AMERICAN PREDATORY LENDING AND THE GLOBAL FINANCIAL CRISIS

ORAL HISTORY PROJECT

Interview with

Jeffrey Hearne

Bass Connections

Duke University

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PREFACE

The following Oral History is the result of a recorded interview with Jeffrey Hearne conducted by Andrew O'Shaughnessy on July 15, 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.

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Interviewee: Jeffrey Hearne
Interviewer: Andrew O'Shaughnessy

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Andrew O'Shaughnessy: My name is Andrew O'Shaughnessy. I'm a J.D. candidate at the Duke University School of Law. I'm also a research assistant for the Global Financial Markets Center's, American Predatory Lending Project. It is Wednesday, July 15th, 2020. I am speaking remotely with Jeff Hearne to conduct an oral history interview. Mr. Hearne, thank you for joining me today.

Jeffrey Hearne: You're welcome.

Andrew O'Shaughnessy: I'd like to start by establishing a little bit about your background. I understand you got both your B.A. and your J.D. from the University of Texas.

Jeffrey Hearne: Yes, I did.

Andrew O'Shaughnessy: Is Texas home originally?

Jeffrey Hearne: Yeah, that's where I grew up. Grew up in Dallas, went to school in Austin, and then ended up in Miami.

Andrew O'Shaughnessy: [W]hat led you to a career in Legal Aid and also in Miami?

Jeffrey Hearne: [W]hen I went to law school, I wanted to do something sort of public interest. So I thought I was going to do maybe a joint social work program, but didn't follow down that route. My first summer after law school, I went out to San Francisco and worked at the AIDS legal referral panel. And that was in the first dot-com bubble of San Francisco. And the housing market out there, it was going crazy. And even though they were normally a pro bono project, they had… a staff attorney who handled evictions in-house. So my first summer I sort of started representing tenants and did it my next summer in Texas. And took a good clinic in my third year of law school. And they were hiring in Miami for a housing lawyer. So I moved out to Miami and have been in the same organization since 2001.

Andrew O'Shaughnessy: … [H]ow long did it take once you started in legal aid to encounter issues related to residential mortgage lending?

Jeffrey Hearne: … My experience in law school was always around representing tenants. And when I moved to Miami, the organization was structured at that time where we had attorneys [and] we had a housing unit. So we handled… cases for tenants, but we also handled cases for homeownership issues. So I was exposed to it right away. When I got here to Miami… some of the younger lawyers at the time didn't really care for the homeownership cases as much. They're very different than representing a tenant. And I started doing them pretty quickly. And right in about 2003, there was a real big push here locally to sort of address predatory lending. So I became involved with that. I remember I had only been an attorney for maybe two years and we're having a press conference on the front yard at one of our client's homes with the state Attorney [General] and talking about the potential problems with predatory lending. So I was thrown into it very quickly.

Andrew O'Shaughnessy: So what were some of the first matters that you worked on?

Jeffrey Hearne: A lot of home repair contractors coming to clients' homes and… getting them to take out a loan. And the contractor would get paid, take the money, maybe do repairs or do them really shoddily, and then leave the clients with some mortgage that they couldn't afford. A lot of elderly African-American women in that period of time. I mean, I'm sure it's true everywhere, but the values were increasing so quickly. Clients who maybe… owe $20,000, $30,000 on their homes, all of a sudden we're getting very large mortgages and their incomes didn't go up during these period.

By the time the crisis hit – I started in 2001, the crisis was 2007, 2008 – the loans I dealt with in my first few years were $30,000, $40,000, $50,000 mortgages. By 2007, they were $250,000 mortgages, $300,000. For the same client population, same communities. And like I said, the incomes never did adjust much.

Andrew O'Shaughnessy: … [D]id you find those cases where people were coming to you and they were saying, "Hey, I have this problem with the contractors who kind of stiffed me on this work…." … [H]ow long did it take you to realize there was some sort of collusive relationship with lenders or brokers? Or did you?

