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BofA Halts All Foreclosure Sales

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[Bank of America](#) Corp. said it is placing a moratorium on all foreclosure sales across the U.S., amid political pressure on U.S. banks to examine foreclosure-documentation problems.

The nation's largest bank by assets is the first financial institution to stop all foreclosure sales amid revelations that the banking industry had used "robo signers," people who sign hundreds of documents a day without reviewing their contents, when foreclosing on homes. Bank of America, [J.P. Morgan Chase & Co.](#) and Ally Financial Inc. (parent of GMAC Mortgage) last week postponed foreclosures in 23 states where a court's approval is required to foreclosure on a home.

Bank of America also decided Friday to review the affidavits being used in foreclosure proceedings in the rest of the 50 states so the accuracy of the documents can be assessed.

Thus far "our ongoing assessment shows the basis for our past foreclosure decisions is accurate," a Bank of America spokesman said.

The decision by Bank of America to extend its postponement to all 50 states takes effect Saturday. The bank doesn't intend to lift the moratorium on foreclosure sales until its assessment is complete, a spokesman said. The bank hasn't halted all foreclosure proceedings, however. If a borrower is delinquent, the bank is still issuing notices of default and pursuing efforts to modify certain mortgages, the spokesman said.

On Thursday, Rep. Edolphus Towns (D., N.Y.), chairman of the House oversight committee, became the latest lawmaker to call for a nationwide moratorium on foreclosures.

BofA stock was up 13 cents to \$12.44 a share in recent trading on the New York Stock Exchange, still near its 52-week low of \$12.18.

Courtesy of JB Goodwin