

AMERICAN PREDATORY LENDING AND THE GLOBAL FINANCIAL CRISIS

ORAL HISTORY PROJECT

Interview with

Lynn Drysdale

Bass Connections

Duke University

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## PREFACE

The following Oral History is the result of a recorded interview with Lynn Drysdale conducted by Andrew O'Shaughnessy on July 16, 2020. This interview is part of the Bass Connections American Predatory Lending and the Global Financial Crisis Project.

Readers are asked to bear in mind that they are reading a transcript of spoken word, rather than written prose. The transcript has been reviewed and approved by the interviewee.

Transcriber: Sherry Zhang  
Interviewee: Lynn Drysdale  
Interviewer: Andrew O'Shaughnessy

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Andrew O'Shaughnessy: My name is Andrew O'Shaughnessy. I am a J.D. candidate at the Duke University School of Law. I'm also a research assistant for the Global Financial Market Center's American Predatory Lending Project. It is Thursday, July 16th, 2020. I'm speaking remotely with Lynn Drysdale to conduct an oral history interview. Ms. Drysdale, thank you for joining me today.

Lynn Drysdale: Oh, sure. Thank you for asking.

Andrew O'Shaughnessy: So we'd like to start [by] establishing [a little bit about] your background. I understand you got your J.D. from the University of Florida. Are you from Florida originally?

Lynn Drysdale: No, North Carolina actually, originally. High Point, which if you're at Duke, you're familiar with High Point... if for no other reason than the barbecue[.] I've been in Florida since '73, so that's quite a bit of time.

Andrew O'Shaughnessy: So what led you from law school to a career in Legal Aid?

Lynn Drysdale: I don't even know how I ended up in law school, quite honestly. I just graduated with a psychology degree, undergraduate, and didn't have any passion to do anything in particular. My roommate was going to go take a prep course for the LSAT and she didn't want to do it by herself.... [L]ong story short, I just landed at law school because I thought, "Well, I did okay on the LSATS; I'll apply for law school. And if I get in, I'll go, if not, I'll do something else." And so that's the way it happened....

Andrew O'Shaughnessy: Can you connect the dots between law school and the Legal Aid Society?

Lynn Drysdale: The same sort of serendipitous situation. I was not the brightest bulb in law school. And so I got a low-level, personal-injury-type job that I hated straight out. [I] lasted there a year and I moved onto something where I thought I'd be doing more corporate law. And then within a year of going there, the firm split up. So I had nowhere to go. I had been volunteering at Legal Aid. [T]he receptionist there said, "Well, why don't you apply for a job here?" And so I thought, "Well, why not? I need a job." And they hired me in 1988 on a six-month contract at Legal Aid. And then I just found my passion, but it was all completely serendipitous. There was no plan at all.

Andrew O'Shaughnessy:

In the context of your professional life, once you started at Legal Aid, when and how did you first become involved in issues related to residential mortgage lending?

Lynn Drysdale:

Right away.... At that time, anybody that worked at legal services handled divorces, and then you branched out into other areas. Because the person whose place I was taking did bankruptcy cases and real property cases, I just took them over. I was finding that I was having some really interesting cases relating to residential mortgages, and it was an area of the law that not many people were involved in. So it felt like we were getting involved at the ground level. And I just got a lot of support from the National Consumer Law Center. I have always been a proponent of trying to figure out who else might be able to come up with a better plan than me and enlisting others. So when I came across something in a case that seemed interesting to me, I just picked up the phone and called the National Consumer Law Center, just thinking, "What's the worst they could do?" And the answer was, to not take my call.

So they did take the call. And they found that... a couple [of the cases] that I was bringing to them [were ones] involving elderly ladies that were part of my "grandma cases" — so this is late '90s, early 2000s — real property was appreciating in value. There were a lot of elderly people — you know, widows, widowers — on their own, and they were cash poor, but they were house rich; they had a lot of equity.

