

# Robosigning is Focus of New York Fraud Legislation

By: Jann Swanson | Thu, Jun 14 2012, 11:28 AM

The **New York State Assembly** will soon consider a bill that, if passed, would **broaden the definition of mortgage foreclosure fraud to include "robosigning"** and enact tough new criminal penalties including jail time for violators. The introduction of the Foreclosure Fraud Prevention Act of 2012 was announced today by New York Attorney General Eric T. Schneiderman.

The bill, sponsored by Assemblywoman Helene Weinstein of Brooklyn, makes it a Class A misdemeanor for an employee or agent of a residential mortgage business to "knowingly authorize, prepare, execute or offer for filing false documents in a pending or prospective residential foreclosure action." A violation is punishable by up to a year in jail and a \$1,000 fine.

The bill makes it a class E felony for the same employees to engage in multiple acts of foreclosure fraud (robosigning) and for a "high managerial agent" of a residential mortgage business to "recklessly tolerate" such conduct on the part of any agent or employee. Such a felony carries a penalty of up to four years in state prison.

"For many middle class New Yorkers, their life savings is in their home. To take away people's homes under fraudulent circumstances is a crime deserving of jail time," Schneiderman said. "By treating foreclosure fraud as the serious crime that it is, we can deter future abuse and spare untold numbers of families the trauma of wrongful foreclosure. This legislation will ensure that employees involved in these fraudulent and abusive practices, and their supervisors who allow the misconduct to continue, will be held accountable for their crimes."

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