Jeffrey Hearne: I mean, I think it was pretty clear in a lot of the cases, right? Because a lot of them tended to be "no doc"-- you know, loans where the income was all inflated. The one where we did this press conference in front of her house, this poor woman – she was probably, I don't know, she was probably only in her sixties, but seemed older than that. Very overweight. … I think she was legally blind. [She] lived with her 90-year-old old mother in this house. And she and her mother didn't have much mental capacity. Their house had windows put in and there were just large gaps between the windows and the walls. That was Conseco. Is that Conseco? I think that was the large lender that went bankrupt.[1] … Anyway, I think a lot of it was sort of like local people who just slid things through.

So we saw a lot of that. The other thing that we started to see, especially towards the latter years, were these foreclosure rescue scams… [S]omebody would either have been taken advantage of or done a [refinancing] and gotten into a loan they couldn't afford. And then they would fall behind on that mortgage. So somebody would come to them and there's all this equity in the property because the values were going up so quickly and they would say, "Oh, we'll help you save your house." And I think they would think they were getting another loan to keep them in their house, but really they were signing over their title. So usually they came to our office with an eviction. So they're being evicted from their home of, you know, 30 years. We'd have to undo that transaction.

And usually there was a straw person involved. And the only reason… the scam worked was because it was so easy to get loans. So you have the straw man getting a loan with all fake income, and then the bad guy would sort of strip out all the equity and cash it out and run off with that money. There was a company we went after here called Land Rover that really did a number to a lot of people in Liberty City and Opa-locka, which are some of our African-American communities here in Miami.

Andrew O'Shaughnessy: … [W]hen people brought these issues to you, what sort of resolution were you trying to achieve for them?

Jeffrey Hearne: Well, you know, our goal is always to keep people in their homes, so whatever we could come up with to make that work. I had a case that started in 2004 that ended in 2014 for an elderly woman with Alzheimer's that signed an AmeriQuest loan. And you know, we ultimately kept her in her home, and sometimes we kept our clients in our homes until they passed away.

Unfortunately… some of these cases were also very hard to unwind. The lenders were often very unwilling to settle. … I don't think I ever took any of these cases to trial, so we always settled, but it just took a long time to get to the point where we would settle.

[1] Conseco, Inc. was a financial firm that acquired GreenTree Financial, a subprime lender, in 1998. Conseco went bankrupt in 2002, largely as a result of GreenTree's loan portfolio.

Andrew O'Shaughnessy: Legally speaking, what sort of avenues did you use to keep people in their homes?

Jeffrey Hearne: We're a judicial foreclosure state, so we at least had that advantage.

Andrew O'Shaughnessy: Would you explain what that is?

Jeffrey Hearne: In some states, when you take out a mortgage loan, you get… a deed of trust. So, essentially, all the lender has to do is give you notice that you're behind on your payments and then they hire a trustee to sell your house. So if you want us to stop that foreclosure sale, you actually have to file an affirmative lawsuit and get an injunction to keep the sale from going forward. That's a lot of work to do. And it's very challenging and it moves very fast. And in Florida [when] the lender wants to foreclose, they have to file a foreclosure lawsuit against you. So you were able to defend, and you can raise your defenses and counterclaim.

And if there were all of these other bad actors, we could third-party them in to bring claims against them altogether. And you bring everyone to the table, so to speak. … [I]f it was a foreclosure we were defending, then that's one strategy we would use: just bring claims against everyone who was involved in the transaction. Our legal services program was, is, unique in the sense that we often use bankruptcy as a tool quite a bit. Some programs just don't do that, but we use Chapter 13 bankruptcy and you can litigate in bankruptcy court and it's always sort of a good forum for people to be in.

