

Wells Fargo Glitch Results in Foreclosure of Homes

Jacob Maslow December 21, 2018



Lawyers at Randolph Law Firm say that Nevada law allows for a homeowner the opportunity to communicate with the lender before the lender can foreclose on the property.

Wells Fargo blames "computer glitch" for its improper foreclosure on hundreds of homes. This is the second time in 2018 that this has occurred.

([Newswire.net](#) -- December 21, 2018) -- Wells Fargo is still recovering from a number of different problems, and now it is blaming a [computer glitch](#) for the second time in 2018 that resulted in the bank foreclosing on a thousand homes over a period of eight years. According to the bank, the software error was applied to applications for loan modifications that were submitted anywhere from March 15, 2010 to April 30, 2018.

The error was admitted in November in a filing with the United States Securities and Exchange Commission. The bank noted that a computer glitch led Wells Fargo to deny mortgage customers with requests for repayment plans or loan modification in 870 cases. Due to the error, there were 545 homes that were foreclosed on.

One homeowner spoke and said that he received a check for \$25,000, but he still is seeking an explanation and his lawyer says that the amount he received doesn't begin to help with the losses he has experienced from this glitch.

In the filing that happened, Wells Fargo said that the error occurred when the bank started using new controls that led it to overestimate attorney fees that homeowners have in the process for foreclosure. Due to this error, it caused the rejection of the loan modification requests.

This was the second error that occurred that caused Wells Fargo to foreclose on homes. In August, the bank also disclosed that a different error in its underwriting software had denied 625 borrowers for similar loan modifications. This error resulted in 400 home foreclosures.

With these two computer software errors, nearly 1,000 homes have been foreclosed on by Wells Fargo. The bank said that it plans to work with each customer to reach a solution and is offering no cost mediation. In the meantime, people want answers. When the bank disclosed the error in August, it said that it was putting aside \$8 million for compensation errors, but it is unclear if any additional funds are going to be reserved for the error that happened in November. In addition to these mortgage errors, the bank is also under scrutiny for opening unauthorized accounts on behalf of customers and overcharging them.

Lawyers at [Randolph Law Firm](#) say that Nevada law allows for a homeowner the opportunity to communicate with the lender before the lender can foreclose on the property. It is unclear if this computer glitch allowed for that to happen.

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