

IN THE UNITED STATES DISTRICT COURT FOR THE
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

UNITED STATES OF AMERICA,)	
)	
Plaintiff,)	
)	
v.)	CIVIL NO.
)	
SAXON MORTGAGE SERVICES, INC.,)	
)	
Defendant.)	
_____)	

COMPLAINT

The Plaintiff, the United States of America (hereinafter, the "United States"), alleges as follows:

1. This action is brought by the United States to enforce the provisions of the Servicemembers Civil Relief Act (hereinafter "SCRA"), 50 U.S.C. app. §§ 501-597b.
2. This Court has jurisdiction over this action under 28 U.S.C. § 1331, 28 U.S.C. § 1345, and 50 U.S.C. app. § 597(a).
3. Venue is proper in this judicial district under 28 U.S.C. § 1391(b) because the Defendant's principal place of business is in the Northern District of Texas.
4. Saxon Mortgage Services, Inc. ("Defendant") is a Texas corporation. At all times relevant to this complaint, Defendant serviced mortgage loans, which involved collecting and remitting loan payments, accounting for principal and interest, contacting delinquent mortgagors, and supervising foreclosures.

5. From at least January 1, 2006 through at least June 30, 2009, Defendant failed to determine consistently and accurately the military status of mortgage loan borrowers in foreclosure. As a result, Defendant wrongfully foreclosed without court orders on approximately seventeen properties (“subject properties”). The subject properties were owned by servicemembers who, at the time, were in military service, or were otherwise protected by the SCRA, and who had originated their mortgages before they entered into military service. Further, none of these servicemembers had waived their rights prior to foreclosure pursuant to a separate agreement under Section 517 of the SCRA, 50 U.S.C. app. § 517.

6. The subject properties are located in Alabama, California, Georgia, Massachusetts, Missouri, Mississippi, North Carolina, Oregon, Texas, and Washington.

7. Defendant had actual or constructive notice of the military service of at least ten of the seventeen servicemembers who owned the subject properties. In at least seven of these instances, Defendant foreclosed without court orders even though the servicemember had directly informed Defendant of his or her military status.

8. Defendant’s conduct was in violation of the protections afforded by the SCRA, specifically Section 533(c) of the SCRA, 50 U.S.C. app. § 533(c), and constituted a pattern or practice of foreclosing on servicemembers during a period of military service, or a period otherwise protected by the SCRA.

9. Servicemembers whose mortgages have been wrongfully foreclosed in violation of the SCRA are aggrieved persons. Such aggrieved persons have suffered damages as a result of Defendant’s conduct.

10. Defendant’s conduct was intentional, willful, and taken in disregard for the rights

of servicemembers.

WHEREFORE, the United States prays that the Court enter an ORDER that:

1. Declares that Defendant's conduct violated the SCRA;
2. Enjoins Defendant, its agents, employees, and successors, and all other persons in active concert or participation with them, from:
 - a. foreclosing on any servicemember's property during a period of military service or thereafter period otherwise protected by the SCRA, in violation of Section 533(c) of the SCRA, 50 U.S.C. app. § 533(c);
 - b. failing or refusing to take such affirmative steps as may be necessary to restore, as nearly as practicable, each identifiable victim of Defendant's illegal conduct to the position he or she would have been in but for Defendant's illegal conduct; and
 - c. failing or refusing to take such affirmative steps as may be necessary to prevent the recurrence of any conduct that violates Section 533(c) of the SCRA, 50 U.S.C. app. § 533(c), in the future and to eliminate, to the extent practicable, the effects of Defendant's illegal conduct; and
3. Awards appropriate monetary damages to each identifiable victim of Defendant's violations of the SCRA.

The United States further prays for such additional relief as the interests of justice may require.

The United States requests a trial by jury.

JAMES T. JACKS
United States Attorney

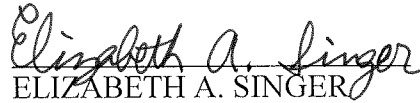
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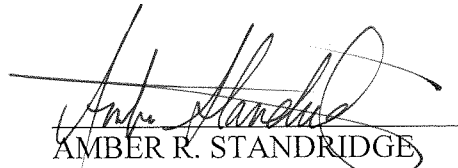
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