

Jury awards Yuba Co. homeowner \$16M in mortgage suit

Man files suit against PHH Mortgage Corp. over loan modification



YUBA COUNTY, Calif. (KCRA) —

A Northern California jury awarded a homeowner \$16 million in a lawsuit claiming a mortgage service company backtracked on his loan modification.

Phill Linza ruffled through a stack of records and letters from his mortgage servicing company that he has been collecting for the past several years.

"This is about a third of all the paperwork that I have," Linza said.

He applied for a home loan modification when he hit hard times during the recession and was granted one by PHH Mortgage Corp.

Linza said he signed an agreement that reduced his monthly payments from about \$2,100 to \$1,500.

But within a couple months, the payments ballooned to \$2,300 -- which was higher than his original mortgage payments.

Linza said he repeatedly tried to get customer service representatives to straighten out the payments to no avail.

"They flat out told me, when I told them I'm going to sue if they don't get this corrected, 'Go ahead (and) stand in line. We're a multi-billion dollar company. Go ahead and take your shot,'" Linza said.

Linza did sue, and throughout a three-year court battle, he feared he was still going to lose his four-bedroom home in Plumas Lake.

"The belittlement that they did to me -- it was beyond comprehension," Linza said. "People were coming to my front door, knocking on my front door, asking to take pictures of my backyard because they understood my house was under foreclosure."

This week, Linza got vindication. A jury not only awarded him \$500,000 in damages, the jury also returned with more than \$15.5 million in punitive damages to punish PHH.

"Homeowners are still fighting the mortgage meltdown," said attorney Jon Oldenburg.

Oldenburg and Andre Chernay, with the United Law Center in Roseville, said the victory could send a message to mortgage companies using similar tactics with other homeowners.

"You know our overall mission for the last six years, led by Stephen Foondos, has been to try to fight for the little guy," Oldenburg said.

"They just need to understand there is help out there," Chernay said. "There is assistance out there. You don't have to be the victim."

Linza's attorneys said they are already anticipating an appeal, but believe Linza will get to keep his home and receive compensation for what he went through.

KCRA 3 tried to contact the attorneys for PHH Mortgage Corp., but none of the messages were returned.