

WOMAN SUES WELLS FARGO FOR MORTGAGE ESCROW FRAUD

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(Lakeville, Minnesota) – Wells Fargo Bank is being sued in the United States District Court - Minnesota District by a Minnesota woman for fraudulent use of her home loan escrow account. Julie Longnecker filed a lawsuit alleging that Wells Fargo fraudulently held her escrow money and failed to pay her homeowner's insurance, which caused her insurance to be canceled. Longnecker claims that Wells Fargo failed to pay the premium at all. After her insurance was canceled, Longnecker claims that Wells Fargo then engaged in a long, continuous process of making false statements and promises to her, delayed responses to her, and sent conflicting information all in an apparent attempt to avoid meeting their legal obligations for the escrow account.

Longnecker's complaint requests relief for consumer fraud, negligence, and breach of contract, for fraudulently withholding the funds meant for homeowner's insurance in her escrow account. Longenecker's home mortgage contract with the bank included provisions that Wells Fargo would hold part of her mortgage payments in an escrow account, and would then use that money to directly pay her homeowner's insurance premium, which they failed to do. Due to the missed payment, Longenecker's insurance policy was canceled, and she alleges that Wells Fargo failed to notify her of the policy's cancellation until a month later.

Longnecker claims that she has suffered as a result of being unknowingly uninsured for a period of approximately six weeks, from months of exasperating communication with Wells Fargo that ultimately left the issue unresolved, and from money being fraudulently held in her escrow account.

Longnecker's attorney, Randall Knutson says that "it has been a frustrating experience for her, talking to employee after employee at Wells Fargo, all of which told her something different, and then refused to take responsibility for the problem."