

Mortgage mess victim: Sarah Palin?

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(NECN: Peter Howe, Salem, Mass.) In the three years since the U.S. real-estate bubble burst, something we've learned is what a mess investment banks and mega-banks made as they took millions of shoddily documented mortgages and sliced and diced them into arcane Wall Street mortgage-backed securities in the 2000s.

Among the millions now apparently caught in the fallout: Republican icon Sarah Palin, the former Alaska governor and 2008 vice-presidential candidate turned media celebrity.

"The worst thing that could happen to Sarah Palin is she has a cloud on her title. She's going to have to go out, retain an attorney, and try to clean up the mess that the banks caused," John L. O'Brien Jr., the Salem-based Register of Deeds for Southern Essex County, said in an interview with NECN Thursday. In a worst-case scenario, a prior owner could challenge whether Palin now legally holds title to the property -- or Palin could be stuck with a legal headache trying to resell the house years down the road.

Working with forensic investigator Marie McDonnell, president of McDonnell Property Analytics Inc. www.mcdonnellanalytics.com, O'Brien has found abundant evidence that the home a Palin trust bought in Scottsdale, Ariz., suffers from the same wretched Wall Street paper trail as millions of other U.S. homes where mortgages were converted into collateralized debt obligations and sold worldwide.

As Wells Fargo and JPMorgan Chase processed the mortgages, foreclosed on a previous lender, and resold the house to an investor who sold it to the Palin family, McDonnell said, at least two critical documents didn't get signed and three did get signed by "robo-signers" -- people apparently using fake names who churned out thousands of purported affidavits every day vouching for the bank that all the realty and mortgage paperwork was in order.

Two names that showed up on several documents connected to the Palin Arizona home were "Linda Green" and "Deborah Brignac," names used by multiple robo-signers purporting to be officials at multiple bank subsidiaries or business partners at Wells and Chase, O'Brien and McDonnell said. In the case of Brignac signatures on Chase documents, "This is a shell game where Brignac purports to be vice president of three different entities so that she can manufacture the paperwork necessary for JPMorgan Chase Bank to hijack the mortgage and then foreclose on the property," McDonnell said.

"Linda Green," meanwhile, is a name O'Brien said he has found on over 6,000 documents in his registry signed in what appear to be at least 22 different hands, almost all of them easily recognizable by an average person as clearly forgeries.

O'Brien said, "If fundamental property principles still matter in this country, Sarah Palin may have legal issues that could affect the ownership of her home. Through no fault of her own, Sarah Palin has become a victim like thousands of others across the country that have the same problem with their chain of title. I feel bad for Governor Palin and all the homeowners who have been victimized by this scheme, it just goes to show you that no one is immune from this type of fraud and irresponsible behavior that these banks participated in."

"These banks have participated in a national epidemic of fraud that has clouded or damaged the chain of title of hundreds of thousands of American homeowners all across the country. Sadly, Sarah Palin's misfortune will however, hopefully shine the national spotlight on this issue. Given her position in the country, I am sure that she will use her influence to stand up for homeowners and their property rights".

JPMorgan spokesman Mike Fusco said the bank would decline to comment. Wells Fargo didn't respond to

requests for comment. Wells and several other banks have faced lawsuits from people facing foreclosure who argue the banks can't solidly prove they held legal possession to a mortgage when the bank moved to seize the home from delinquent borrowers.

The big point O'Brien is trying to make is that while Sarah Palin may be among the biggest-name victims of shoddy bank paperwork, there are thousands -- if not tens of thousands -- of other people around New England facing the exact same problem as the former Alaska governor proving legal ownership of their homes. "She's experiencing the same problem that thousands of homeowners in my district are," O'Brien said of Palin.

Meanwhile, as of this week O'Brien has begun refusing to record documents from banks with "the names of notorious robo signers" like Linda Green. "When I see something that I know is fraudulent, I am no longer recording it," O'Brien said, and he hopes more deeds officials around the country will follow suit and crank up pressure on banks -- and prosecutors -- to finally clean out hundreds of thousands of bogus realty documents infecting the nation's real-estate industry.

Thursday afternoon, I couldn't reach an aide to Palin to see if she wanted to comment on this situation, or if she even knew about it. What's important to make perfectly clear: She hasn't done anything wrong or been accused of doing anything wrong with the Scottsdale home purchase. She's just bought a house that -- like all too many U.S. homes in 2011 -- official say has a very messed-up legal paper trail, thanks to a pair of the nation's very biggest banks and their Wall Street partners.

With videographer Nik Saragosa