

HURRICANE MARIA VICTIM, 78, FIGHTS BACK AGAINST
'UNCONSCIONABLE' FORECLOSURE ATTEMPT

AARP Foundation and Puerto Rico Legal Services Take Case of Blind Puerto Rican Woman Who Waits for Federal Help and Followed the Rules.

FAJARDO, PUERTO RICO - A 78-year-old blind Puerto Rican homeowner is fighting back after a major investment trust's baseless attempt to foreclose on her home while she waits for federal money to repair damage to her home caused by Hurricane Maria.

Nelida Castillo Cruz of Ceiba, represented by AARP Foundation and Puerto Rico Legal Services (PRLS), filed the suit in the Fajardo Superior Court against a major investment trust, Finance of America Structured Securities Acquisition Trust 2018-HB1 (FAR), an investment trust launched by Finance of America Reverse, one of the nation's largest reverse mortgage lenders.

The action by Mrs. Castillo is a countersuit against FAR, which last December began foreclosure proceedings despite the fact that Castillo continued to maintain her home as her principal residence and paid all insurance and incidental fees required under reverse mortgage programs. The FAR proceeding sprang from an "unconscionable claim" that she had not maintained her home as her principal residence.

"This is a clear example of a mortgage foreclosure that should never have been filed," said Rafael Rodríguez-Roselló, managing attorney of the Mortgage Foreclosure Prevention Unit of PRLS. "Mrs. Castillo did everything her loan services required, and it did not matter."

Added Barbara Jones, a senior attorney with AARP Foundation: "Federally insured reverse mortgages are designed to assist older homeowners to remain in their homes, not to leave them homeless while they struggle to recover from a natural disaster. This is nothing short of a home grab."

Mrs. Castillo has lived in her house since 1990, and in 2011 obtained the reverse mortgage from a predecessor lender to FAR, a mortgage that enabled her to convert part of her home equity into cash without having to sell her home or make monthly payments.

Government statistics indicate that the number one reason that Puerto Rican reverse mortgage borrowers, like Mrs. Castillo, face foreclosure actions is a claim that they no longer occupy their home.

Federal and Puerto Rican laws have safeguards to make sure that reverse mortgage borrowers are allowed to stay in their homes. Mrs. Castillo's suit says that those safeguards were violated, and alleges breach of contract and violation of Puerto Rico's Reverse Mortgage Protection Act. She is awaiting Federal Emergency Management Agency (FEMA) or Community Development Block Grant (CDBG) funds to repair her home.

According to Moody's Investor Service, FAR has acquired many mortgage-backed securities which have been bundled and sold to investors.

AARP FOUNDATION works to end senior poverty by helping vulnerable older adults build economic opportunity and social connectedness. As AARP's charitable affiliate, we serve AARP members and nonmembers alike. Bolstered by vigorous legal advocacy, we spark bold, innovative solutions that foster resilience, strengthen communities and restore hope.

PUERTO RICO LEGAL SERVICES, INC. is a non-profit organization that provides free legal representation and counseling to eligible low-income individuals and groups in civil cases across Puerto Rico. PRLS has a foreclosure prevention unit that represents low-income homeowners in state and federal court.