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Why Did Van Hollen Stay Off Predatory Lender Lawsuit?

Wisconsin Not Part of 11-State Suit Netting \$8.4 Billion to Help Homeowners; AG Has Stock in Three Lenders

Madison – Wisconsin Attorney General JB Van Hollen refused to join a civil lawsuit along with 11 other states against one of the nation’s largest predatory lenders, which just netted a record-\$8.4 billion settlement. Financial disclosure records show Van Hollen owned stock totaling as much as \$150,000 in at least three subprime lenders.

“Attorney General Van Hollen should explain to Wisconsin why he didn’t join both Republican and Democratic Attorneys General in this critical lawsuit,” said Scot Ross, One Wisconsin Now Executive Director. “Knowing Van Hollen has up to \$150,000 in stocks of three other companies which have done major subprime lending raises serious concerns about his inaction on this case and cases which may arise in the future.”

The lawsuit against Countrywide Financial, terms of which were revealed Monday, “will be a good framework” for future possible actions with other lenders, according to Florida’s Republican Attorney General. State financial disclosure records show Van Hollen has up to \$50,000 of stock in three separate lenders which have been identified as participating in the subprime market: Citigroup, Bank of America and JP Morgan Chase & Company.

Bank of America actually purchased Countrywide after the lawsuit was filed, while Citicorp reportedly had as much as \$60 billion in “exposure” due to subprime mortgages and loans. From February 2007-April 2008 the subprime mortgage crisis cost Citigroup \$40 billion, Bank of America \$15 billion and JP Morgan Chase \$10 billion. [*Chief Executive*, 8/18/08,

<http://www.chiefexecutive.net/ME2/dirmod.asp?sid=&nm=&type=Publishing&mod=Publications%3A%3AArticle&mid=8F3A7027421841978F18BE895F87F791&id=D775D9021536422989F8E43514ABA0F5&tier=4>]

In 2002, Citigroup settled charges by the Federal Trade Commission for a then-record amount of \$215 million for engaging in “systematic and widespread deceptive and abusive lending practices.”

(more)

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“It remains to be seen what Van Hollen’s refusal to join his fellow Attorneys General in taking on predatory lenders will cost Wisconsin,” said Ross. “But the continuing damage Van Hollen has done to the Wisconsin Department of Justice’s reputation is something no amount of money can repair.”

Van Hollen, the co-Chair of John McCain’s presidential campaign, has been roundly criticized for using Wisconsin tax dollars to sue the state in a partisan suit which could disenfranchise hundreds of thousands of legal voters. Van Hollen’s office, after initially denials, admitted to consulting with the Republican Party of Wisconsin about the suit. Just-discovered footage also shows Van Hollen bragging about the coming lawsuit to GOP delegates at last-month’s Republican National Convention.

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One Wisconsin Now is a statewide communications network specializing in effective earned media and online organizing to advance progressive leadership and values.