Bank of America delays foreclosures in 23 states

South Carolina among those impacted

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WASHINGTON — Bank of America is delaying foreclosures in 23 states, including South Carolina, as it examines whether it rushed the foreclosure process for thousands of homeowners without reading the documents.

The move adds the nation's largest bank to a growing list of companies whose employees signed documents in foreclosure cases without verifying the information in them.

Bank of America isn't able to estimate how many homeowners' cases will be affected, Dan Frahm, a spokesman for the Charlotte, N.C.-based bank, said Friday. He said the bank plans to resubmit corrected documents within several weeks.

State attorneys general, who enforce foreclosure laws, are stepping up pressure on the industry, and Mark Paustenbach, a Treasury Department spokesman, said the Treasury has asked federal regulators "to look into these troubling developments." And the Office of the Comptroller of the Currency, which regulates national banks, has asked seven big banks to examine their foreclosure processes.

A document obtained Friday by the Associated Press showed a Bank of America official acknowledging in a legal proceeding that she signed up to 8,000 foreclosure documents a month and typically didn't read them.

Consumer advocates say the problems are widespread across the lending industry.

"The general level of sloppiness is pervasive around the industry," said Diane Thompson, counsel at the National Consumer Law Center.

In some states, lenders can foreclose quickly on delinquent borrowers. By contrast, the 23 states in which Bank of America is delaying foreclosures use a lengthy court process. They require documents to verify information on the mortgage, including who owns it.

In addition to South Carolina, other states are: Connecticut, Delaware, Florida, Hawaii, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Nebraska, New Jersey, New Mexico, New York, North Dakota, Ohio, Oklahoma, Pennsylvania, South Dakota, Vermont and Wisconsin.

