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Our View: Big banks on the hot seat

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It was good to hear Attorney General Martha Coakley list investigating the deceptive mortgage practices of some of the nation's largest banks among her priorities during an address to the North Shore Chamber of Commerce yesterday.

"We can't treat real estate as if it were an auto or personal property," Coakley told local business people gathered at the Crowne Plaza Hotel in Danvers.

Indeed, the confusion, financial harm and emotional trauma sown by the practices that led to the Wall Street meltdown of the late 2000s bear full inquiry. And it was heartening to hear Coakley say that her office has joined those of the other 49 state attorneys general in pursuing that investigation.

Locally, John O'Brien of the Southern Essex District Registry of Deeds in Salem was among the first to raise the alarm about predatory lending practices and efforts to dodge the laws governing the recording of deeds and mortgages.

According to a press release issued by his office Tuesday, "In 2010 alone, 286 Bank of America mortgage discharges were recorded with what (were) questionable and possibly fraudulent signatures of the notorious Linda Green."

For those unfamiliar with the recent "60 Minutes" piece on this scandal, Green was one of the so-called "robot-signers" whose job was to affix her signature to a multitude of documents in order to speed them through the foreclosure process.

To date O'Brien has focused his anger of the efforts of Bank of America and its peers to bypass the normal recording process — and avoid the fees to which everyone else is subject — via a company called Mortgage Electronic Registration Systems Inc. (MERS). He and his colleagues have already been successful in calling the legality of the system into question.

But according to this week's release, "O'Brien fears that this fraudulent behavior is only the tip of the iceberg ... (and) actions which he originally only thought involved a scheme to circumvent the land recordation system by creating a private, for-profit cyber-registry to benefit the big banks' pocketbooks" may have mushroomed into outright fraud against consumers and the government.

This is a matter that bears much more investigation, and suitable penalties if the allegations of fraud are proven.