I mean, one, we have good bankruptcy judges here in Miami, but then also it's like everybody in bankruptcy court is behind. Everyone's a debtor. Everyone is falling behind. So there's not a stigma that you sometimes get in Circuit Court where the judge is like, "You just didn't pay your mortgage." Everybody didn't pay something in bankruptcy [court]…. That's just the norm. So we use that forum a lot as well.

Andrew O'Shaughnessy: I have a quick question about the bankruptcy route. If a borrower is underwater on their house, is bankruptcy a strategy that will keep them in their homes?

Jeffrey Hearne: No, because – as one of our bankruptcy judges used to, or probably still says – the lenders were able to buy off Congress. And there's an exception. You can't do that for your primary residence. So you own an airplane or a boat and you fall behind, you can restructure that through bankruptcy. But we don't allow debtors to restructure their [first lien] mortgage loan for their home. [N]ot [for] your primary residence. And the idea behind that obviously is that, the lenders would argue, … by giving us this protection, we can offer credit at lower rates and more stability in the housing market. Personally, I don't find that – but that's the justification for it.

So you don't have that flexibility, but what did happen is once prices started falling, you could use bankruptcy to strip off totally unsecured second mortgages, so you could turn it into an unsecured debt and not actually pay it. So our office still does that. Now, sometimes you have condo liens that can be stripped off for second mortgages.

Andrew O'Shaughnessy: … [Y]ou mentioned the bankruptcy courts were in some ways a friendlier forum. Did you frequently encounter problems with circuit court judges?

Jeffrey Hearne: … It's just a different practice in state court. And the numbers in Miami, I should've looked this up, their statistics. It's really like our court systems… went into crisis mode when the foreclosure numbers started skyrocketing. They used to – I was just going to check to see if they still have it online. They don't go that far back anymore. But I think we went up to almost like 60,000 foreclosures in one year, 72,000 foreclosures in a year. I mean, I'm just looking like all of last year. We had 5,000 in 2019. It's the same court system. We didn't get extra judges to handle this. All of a sudden, all of these cases were… pushed into the system and… the court systems, … just sort of came to a grinding halt.

And it was really hard to get things through. In some ways that worked out well for homeowners, right? I think an average foreclosure time in Florida grew to something like 15, 18 months. And… time is good for a borrower. It helps them get more money; perhaps they can come up with some plan to keep them in their home. So it was a challenging time for everyone involved. The lenders… weren't set up to deal with all of these homeowners trying to call them, so you couldn't get a hold of anyone. And you know, it happened relatively quickly over a year. Things just sort of skyrocketed.

Andrew O'Shaughnessy: You mentioned another strategy you would pursue would be to join the other parties involved in the transaction. … Did you see any patterns in terms of the interplay between different types of actors? Like, did they have different incentives? Were you able to approach each party differently?

Jeffrey Hearne: If I remember correctly, we tried to bring some civil conspiracy claims. Those tend to be more work than – there are a lot of hoops to sort of jump through and they make it more complex. I don't know if we did it. I may have done it in a few cases and then just decided it really wasn't worth it. It's just better to bring all the claims together. At the end of the day, you're just trying to get money together to reduce whatever amount is owed and try to modify the mortgage or pay it off.

You know, we were able, because of the increasing [housing] values, we were also able to use reverse mortgages as a tool, as a payoff. Are you familiar with reverse mortgages at all? … Reverse mortgages are for elderly individuals. It's a product that's insured by the federal government [for] anyone over age 62. And the lenders will loan to you based upon the value of your home and your age. It's sort of an actuarial and you don't make any payments, right? So you have to accrue interest. The lender's protected when you either pass away or move out. Whatever that loan balance is, if the house won't pay it off, then the government will insure the difference. So… for our clients who might not be able to really afford a payment anymore, that was an option because it would allow them to take out [their equity].

Now, the bad thing is it… usually means that [there] wouldn't be anything left for heirs. If they had family members, it might not always be a good option, but for a lot of our clients that helped out a lot. in Florida, the real estate taxes are pretty high because we don't have an income tax. And the insurance costs over the last two decades have just skyrocketed. [For] somebody on [Social Security Income] or Disability that might be most of their monthly income. So we would use reverse mortgages.

