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Cobb judge blocks Fleet's resumption of foreclosures

VEJNOSKA, JILL Jill Vejnoska STAFF WRITER STAFF

Fleet Finance Inc. says it made a difficult decision when it recently ended its self-imposed moratorium on foreclosures. On Monday, a Cobb judge snatched that decision away from Fleet by ordering it to halt all residential foreclosures and evictions in Georgia for as long as six months.

Superior Court Judge Mary Staley's order stemmed from a continuing class-action lawsuit brought on behalf of Smyrna resident Lillie Mae Starr, who faced foreclosure threats both times Fleet bought her high-interest second-mortgage loan.

"We contend there was a scheme by Fleet to extend credit at such extortionate rates that the true purpose was to deprive borrowers of their houses," attorney Roy Barnes said last week.

While Fleet denies the allegations in the lawsuit, it does not dispute that it ended its own foreclosure moratorium on March 30. The Atlanta-based company had announced what it said would be a 60-day halt in October, while unveiling a \$38 million program to aid mortgage customers nationwide.

"It was a business decision that was unfortunate for us as a lender, but one we felt was necessary," Fleet public affairs manager Stacy Stout said last week about the foreclosure start-up.

Judge Staley's order also refers to "a dispute over the loan balances claimed by Fleet regarding some or all of the class members."

Mrs. Starr's lawyers say that dispute could eventually expand the class well beyond second-mortgage holders like Mrs. Starr, whose current Fleet loan has a 23.3 percent annual percentage rate.

"We're increasingly realizing the problem with calculations of loan amounts," said her attorney, Howard **Rothbloom**. "It could be people with 18 percent or 8 percent interest."

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