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**ATTORNEY GENERAL ABBOTT CHARGES HOME LOAN SERVICER
WITH VIOLATING STATE DEBT COLLECTION LAWS**
American Home Mortgage Servicing Inc. failed to properly process requests

AUSTIN – Texas Attorney General Greg Abbott today charged Coppell-based American Home Mortgage Servicing Inc. (AHMS) with using illegal debt collection tactics and improperly misleading struggling homeowners.

According to state investigators, AHMS collections agents used aggressive and unlawful tactics to collect payments from Texas homeowners who had difficulty meeting their payment obligations. The defendant also failed to credit homeowners who properly submitted their payments on time.

In other cases, AHMS agents falsely claimed that homeowners did not make payments so the agents could justify profitable late fees or escrow accounts. The defendant also failed to properly credit homeowners after AHMS agents withdrew funds from the homeowners' checking accounts. Because of the defendant's unlawful conduct, homeowners defaulted on their loans, leading to foreclosure proceedings.

Additionally, the defendant claimed to have a "Home Retention Team" to assist distressed homeowners. Many customers found that AHMS could not qualify homeowners and that they were of no help to halt the foreclosure process. Some homeowners who actually obtained loan modifications found that their monthly payments increased rather than decreased, which worsened their problem with foreclosure.

Today's enforcement action charges AHMS with multiple violations of the Texas Debt Collection Act and the Texas Deceptive Trade Practices Act (DTPA). The State is also seeking civil penalties of up to \$20,000 per violation of the DTPA.

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