And so these companies — I'm afraid to say the names of these places because I might be butchering the names. [T]his is 20, 25 years ago. So anyway, I think it was Associates<sup>1</sup> — that was doing a lot of the flipping, where you give somebody a loan and then you refinance it a year later and you throw in all these crap charges, the worthless insurance and the broker fee comprised about half of the cash-out of the loan... [These were r]eally loans just to make loans, because the lender was having promotions and that sort of thing. If they could originate a lot of loans — "they" meaning the loan originators or brokers or lenders — the more loans they could originate, the better prizes they got, like trips to the Bahamas or a bonus or whatever.]

But the end result of that was that a lot of these people — I had a couple of clients who had Alzheimer's, were just happy to have somebody come and visit with them — they didn't know they were signing loans. And then the next thing they knew, the

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<sup>1</sup> Associates First Capital Corporation and Associates Corporation of North America.

— [the] loan spiraled out of control, they didn't get any benefit from it. They weren't getting really any cash-out from the loan.

[So on these cases,] I just took a flyer and called [the National Consumer Law Center. They thought the cases were pretty interesting and helped me out. And... from then and on I think I had the fever. I did a lot of the title loan cases where they were — the lenders were providing loans with... triple- or quadruple-digit interest rates that were fully secured by the free and clear title to an automobile. One of my neighbors was one of the guys that was doing thousand-dollar interest rate loans. That's another whole wild story, but anyway, I got a lot of satisfaction and a lot of help from getting the state interested.... There was always some way to make what I was working on bigger, not because [of] what I was doing, but because I [got] other people interested in the issues as well. And I just really liked that. And I liked the collegiality of the consumer bar.

Andrew O'Shaughnessy:

[At] what point in [your clients'] experience did they come to you?

Lynn Drysdale:

[Usually] an adult child would come in with them with a big old grocery bag stuffed full of papers and say, "We don't know what's going on with our mother's or our father's house, but... there was a process server here," or "there are threatening phone calls," all of that sort of thing.

Andrew O'Shaughnessy:

[What] sort of resolution were you trying to get for your clients at that point?

Lynn Drysdale:

Generally, I was trying to defend them in a foreclosure and then [I was] bringing affirmative claims as counterclaims. And quite honestly, several of those cases ended up with a mortgage's note just being "satisfied and canceled" because the [lender or broker's] behavior was so egregious. [It] kind of reminds me now of the reverse mortgage cases that I've seen. Just a pattern of lenders finding a vulnerable population and exploiting them.

Andrew O'Shaughnessy:

[W]hat sort of counterclaims would you bring?

Lynn Drysdale:

Generally speaking that would be claims under the... Florida Unfair and Deceptive Trade Practices Act. Back then we used very, very simple claims, common law claims. Just as simple as FDUPTA claims. But anyway, probably staying away from [bringing counterclaims of] fraud and things like that, just because it made the case so much more difficult.

- Andrew O'Shaughnessy: So, the people trying to foreclose, [who were they]?
- Lynn Drysdale: A lot of times it was the originating lender, but usually it was a downstream lender or servicer [or] owner[.] They all kind of start running together.
- Andrew O'Shaughnessy: [You] mentioned that you often got other parties involved, other organizations, NCLC and you mentioned the state [of Florida]. So what other organizations were you enlisting and how did they collaborate with you during this time?
- Lynn Drysdale: Well, on the title loans, [one organization involved was] the Department of Agriculture and Consumer Services[. T]here's probably that type of office in every state, but that's just what it's called here in Florida.... I contacted them because I thought these three- and four-digit interest rates can't possibly be legal and... the lenders were using a loophole in the pawnbroker statute to do that type of lending until they got caught. And we had to go through the legislature [to] close the loophole. The attorney general got involved, et cetera, et cetera.
- [S]o I just happened to call the Department of Agriculture and Consumer Services when they were wanting to start focusing a little more on the consumer services and not just the agriculture. They had... one of their senior attorneys get involved in one of the title loan cases. And I think we represented about 40 or 50 people in that case. I became in the background, just providing information and the clients and everything to the attorney for the State. And then in another case, the title loan case involving my neighbor... one of the claims I'd filed against him was a count questioning the constitutionality of the law they were using, the loophole they were using to do the title loans. He hired an attorney that was also our across-the-street neighbor who came in and moved to dismiss the claims because you have to include the Attorney General as a party if you're raising the constitutionality of a law."
- Lynn Drysdale: So I said, "Okay... I'll serve these papers on the Attorney General that I served on your clients to sue him." And when the Attorney General Office read the complaint and saw what the lender was doing, then the Attorney General and the Florida Department of Law Enforcement came and arrested the guy. We had him come to my — he had to bring some documents to me for the litigation. So when he brought the documents to drop them off, and was leaving... law enforcement picked him up and threw him in jail, where he stayed because he was too cheap to post bail.... [L]ong story short, he got convicted, mainly

got away with time served because he'd been in jail for about a year by the time he went to trial.

