



Charles G. Cooper  
Commissioner

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## **TEXAS DEPARTMENT OF BANKING**

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### **INDUSTRY NOTICE 2010-0**

*Date: October 11, 2010*

### **Foreclosures and Best Practices**

To: Chief Executive Officers of Texas State-Chartered Banks

The economic stresses of today are well publicized and unfortunately in too many cases homeowners are being faced with losing their dwellings. While many lenders attempt to work with borrowers, some financial institutions have been forced to proceed with foreclosing on delinquent borrowers. In some cases, abuses have been detected and the Texas Attorney General has sent a demand letter to various banks and mortgage servicers requesting they halt foreclosures as a result of questionable practices. Practices in question include, but are not limited to, the signing of documents without reading them, signing affidavits which falsely claim personal knowledge of facts and notarizing documents without the signer's presence.

The Department has not received any complaints related to abusive or illegal foreclosure practices against state-chartered banks. However, the Department requests each of you to review your foreclosure policies and procedures to ensure compliance with applicable state law. Your continued cooperation is appreciated. If you have any questions, please contact Banking Commissioner Charles Cooper or Deputy Commissioner Robert Bacon at 512-475-1325.

Resources:

[Foreclosure Resource Center](#) (*Dallas Federal Reserve*)

[Attorney General Abbott Calls for a Halt on Foreclosures](#) (*Attorney General of Texas*)