

Freedom Mortgage Reaches \$2.7 Million Settlement Over Unnecessary Home Visit Allegations

By Abraham Jewett
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Freedom Mortgage Class Action Settlement Overview:

- **Who:** Freedom Mortgage Corporation reached a \$2.7 million settlement agreement with lead plaintiffs Brandy and Michael Gress.
- **Why:** The Gresses filed a class action lawsuit against Freedom alleging the company scheduled and charged consumers for unnecessary home inspections.
- **Where:** The class action lawsuit was filed in Pennsylvania federal court.

Freedom Mortgage Corp. has agreed to a \$2.7 million settlement over a class action lawsuit alleging the mortgage lender scheduled and charged for unnecessary home inspections.

Lead plaintiffs Brandy and Michael Gress claimed Freedom sent inspectors to their house on four separate occasions to make sure it was still occupied and being maintained, despite the couple being in regular contact with the company.

The Greeses claimed the inspections were scheduled automatically and subsequent reports were read by a computer system. Freedom has denied the allegations, according to the brief.

The class action lawsuit was filed against Freedom on behalf of tens of thousands of consumers who had at least one unscheduled visit from the company. Freedom maintains it hasn't committed any wrongdoing and argued it had a contractual right to order inspections on the properties of borrowers.

Freedom charged \$15 per home visit, according to the brief, which claims the inspections were done solely for the mortgage lender's "peace of mind."

"Repeat property inspections, where a property is already known to be occupied, are a waste of money, a breach of the terms of a standard mortgage, and a practice constituting consumer fraud," states the brief.

A motion by Freedom to dismiss the class action lawsuit was previously dismissed and an interlocutory appeal that made it to the Third Circuit failed to reach some of the issues the company raised, according to the brief.

The proposed \$2.7 million settlement would pay a total of 74,196 Class Members in 11 states a 35% refund for their first charged visit and an additional 50% refund for every subsequent follow up visit, according to the brief, which listed the top estimated payout to be around \$625.

Freedom was also on the receiving end of a class action lawsuit filed in 2019 that alleged the company **charged customers unfair fees for online or over the phone transactions.**