Andrew O'Shaughnessy:

Was that kind of the tenor of your relationship with state prosecutors and regulators with your mortgage cases? [Y]ou would bring cases to their attention, you would refer sort of criminal-seeming activity to the prosecutors?

Lynn Drysdale:

Generally... with the Department of Agriculture and Consumer Services... they brought the case and I just did the background work. With the Attorney General's office on that one case, it was pretty much the same, but that was — those were early 2000s cases. Late 1990s, early 2000s. I've found that the problems with mortgages and debt collection — all of these automobile sales and financing, title loans, payday loans — all of these have caused a much bigger of a problem. Or maybe it's just the politics of our state, but we don't really see much of... the Attorney General getting involved in our cases. Now, I did have a situation where a mortgage rescue scam company was pursued by the Attorney General after we brought it to their attention, but that doesn't happen as frequently.

[W]hen... the Big Five entered into the mortgage settlement in the late 2000s,<sup>2</sup> one of the Assistant Attorney Generals that I know pretty well was deeply involved in the negotiations for the agreement with the five big mortgage lenders in the 49 states.<sup>3</sup> [Subsequent to that, the alliance of intrastate prosecutors and regulators] started up an intrastate task force. They asked me to get involved, because I had been in legal services for so long, they knew I could get a bunch of legal services folks together to attend a meeting with... Attorney General Bondi... [and the National Settlement Monitor.] The [Attorney General] had a person that we could all call, that would individually intervene in our cases [if the servicers were not complying with the terms of Troubled Asset Relief Program] disbursements. The [Attorney General was working with the] Monitor [to oversee] how those

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<sup>2</sup> In 2012, 49 state Attorneys General, the District of Columbia, and the federal government reached a settlement with Bank of America, GMAC (now Ally), Citi, JPMorgan Chase, and Wells Fargo to resolve investigations into the companies' improper mortgage servicing and foreclosure practices. In addition to \$50 billion in financial provisions, the National Mortgage Settlement established nationwide servicing standards. *About the Settlement*, Joint State-Federal Nat'l Mortgage Servicing Settlements [www.nationalmortgagesettlement.com/about.html](http://www.nationalmortgagesettlement.com/about.html) (last visited July 23, 2020).

<sup>3</sup> Oklahoma Attorney General Scott Pruitt kept his state out of the National Mortgage Settlement. Richard Mize, *Oklahoma is lone maverick in national mortgage settlement signed by 49 states*, *The Oklahoman* [www.oklahoman.com/article/3647630/oklahoma-is-lone-maverick-in-national-mortgage-settlement-signed-by-49-states](http://www.oklahoman.com/article/3647630/oklahoma-is-lone-maverick-in-national-mortgage-settlement-signed-by-49-states) (Feb. 10, 2012).

five servicers were doing what they were supposed to under the settlement [if they received] TARP money.

Andrew O'Shaughnessy:

So that sounds like 2008, 2010 or so.

Lynn Drysdale:

Right.

Andrew O'Shaughnessy:

... [Y]ou just described the interest of the state falling off in terms of prosecuting some of these lenders. When and... why did you think that enthusiasm waned?

Lynn Drysdale:

Well, Pam Bondi actually was pretty good [at digging into consumer and mortgage issues]. A lot of the Assistant Attorney Generals that worked for her were people that were longtime staff members and were really good attorneys, kind of like with the [Consumer Financial Protection Bureau]. [T]he ground workers are really good. Leadership – [AG] Bondi started getting into [prosecuting] some of the gun [and other non-consumer] issues, ... the Oxy[Contin] issues, — a little more political stuff. But I can tell you, she was a lot more aggressive in going after banks — it just may have been the timing with 2008 and [the nationwide focus on mortgage company] wrongdoers — than Attorney General [Ashley] Moody, in my opinion.

