29)			Yes
CA Sen. George Runner (R-17)	Jan triangulating with capitol office	Invited thru Owen	Owen
CA Assm. Anthony Portantino (D-44)			Yes
CA Assm. Kevin DeLeon (D-45)			Yes
CA Assm. Felipe Fuentes (D-39)	Jan triangulating with capitol office CoS	Invited thru Owen	Owen
CA Assm. Mike Feuer (D-42)			Yes
CA Assm. Bob Blumenfeld (D-40)			Yes
LA County Supervisor Gloria Molina (D-1)			Yes
LA County supervisor Yev Zaroislavsky (D-3)			Yes
L.A. Mayor Antonio Villarigosa	Through Finch	Invited thru Finch. Not available. Will provide quote and/or release	Finch
L.A. Councilman Ed Reyes (D-1)			Yes
LA Councilwoman Wendy Greuel (D-2)		Invited thru Villegas to attend and speak	Villegas
L.A. Councilman Tom LaBonge (D-4)			Yes
L.A. Councilman Eric Garcetti (D-13)			Yes
LA Councilman Jose Huizar (D-14)			Yes
L.A. Housing Department			Yes
Pasadena City Manager Jim Wong		Invited thru Arredondo	Yes
LA County Dept of Consumer Affairs Director Pastor Herrera		Invited thru Finch	Finch
Federal Reserve Bank Area Regional Manager Melody Winter Nava ?		Invited thru Ron Branch?	
HUD Pauline Louie?		Invited thru Ron Branch?	
Other			
LA Council District 3 Dennis Zine			Yes
District 5 Jack Weiss			Yes
District 6 Tony Cardenas			Yes
District 7 Richard Alarcon			Yes
District 8 Bernard Parks			Yes
District 9 Jan Perry Asst President Pro Tem			Yes
District 10 Herb Wesson			Yes
District 11 Bill Rosendahl			Yes
District 12 Greig Smith			Yes
District 15 Janice Hahn			Yes
LA County Supervisor Mark Ridley-Thomas (D-2)			Yes
L.A. County Supervisor Don Knabe (Dist 4)			Yes

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Rep. David T. Dreier		Yes
Rep. Brad J. Sherman		Yes
Rep. Howard L. Berman		Yes
Rep. Henry A. Waxman		Yes
Rep. Diane E. Watson		Yes
Rep. Lucille Roybal-Allard		Yes
Rep. Maxine Waters		Finch
Rep. Jane Harman		Yes
Rep. Laura Richardson		Yes
Rep. Grace F. Napolitano		Yes
Rep. Linda T. Sanchez		Yes
Rep. Edward R. Royce		Yes
Rep. Jerry Lewis		Yes
Rep. Gary G. Miller		Yes
Rep. Joe Baca		Yes
Rep. Ken Calvert		Yes
Rep. Mary Bono Mack		Yes
Rep. Dana T. Rohrabacher		Yes
Rep. Loretta L. Sanchez		Yes
Rep. John B. T. Campbell		Yes
Larry Zerian	Invited thru Agopian, RSVP'd to attend	
Glendale Chamber of Commerce CEO Judy Kendall	Invited thru Agopian/Finch	

From: Owen, Jan L. <jan.owen@wamu.net>
Sent: Friday, January 30, 2009 6:49 PM
To: Camper, Naomi G. <[redacted]>
Cc: Stewart, Barbara L. <[redacted]>; Griner, Rob E. <[redacted]>; Farrell, Donna M. <[redacted]>; Archer, Catrina L. <[redacted]>
Subject: RE: When you have a minute

Of course- I will try and call you all next week. Thank you. J

Jan Lynn Owen
First Vice President
State and Local Government and Industry Relations Manager
801 K Street Suite 110
Sacramento, CA 95814
916-553-4961
916-325-4717 fax
jan.owen@wamu.net

From: Camper, Naomi G.
Sent: Friday, January 30, 2009 3:32 PM
To: Owen, Jan L.
Cc: Stewart, Barbara L.; Griner, Rob E.; Farrell, Donna M.; Archer, Catrina L.
Subject: Re: When you have a minute

Donna – can you please find a time that works for this? Or to make life easier for everyone, Jan you could just try to reach one of us next week?

Naomi Gendler Camper
Head of Federal Gov't Relations
JPMorgan Chase
202.585.1111 w
202.255.1111 c

"Owen, Jan L." <jan.owen@wamu.net>

To "Camper, Naomi G." <[redacted]>, "Griner, Rob E." <[redacted]>

01/30/2009 06:17 PM

cc "Stewart, Barbara L." <[redacted]>

Subject When you have a minute

WaMu/Chase has a situation with Congresswoman Richardson mortgage that I would like to bring you up to speed on. My office number is below and my cell is 916-804-1111. Although this is not urgent- I do want to update you both. Next week will work. Thanks, Jan

Jan Lynn Owen

First Vice President

State and Local Government and Industry Relations Manager

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Sacramento, CA 95814

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