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MINNESOTANS TO SHARE SETTLEMENT OF PREDATORY LENDING CLASS ACTION AGAINST AMERIQUEST

MINNEAPOLIS – Hennepin County Judge Lloyd Zimmerman approved a class action settlement involving allegations of predatory lending against Ameriquest Mortgage Company. The lawsuit, brought by four Minnesota homeowners on behalf of over 8,700 Minnesota homeowners, asserted that over a nine-year period Ameriquest preyed on low-income consumers by charging them higher-than-promised interest rates, improper discount points, and undisclosed prepayment penalties when it sold mortgage loans to borrowers in Minnesota.

“The settlement brings three years of hard fought litigation to an end and represents an outstanding victory for Minnesotans with mortgages from Ameriquest,” stated Kelly M. Dermody of the national plaintiffs’ law firm of Lieff Cabraser Heimann & Bernstein, LLP.

Under the settlement, class members will be eligible for a refund based on the increased costs associated with Ameriquest’s various challenged practices. At a minimum, the settlement guarantees that each class member will receive \$200.

“The Complaint alleged that Ameriquest targeted borrowers who had been living in their homes long enough to build up substantial equity, but who also had unsecured consumer debt, like credit cards,” explained Gordon Rudd, of the Minneapolis law firm of Zimmerman Reed, P.L.L.P. “Ameriquest convinced these homeowners to refinance their mortgages for purportedly ‘less expensive loans’ that were not less expensive and contained hidden costs. According to our clients and class members, Ameriquest created a financial nightmare for thousands of Minnesotans.”

People who entered into a mortgage loan transaction with Ameriquest at any time between February 17, 1999, and September 17, 2008, related to Minnesota property may be entitled to settlement funds.

To receive a refund or cash payment, class members must send a properly completed claim form, postmarked by February 14, 2009. To obtain a claim form or learn more about the settlement, class members should visit www.riccisettlement.com or call toll free 1-888-356-0269.

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