

# NEWS RELEASE



Attorney General Edmund G. Brown Jr.  
California Department of Justice  
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FOR IMMEDIATE RELEASE

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Contact: (916) 324-5500

## **BROWN WINS RESTITUTION FOR IMPROPER HOME LOANS**

SACRAMENTO - (July 12, 2007) California Attorney General Edmund G. Brown Jr. today began mailing restitution claim forms to approximately 78,000 customers who were "targets of improper sales practice" after joining a national \$325 million lawsuit settlement with Ameriquest. The settlement provides \$51 million for eligible California customers of Ameriquest Mortgage Company, Town and County Credit Corporation, and AMC Mortgage Services, Inc., formerly known as Bedford Home Loans.

The settlement resolves allegations that Ameriquest and its affiliates failed to adequately disclose home loan terms, failed to disclose whether loans carried fixed or adjustable rates, refinanced borrowers into inappropriate loans, inflated the appraisals used to qualify borrowers for loans, and charged excessive loan origination fees and prepayment penalties. The company engaged in these unlawful mortgage lending practices from 1999 through 2005.

"Hard-working families trying to buy a home wound up as targets of improper sales practice," said Attorney General Brown. "This settlement provides homebuyers with at least some of the restitution they deserve."

Other parties in the \$325 million settlement include the California Department of Corporations, Alameda, Los Angeles, Merced, Monterey, San Francisco, and San Mateo County District Attorneys, Attorneys General and banking and finance regulators from the District of Columbia and every state (except Virginia where Ameriquest did not conduct business).

The forms mailed today indicate the minimum payment that customers can expect to receive. The average restitution payment is \$812.15 but the amount could be larger depending upon how many customers choose to participate in the settlement. Consumers who want the restitution payment should mail completed and signed forms to the settlement administrator by September 10, 2007.

Consumers who accept the restitution payment will relinquish their right to file lawsuits against Ameriquest unless their home goes into foreclosure. If a consumer's home goes into foreclosure, the consumer may still file a lawsuit against Ameriquest even if the restitution payment was accepted.

Consumers are encouraged to consult a private attorney or legal services attorney before deciding whether to participate in the settlement. A "Frequently Asked Questions" pamphlet was mailed with the claim forms to provide additional information about the restitution process for eligible consumers. Consumers can also obtain detailed information about the settlement by contacting the Ameriquest Settlement Administrator at: or by calling 1-800-420-5875 (1-866-494-8274 for deaf or hard of hearing consumers).

The state's complaint against Ameriquest is attached. The judgment is attached. A copy of the information letter and "Frequently Asked Questions" mailed today is also attached.

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