Andrew O'Shaughnessy:

So over the 2000 – 2010 period, how did the legal problems you were dealing with evolve as they relate to mortgages? ....

Lynn Drysdale:

[T]hat was back in the “show me the note” days.... There was an explosion of foreclosures being filed. And because of the securitization and the sale of the underlying mortgages [and notes, servicing rights] and bundling [of loans], [separating the ownership from the paper] and that whole [securitization] process [and the extreme] volume of foreclosures that were being filed, [and] you combine the fact that only a few players were actually filing them.... [T]hey were dealing in huge volumes and the way the securitization separated ownership from the paper.... In any case that we got involved in – in other words, if there was any defense – then it was likely to go poorly [for the bank trying to bring the foreclosure] because of those three factors.... If it was uncontested, then it would just sail through [the “rocket docket.”] ... In other words, the lawsuits were just widgets that just got put thrown together [like on an assembly line] and then filed.

Andrew O'Shaughnessy:

You mentioned the phrase, “‘show me the note’ period.” Could you elaborate a little bit on what you mean by that?



Lynn Drysdale:

.... [Because] you've got too many foreclosures and too few [firms filing] them, and you've got massive volume and you've got notes and mortgages where the ownership and the servicing have been separated. [T]hen there's... servicing and transfers of the ownership and all of this[, which created evidentiary problems for the banks.] Either they didn't take the time... to show that the entity that was bringing the lawsuit had the right to [bring it or the documentation never existed.] [T]here were missing links in the chain of assignments or in the chain of endorsements. I was going and taking depositions of paralegals and law firms that were just creating fake assignments, attorneys that were creating fake assignments and forging signatures. I even went to one place that was basically a document mill and their affidavits and assignments were never touched by human hand.

I wanted to take the person who signed their documents – I wanted to take his deposition. And his boss said that I couldn't because he was too essential to the process of – their work of creating assignments. And she then described it. She said, “It's kind of like McDonald's. You've got this whole assembly line and you've got... somebody puts a patty on, somebody puts the lettuce on somebody puts the tomato on, then you've got to wrap it up....” So she was talking about these legal documents that have legal effect in court proceedings [as] being just like hamburgers. And so... when I finally got to depose them, I asked them how many documents they signed a day. And he said, “Oh, it was probably a one or two thousand.” .... He said, “Oh, no, we don't actually touch [the documents]. We just stand by the machine and the machine pumps him out.” So I said, “Okay, so a machine is also pumping out a notary signature of someone who's signing an affidavit that's going to be used as proof in a foreclosure summary judgment hearing?” And they said, “Yeah.” So these documents have never been touched by human hand.

Andrew O'Shaughnessy:

Isn't that fraudulent? Did anyone go to jail for that?

Lynn Drysdale:

Oh, no. I think it's fraudulent.... Anyway, nobody ever got in trouble for it, even the law firms that were having their paralegals sign the... sixty, seventy affidavits a day, [or even] hundreds of affidavits a day, [even for] the attorneys who forged signatures on assignments. I sent that information to the Florida Bar. [I was finding evidence that] documents that were being filed in support of foreclosures.... [The fraud] didn't seem to matter.