And then we had a few local banks through this sort of predatory lending. There was a task force here that you can try to come up with products. I remember working with Fannie Mae on a rescue product for people who were victims of predatory lending. I don't think that ever really turned into much, but there was a lot of talk about wanting to help.…

Andrew O’Shaughnessy: Aside from those sort of special rescue products, how common was it to be able to arrange some sort of refinancing from a reputable lender?

Jeffrey Hearne: It would depend on the client’s circumstances. I mean, the problem with a refi is that you… end up [adding] the cost of the refi… onto the loan. But then… sometimes we would get – and this is in that period from like 2003 to 2005, 2007 – sometimes we get the clients – just… they had been churned by so many lenders that even if we undid that transaction, they… had still been ripped off by somebody else.

There were a lot of people we saw that were – it was just almost too late to do anything. Like they had been victimized so much. I remember clients who had maybe [refinanced] like four times within three years. So they'd pay off credit cards maybe, or sometimes they didn't even get a benefit other than the broker got paid and the closing agent got paid and, you know, maybe they got a small check for some amount, but there was really no benefit to the borrower at all.

Andrew O’Shaughnessy: So when you're bringing counterclaims, what would those be for? Fraud or what?

Jeffrey Hearne: Yeah, I think we also use our Unfair and Deceptive Trade Practices [statute]. There were some limits on who we could bring those claims against. … The Truth in Lending Act was a very powerful tool, as well.

If the lender didn't disclose the finance charge correctly, you could rescind the loan. And then you were entitled to damages. That started knocking down the value [owed to the creditor]. So we [would] use that a lot and, if it was a high cost loan, it’d fall under the HOEPA statute, which is the Home Ownership and Equity Protection Act…. You don't see those as much anymore, but the first few years we’d see them more regularly. And those would give you larger damages. And we could use that a lot against local, small lenders, sort of hard equity lenders who don't really even look at income. They just say that piece of property – we’ll make you a loan because we know we're secured.

Andrew O’Shaughnessy: And so you mentioned that Florida passed an anti-predatory lending law in 2003. How did that change things?

Jeffrey Hearne: If it did, I don't remember them passing one. ... We had a taskforce here locally. That was probably started in around 2003. I don't remember if the County actually enacted anything. There's all these – you started talking about mortgages, you're going to run into preemption from the state government. So I just remember it was… the Fair Housing center, Legal Services, the State Attorney's office, Fannie Mae, I think, was involved in it. And then there was a mortgage fraud taskforce that was created as well.

Andrew O'Shaughnessy: So how effective were those?

Jeffrey Hearne: … I don't know that they helped a lot. I mean, maybe what they were probably really good at was sort of bringing attention to the issue. I do remember that they had a bus ad… you'd see around town and… there was a hotline, too. I don't even remember who that went to, but I remember it was a predatory lending hotline. It might've been run by Fair Housing Center. And then they would make referrals to us….

Andrew O'Shaughnessy: On the subject of collaborating with other entities, did you ever interact much – even unofficially – with either the Office of Financial Regulation or the [Attorney General's] office? What was your… take away from those interactions?

Jeffrey Hearne: Both. There was in the early stages – and this actually was something good that came out of the task force. I don't think it was the Office of Financial Services. I think there was somewhere in 2004, 2005, [they] either changed names or the responsibility shifted. Whatever the organization was, whichever agency it was, they would help us get documents. So if there was a case where we… thought there was something that… we need an investigation on. This was especially helpful for your sort of pre-discovery and there's no lawsuit. Whoever it was, they had oversight over the mortgage brokers. They had the power to subpoena, to demand the mortgage brokers file. … [O]ne strategy we would have is you would get everyone's file because things wouldn't always match up. …

I remember that was helpful and that those… relationships… helped us a lot. I do remember that. I think the agency changed. Once they changed and we lost that local contact and, you know, the new one was in Tallahassee, and it just wasn't as helpful.

