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Fleet agrees to settle last of class-action suits for \$6 million

EMLING, SHELLEY Shelley Emling STAFF WRITER STAFF

Fleet Finance Inc. agreed Tuesday to pay \$6 million to settle the last remaining class-action suit against it in Georgia, bringing the total amount the company has agreed to pay back borrowers to \$141 million since 1992. The last suit alleges Fleet miscalculated loan balances and used abusive tactics to collect mortgage loan payments in violation of the state's anti-racketeering statute.

Under Tuesday's agreement, at least 3,000 borrowers who had loans with interest rates of 15.75 percent or higher will receive cash payments of between \$500 and \$5,000. Another 7,000 borrowers will receive "clear credit" letters to straighten out any bad credit histories resulting from their dealings with Fleet.

"I'm happy with this settlement and happy that Fleet is working so hard to solve its problems with people," said Howard **Rothbloom**, the borrowers' attorney. "Fleet has come a long way and is really concentrating on improving the quality of its customer service."

Court approval of the settlement agreement is expected within 60 days. Fleet officials say the settlement is voluntary. The company continues to deny any wrongdoing.

The suit is the oldest of several class-action cases filed in Georgia since 1992 against the state's largest second-mortgage lender. The story of the suit's plaintiff, Lillie May Starr, was typical of the thousands of borrowers represented in the case.

In 1984, Starr, a 64-year-old Smyrna grandmother, took out a \$5,000 home improvement loan at 23.3 percent annual interest. The loan was later sold to Fleet. Starr had to refinance twice because she couldn't make the payments. By the third loan, also sold to Fleet, she was required to repay a total of \$63,000. As part of Tuesday's settlement, Fleet has canceled her debt.

In December, Fleet agreed to pay as much as \$115 million to settle state charges of exploiting borrowers by charging high fees and interest rates. That agreement potentially affects more than 18,000 borrowers. Earlier this year, Fleet agreed to pay about 2,800 black borrowers as much as \$20 million in cash payments and debt forgiveness to settle a class-action suit alleging racial discrimination.

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