- Andrew O'Shaughnessy: So the ABA [American Bar Association] is one thing. When you're raising the issue in court, were there legal justifications for not doing anything about it?
- Lynn Drysdale: Yeah. The judge just found out that these issues that were being raised were just not that big of a deal. That your [borrower client] didn't make [their] mortgage payments and so somebody was entitled to a foreclosure. It might as well be this bank.
- Andrew O'Shaughnessy: So when you are present and you do mount a defense, and you highlight these inconsistencies in the chain of title or assignment, when you show that those inconsistencies existed, did the claim get dismissed?
- Lynn Drysdale: No, most of the time the judgment was entered in favor of the bank [despite the fraud]. Now, [in] some [cases] we were able to settle because I guess the bank had concerns about their documentation. But... [even when] I've had these cases... go up to the appellate level and... I would say [that] the trial court made some errors in either allowing evidence in or [in] not recognizing the significance of false evidence, nobody seemed to really care. ....
- Andrew O'Shaughnessy: So did there end up being any sort of appellate or legislative conclusion to these chain-of-title questions? Or did the courts just... decide [on an *ad hoc* basis] that it wasn't worth getting excited over?
- Lynn Drysdale: ... [I]t's situational because... you have one judge that just decides that they're not going to overlook the evidence code, and then there's some judges, even at the appellate level, that seem to me to be [interpreting] the rules to make the evidentiary code be more user friendly [for the banks]. I have to be very careful here. It just depends on the case and the judge, I guess, is the best way to short circuit all that.
- Andrew O'Shaughnessy: In addition to representing clients, you've done a great deal of advocacy work and you've testified in front of the Florida legislature and Congress. During this period, what were you advocating for?
- Lynn Drysdale: Different things.... On the title loans, [I was advocating for] getting reasonable interest rates on [title and then] payday loans .... [T]hey were trying to basically make Florida a non-

judicial state.<sup>4</sup> [T]hey were saying that it takes too long for the mortgage foreclosures to go through the process. But the problem was the legislature was trying to fix [on the backs of borrowers] an issue that was caused squarely by the banks, because the banks [could not] dot their i's and cross their t's. And so a mortgage foreclosure would be filed, and then, a year later nothing would have happened on it because [the banks] were still trying to get their documents together. ... [B]asically what the banks were saying is, "Yeah, because we can't just throw any slop on the table and win [we need the legislature to change the law]. It takes us a year or two to navigate through the system because they're making us produce actual evidence and that's getting in the way of our being able to, 'rocket docket' these cases through." ... [A]t one point there was a situation where they were scheduling thirty foreclosure trials in thirty minutes. And then rolling over in the next thirty minutes, you have thirty more in the next thirty minutes.... That was back when they had the meltdown after the mortgage crisis and there were so many foreclosures.

Andrew O'Shaughnessy: Just to clarify, what sort of changes were you advocating for as they related to that?

Lynn Drysdale: Well, we were trying to keep foreclosures judicial. Not make it easier for the cases just to be fast-tracked through the courts [with no due process].

Andrew O'Shaughnessy: Were there other legal tools that you tried to get through advocacy or that you wish you had had?

Lynn Drysdale: Not really. I mean, we did the legislative [advocacy], we do class litigation at times [and we] would take cases and try to get a regulator involved. Maybe co-counsel with private attorneys to get them up to speed on these types of consumer issues. I did a little teaching at [law] school[s], and then a lot of training. I did one last week on how to protect stimulus money... through the CARES Act from garnishment. And then I think next week I'm doing one on reverse mortgages. Then I did something for the Bar on what small claims court is going to look like in this new age where... attorneys are used to using Zoom for this, that, and the other thing, but for your average person, it's a bit overwhelming to think about court at all. ....

Andrew O'Shaughnessy: So during this 2000 to 2010 period, when you're doing, like you said, a ton of training – and I think you have also contributed to

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<sup>4</sup> Florida is a judicial foreclosure state, where foreclosure proceedings take place through the court system. See Fla. Stat. § 702.01 (2019).

NCLC practice guides [and done] other things that are focused on practitioners.... Where did you feel like the advice or training you were providing was most helpful?

Lynn Drysdale:

My boss and I crisscrossed Florida, we went up from Miami to Key West, to Pensacola, to Jacksonville, to Daytona, to Tampa, to everywhere in between. We did three levels of training specifically on mortgage foreclosure defense, which included discussion about affirmative cases/claims and the necessity of getting a housing counselor involved early and often, particularly after they enacted the [Real Estate Settlement Procedures Act] reg[ulation]s, the loss mitigation and all of that.

Andrew O'Shaughnessy:

I'm not familiar with those. Could you elaborate on them?