For the state attorney's office… We worked with them on some cases.

One of my first depositions… was actually in a bankruptcy. And one reason we go to bankruptcy too, is it stops the [foreclosure] process. So if somebody came to us very late and the house was about to be sold, we could go to bankruptcy and then litigate there, which I did for this elderly woman. It was one of these hard equity lenders, and it was for repairs and her house was… probably uninhabitable, honestly. Toilets that… probably were just going into the ground. Horrible conditions. And she had this $25,000, very small loan on the property. And so the house is about to be sold. We go to bankruptcy. My first deposition as a lawyer and the guy who we're deposing in bankruptcy – I don't really know what it is that you're just like, you're getting called in to this. We call it the 2004 Exam.[2] It's basically anyone who has information about the case. That was another thing about bankruptcy, you could use this 2004 Exam just to bring in documents and get documents really quickly and easily without suing anyone. … It's just essentially a deposition about anything related to the debtor's estate. Normally you wouldn't be able to take a deposition until you sued somebody or there was a lawsuit. And sometimes you don't know if you have a claim. So it's a powerful tool to gather information.

So I brought this guy in and because he had signed a letter saying that my client – who could barely stand up straight – was a loving caregiver for his 80-year-old mother. [He] knew that it was completely fabricated to verify the income. And so we start out the deposition and… I'm asking him about his family, and you just go through that stuff at the beginning of depositions. And he talks about… "What about your mother, parents?" "Oh, my mother's dead." Like, "Oh, okay." I got to confront him with this letter later in the deposition and, you know, his face went red and black and white and when it was over, he was like, "you're a very good lawyer, very good lawyer." And of course no other deposition's ever been that exciting. But he got arrested for mortgage fraud. He was sorta like the first target for that taskforce and the state attorney going after people for falsifying documents to get loans. So there were some prosecutions, probably not nearly enough. One of the foreclosure rescue scam companies that I mentioned, they were prosecuted, as well.

Andrew O'Shaughnessy: ... Were there other ways that… you saw the market evolve? Were people getting new products pushed on them? Were there new and different types of actors doing the pushing? Anything like that?

Jeffrey Hearne: Yeah. You would see different products being sold, like insurance sometimes being sold. I feel like that started – In the mid 2000s, you started seeing less of that. I dunno. I mean, it was just, people would show up at… our clients' homes. I just thought that was very strange.

And then we had to sort of like deal with the securitization, as well. That added a whole other layer to resolving claims because, you know, they said, "Oh, well, we can't modify the loan because it's securitized and the trust won't allow us to."

[2] In the Federal Rules of Bankruptcy Procedure, Rule 2004 provides that any party may request the court order a deposition of any person or organization with information related to the debtor's estate.

And there were the whole… once the foreclosure crisis started, there were all these issues around standing and the party who filed the lawsuit, are they actually entitled to foreclose? The courts of Florida have sort of shut down most of those arguments. And so it didn't really end up going anywhere, but as far as helping, it didn't create a lot of defenses for homeowners.

Andrew O'Shaughnessy: Could you elaborate a little bit on that? [About] how securitization raised issues and how the courts wound up dealing with them?

Jeffrey Hearne: Well, I feel like the more you peel the loan ….lenders didn't always act in their best interests, I guess. … I think many of these cases probably could have been settled very quickly and easily. If you just had one person [who] held the mortgage and we all got in a room and we'd be able to work it out. But you would have so many layers and then you have a trust who has these documents and sometimes prohibited modifications or changes because… the income streams are going off to the different tranches of the trust.

