

MEDIA RELEASE

WELLS FARGO BANK SUED IN ARIZONA FOR DISCRIMINATORY AND PREDATORY LENDING AGAINST HISPANIC BORROWER: *Arizona Case Raises Allegations Similar To Those in U.S. Dept. Of Justice Fair Lending Lawsuit And Settlement Announced In July Of 2012*

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(Tucson, AZ - 9/14/2012). Wells Fargo Bank NA and its Arizona subsidiary were served this week with a lawsuit filed by former Arizona prosecutor Vince Rabago for taking unfair advantage of an unsophisticated Hispanic borrower in Arizona. Similar practices are the subject of a national lawsuit by the U.S. Department of Justice and a proposed 75 million dollar settlement announced earlier this year in July, 2012. The new lawsuit, filed in a pending Chapter 13 bankruptcy case, is the first in Arizona alleging a pattern of discrimination similar to that alleged in the national case filed by U.S. prosecutors.

Many Americans are familiar with the subprime mortgage lending practices which contributed to the meltdown of our economy in 2008. Using tactics ranging from concealment or deception to outright forgery, mortgage lenders gave loans to home buyers at an unprecedented rate, then bundled and sold those debts to other companies, often placing the loans into risky investment devices on Wall Street that contributed to the meltdown. Many loans were "subprime" because of onerous, costly terms and banks knew that there was a high risk the borrowers would not be able to make the payments over time.

Both lawsuits claim Wells Fargo intentionally focused on Hispanic borrowers. The U.S. DOJ lawsuit alleged that the bank steered Hispanic and African American borrowers into subprime loans when they qualified for prime loans with lower interest rates, or charged excessive fees. The proposed 75 million dollar settlement with the DOJ is pending court approval and agrees to stop alleged discriminatory practices and to compensate alleged victims: http://www.justice.gov/crt/spec_topics/wellsfargo/.

The Arizona lawsuit, among other things, alleges that Wells Fargo told the uneducated non-English speaking Hispanic citizen one thing in Spanish, but another in English documents. The lawsuit alleges the bank tricked the borrower into believing he was obtaining two separate loans, when in reality the bank deceived him into signing documents for one loan secured by two properties in order to obtain his mother's home, which he owned free and clear at the time. The lawsuit also alleges Wells Fargo aided and abetted their Arizona subsidiary in originating such predatory loans using a state mortgage license in an apparent effort to evade review by federal regulators, and later shut down operations in 2008, the year after the loans were made in 2007. The lawsuit alleges Wells Fargo recently filed a manipulated false document in the bankruptcy case in an effort to conceal the prior deceptive lending.

Vince Rabago, a former state prosecutor with experience in state and national consumer fraud cases and a reputation for taking on the payday loan industry in Arizona, is representing Miguel R. Romo, the plaintiff/borrower. Rabago said, "The alleged discriminatory and predatory lending by Wells Fargo Bank and their Arizona subsidiary is completely unacceptable. The new lawsuit brought against Wells Fargo and its Arizona subsidiary was under investigation by my office before federal prosecutors announced their lawsuit and proposed settlement, so it was good to get independent validation of the conduct alleged in our lawsuit. We look forward to obtaining justice and obtaining additional evidence of the alleged discrimination and predatory tactics from Wells Fargo during the discovery process."

The case is *Miguel R. Romo v. Wells Fargo Bank N.A., and Wells Fargo Financial Arizona, Inc.*, Case No. 4:12-ap-01582 JMM (and was filed in pending Chapter 13 bankruptcy case 4:12-bk-11796). The U.S. Dept. of Justice lawsuit and settlement is filed and pending approval in *United States of America v. Wells Fargo Bank N.A.*, in U.S. Dist. Court, District of Columbia, in Case No. 1:12-cv-01150.

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