Lynn Drysdale:

Right. So... when the Big Five paid in after the big mortgage crisis [and settlement], one of the big problems was that the servicers were supposed to be providing what's called "loss mitigation." In other words, offering loan modifications, short sales, deeds in lieu.... And that process was just chaotic with [the five major servicers] — Bank of America, Countrywide, [GMAC/Ally, and JP Morgan Chase]. The borrowers would submit their documents to be considered for a loan modification, and then inevitably [the servicers] would lose their documents.... It was just this year-long quest to be able to get all the documents in. So Congress, in the Dodd-Frank Act, came up with this system so that if... somebody submits an application [for loss mitigation], you've got to acknowledge it within five days, [and then] you've got to give a thumbs up or thumbs down within thirty days. And there's this whole process. There's a private right of action if the servicer drops the ball and starts losing papers and stuff like that. ... [Y]ou can send a notice of error, or you can send a request for information. I think that's from January the 10th of 2014. So it took a while to get through Congress after the actual events of [the financial crisis and foreclosure crisis.]

Andrew O'Shaughnessy:

You were saying that you were doing these trainings and one of the things you were advising was to have a housing counselor involved early on. And so the counselor's job, legally speaking, was what exactly? They would help sort of certify that the process was not effectuated properly by the servicer?

Lynn Drysdale:

No. ... [I]t was generally a paralegal who just — all they did was deal with servicers. They would look over [the loan] initially to see if a loan mod[ification] would be feasible given all of the numbers and how far behind [the borrower was] and the monthly payment and the income and all that. [Housing

counselors are] the ones who just are dealing with the servicers back and forth, back and forth. [When the] servicer says, “We need this [document] signed,” [they] get this one signed. They do the manual labor required in getting a complete loss mitigation packet and then getting the response back [from the servicer]. And if the housing counselor sees that the home doesn't fit the person, in other words, the person is just never going to be able to afford it, unless there's been some servicer fraud or illegal activity, then we probably wouldn't get involved in that case because it just doesn't make sense. We've got limited resources, so we're not going to try to save a home for somebody who can't afford it. Those are just the hard decisions you have to make. But if a housing counselor says, “Yeah, they can afford this home,” then we'll take it just to help facilitate the loss mitigation process. And then the housing counselor might come to us and say, “Look, it's been forty-five days and they still haven't given us an answer.” So then I may send out a request for information or a notice of error. Or they may say that they were turned down and they shouldn't have been, they said we didn't send them all the documents and I've got proof we did... if there's anything that goes off the rails, then an attorney will get involved and use some of these legal tools from [RESPA] [to make sure] loss mitigation [is handled properly]. So I think the big part was keeping, in Florida, keeping foreclosures judicial, and also being able to utilize the federal laws that were enacted in Dodd-Frank with RESPA.

Andrew O'Shaughnessy:

The trainings you provided, were those to Legal Aid colleagues primarily? Or also private attorneys?

Lynn Drysdale:

Primarily Legal Aid.... [T]hey were done in conjunction with the local Legal Aid and then the private attorneys would get involved and they would have to promise to take a case from their local Legal Aid as “payment” [for getting] a training that people charge hundreds or thousands of dollars for, for free. So they had to agree to take a case from their local Legal Aid office.

Andrew O'Shaughnessy:

.... Obviously [in the case of] Legal Aid, you're doing this work as sort of a social service, but a lot of these borrowers had the problem in the first place of being cash poor. So I was curious if you had any friends or colleagues who were private attorneys and how they managed to actually get paid to defend any of these foreclosures.

Lynn Drysdale:

Well, there's a whole — you probably have heard of Max Gardner, particularly since you're in North Carolina. If you haven't, you've got to Google his name. He's down in Shelby. He's got this whole army of private attorneys [that handle

mortgage foreclosure cases]. They mainly focus on bankruptcy, but they make a ton of money litigating these [cases]. Our Legal Aid organization is a nonprofit, but we don't get money from the federal government. Actually, we don't get money from the city, the state, or the federal government [to litigate foreclosure disputes]. We have to bring in fees to operate. Even though we're a social service — we continue to do what we do unless we can fund the litigation ourselves.

Andrew O'Shaughnessy:

I didn't realize that.