[Securitization] added a complexity to what really should have just been a very simple solution to getting this borrower back on track, especially for ones where there's not fraud or anything like that or falling behind. … [T]he trust doesn't really exist. … [I]n our courts there was a long body of case law that only the… the holder of the note and mortgage could foreclose. [During the crisis,] you would just end up with different parties filing the foreclosures, and nobody had any of the documents and they couldn't find them. And there was a company called MERS. Talking about a change. Are you familiar at all with MERS? It was Mortgage Electronic Registration System.

So the idea behind it was… if a mortgage gets assigned, you're supposed to… file an assignment of mortgage in the public records….. So somebody came up with this bright idea, you know, "That costs a lot of money. Cause we have to pay a recording fee every time we do it. So how about we just have the mortgage say that it's held by Mortgage Electronic Registration Systems?" And then MERS is this private company. We'll just assign mortgages within our own system. But then nobody knows actually who owns the mortgage. That system eventually fell apart once the crisis [happened], because of all the problems it created for title [holders] and for lenders. But you'll see a lot of the mortgages from that era where all the foreclosures were written in the name of MERS, even though they really weren't the holder of the mortgage. So that was sort of an innovation that that didn't work out for the lenders.

Andrew O'Shaughnessy: And you mentioned that these situations didn't create defenses for borrowers. How did [courts] resolve all these issues?

Jeffrey Hearne: … So the argument is [that] the party who files the foreclosure and is asking the court to sell the property, you gotta make sure that's the right plaintiff, that they actually are entitled to collect the debt and have the mortgage on the property. It's just sort of a standing argument, right? … And… most of those standing arguments now just don't get you anywhere, unless it's very clear that they didn't have standing. And then once you get the note and you're holding a note, then you're going to be able to foreclose.

The other issue that we had in Florida, which is just the terrible court decision called *Bartram* that is more recent.[3] … In Florida we have a five-year statute of limitations on mortgage foreclosures. The [mortgage] servicers were such a mess and there were so many cases… [that] fell through the cracks and things didn't happen. So sometimes you would get somebody who maybe fell into default in 2007 and they didn't file the foreclosure until – Well, actually, what usually happened is they would file a foreclosure back in 2007, 2008 – the firms were so overwhelmed and there were a lot of foreclosure mills that went out of business. Sometimes they never prosecuted that foreclosure. So the case gets dismissed and they file a new one.

Maybe it's beyond five years from when that loan went into default. So a lot of borrowers' attorneys would argue, "Well, it's been more than five years. The statute of limitations is very clear, five years." So our Supreme Court ruled four or five years ago[4] that the five-year statute of limitations means [five years] *from default* and every month there's a new default. So essentially that ruling is, there is no statute of limitations on a mortgage foreclosure until, whatever, that 30th year of the mortgage. And then you got five more years after that. So that took away an argument that surprisingly came up quite a bit in statute of limitations defense.

Andrew O'Shaughnessy: … What are other questions do you wish I asked or you thought that haven't come up that are relevant parts of the conversation?

[3] *Bartram v. U.S. Bank National Ass'n* (Fl. 2016).
[4] See *Bartram*.

Jeffrey Hearne: [Your] asking the questions… of a lot of things I hadn't thought of in years, especially with the predatory lending…. "How do you unwind it?" You need to have programs that allow people to access new mortgages. And sometimes that's really challenging…. So I think you have to be sort of creative and coming up with… a product that's out there, or a source of funds that you can tap into that can help borrowers who are victims of predatory lending.

[You have to make] sure there are strong penalties because that can be used defensively in a foreclosure. Because if it's just a regulatory violation, that doesn't really help the homeowner. And so you want to make sure that there's very strong penalties that the homeowner can bring against any lenders who are involved with the predatory loan. In the regular mortgage foreclosures – which we're gonna be seeing again because of the economic situation – having access to funds to assist borrowers, get through sort of the hard times.

I'm hopeful that the lenders will have learned and are going to be more prepared on their end to deal with a crisis because they have systems that are in place that were set up during the last crisis. I'm afraid that the numbers are just gonna be so overwhelming that it's still gonna overwhelm the system. But having really strong… mortgage default forbearance options and requiring lenders to work with borrowers – those are the things that from our end would be helpful, making sure there is legal assistance for homeowners.

Andrew O'Shaughnessy: I would imagine that the borrowers who actually were able to make it to their local Legal Aid office and get that assistance were the most fortunate ones. If you had to roughly guess what percentage of your clients you were able to keep in their homes, do you have a sense of what that might be?

Jeffrey Hearne: I stopped taking on new mortgage cases in like 2008, 2009. We split up our unit and even though some of the [cases] lasted well into 2015. … We don't have enough attorneys to take every case, right? So, many times, all we can do is give advice to somebody. And sometimes people, maybe they owned a home, they lost their income, and they're just not gonna be able to afford a home. There were many situations where we just had to say, "Look, you don't have, really, an option to keep this home right now, unless your financial situation changes." If they had equity in the property, sometimes selling the property might be an option to make sure they don't lose that equity.

But when we hit that crisis, there was no equity, right? The loans were far larger than the value of the home. So sometimes you're just advising clients to just save as much money as they can and prepare for whatever the future will hold. So I think there was a lot of people who we didn't take who clearly lost their homes or couldn't stay in them. I think we have a pretty good success rate of keeping people in their homes once we accept their case, but that's not to say it always happens. But unless the client – and sometimes the clients choose to give up, right? Like sometimes they don't want to fight anymore. I know I had clients that… just decided, “I'm done being a homeowner. I'm going to go move in with family and I'll take some cash and just be done with it.”

So I think we're very successful once we get involved. That's the other thing, is that we generally take cases where people want to save their house and we see that there is an avenue to keep them there.

Andrew O’Shaughnessy: What lessons would you like state and local policy makers to have taken away from the mortgage crisis? … [D]o you have any other thoughts there that you haven't expressed?

Jeffrey Hearne: I mean, the only other thing I would say is that the sort of underlying crisis in the last economic downturn was the tenants and foreclosure, [be]cause the last housing crisis was really focused on mortgages, right?

So some these properties that were mortgaged had tenants living in them. And that's when we got the federal Protecting Tenants at Foreclosure Act that was in place from like 2009 till 2014 and went away for a few years at sunset and then they… permanently reauthorized it a year ago, year and a half ago. The thing about foreclosures – at least in Florida – is that they're slower and… you have more time to deal with them. The eviction crisis that's about to happen is really scary because [evictions] move fast and you’re going to be turning people out of their homes very quickly. …

I do think these partnerships and, having regulators and attorneys and housing counselors, having everybody sort of working together is helpful [to] make sure everyone is on the same page and making sure that everyone is aware of all the resources. So even though I sorta said that not a lot came from it, I do think there is the collaboration. That is helpful. At least just making sure that people who need help get to the right place. That's my takeaway.

Andrew O'Shaughnessy: … [S]ince things really came to a head in 2007, 2008, we've seen a number of different narratives emerge about what caused the financial crisis. And so we always like to conclude by asking what your understanding of its origins was.

Jeffrey Hearne: I think it really came from the lack of oversight and the ability to get to access credit without any evidence of the ability to repay. It was so easy. And, you know, there, there was a lot of blame [against] the homeowners, [arguments] they shouldn't have taken advantage of this, but that's why we have these laws and regulators to make sure people aren't duped into something they can't afford. … And that's on the people who were trying to do things right. That system allowed for so much fraud to happen, as well. Just the amount of crazy things you would see on paper that… if anyone had looked at them, they wouldn't make sense. So the fact that that got through, you know, a mortgage broker or somebody [and then] an underwriting and these loans were made at all, it was just sort of shocking.

So I think there's blame to go around everywhere. But I feel like that really is the government's job, to make sure that these sort of scams don't happen. And so I sort of put the blame on the lenders and the lack of government oversight.