Lynn Drysdale:

There are ones that are — this is way off topic, but — there's a federal governmental agency called the Federal Legal Services Corporation, and they give Legal Aid offices money. But the money comes with a lot of strings, like the federal government telling you what you can and cannot do. Like, there used to be rules like we couldn't bring class action litigation; we couldn't ask for attorney's fees. We have a sister organization in town that is funded by the Feds and then there's us, and we don't have as many rules.

Andrew O'Shaughnessy:

There are a couple of questions that we usually conclude with and we are sure to ask of everybody we talk to. [O]ne is, is there anything else I should have asked about or that you think is important for us to capture?

Lynn Drysdale:

No. This could sound horribly naïve... and this, I think, comes from being a part of the Consumer Advisory Board to the CFPB and getting fired from that position [by the Trump Administration] and just watching how the organization changed, and based upon my state legislative work.... [I]t just seems like there's just really no room for common sense in the legislative process. It's just very disappointing to see all the changes that were made to the CFPB. I'm trying to think of a nice way of saying this....

It just seems like too much of the policy that is made involving consumers is not made on behalf of the consumers. It's being made on behalf of the banks and the entities that we should be monitoring. I'm not saying that we should have some sort of police state over businesses, but I just see too little accountability on the side of lawmakers in protecting their consumer constituents. And this is based on private conversations I've had and just observations I've made after being sort of in the thick of it. Not based on any particular news outlets, because I really don't watch either or any of them because you're going to get their spin. So I just wish — and again, very naïve — but I just wish that policymakers and

legislators would just be more accountable to consumers. It seems like the [only] time you can get a legislator's interested in a consumer issue is when that legislator's mother, dad, son, or daughter has experienced the same sort of negative behavior [from] a bank or a payday lender or a title lender. I mean, who wakes up in the morning and thinks, "It's really a great idea for me to give these service members a loan with a 500% interest rate."

Andrew O'Shaughnessy:

Well, you'd think... you could win some votes by dealing with that. What do you think keeps a state legislator from being held accountable by voters for messing with consumer protection laws?

Lynn Drysdale:

What I have witnessed is that... what goes on in Tallahassee for Florida, or [nationally,] where it goes on in Washington, nothing going on under true public scrutiny. And so if anyone wants to follow the money trail, you'll see that the payday lenders and the title lenders and the banks, the insurance companies are very generous in giving to our legislators. And Joe or Jill Public doesn't know that. They don't know to go and follow the money trail and see why a legislature would vote for a product that was so not in the interest of their constituents. Like these payday lenders right around the military bases, or "buy here, pay here" car sales and finance right outside the Navy bases. ... [I]n the reverse mortgages, all of these widows and widowers losing their homes, because they weren't told at the outset that when their spouse died... not only were they going to lose their spouse, but they were going to get kicked out the house, too. I know I'm jumping around, but it's just — if you just follow the money it's very simple to do. I'd have to suspend belief pretty wildly not to think there was a connection between the money being paid and the votes being cast.

Andrew O'Shaughnessy:

... [W]hat sorts of lessons do you think policymakers should take away from the mortgage foreclosure crisis?

Lynn Drysdale:

The policymakers create the problems. And I think the problem is — we're watching history repeat itself a hundred percent. When the new administration came in and just lifted all the consumer protections, we started seeing the no-doc loans, the [no-income, no-asset] loans, all these crappy loan products and all of the heightened securitization. Now, even student loans, second mortgages, deficiency judgments, all of these products are being securitized, once you deregulate back to where we were before the first meltdown you are not responsible if you think the result will be different from all of the deregulation this go around. And I think policymakers have to realize that if it

happens once it's a mistake, if you do the exact same thing again and expect a different result, then you're a mistake. You know what I mean? It's just baffling to me that... we're just going through the exact same thing again with irresponsible lending and servicing for the exact same reasons and we're expecting the outcome to be different. Anybody that expected any sort of other outcome and downturn in the economy was fooling themselves. On that bright note! ... [A]nd throw in a pandemic!

Andrew O'Shaughnessy:

Well, I really appreciate that. I really appreciate your time Lynn.

Lynn Drysdale:

Oh no, thank you.

[END OF SESSION]