

# PARKER IBRAHIM NEWS — & BERG

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## PIB Represents New Jersey in Superstorm Sandy Settlement



A settlement has been reached between the State of New Jersey and Latino Action Network, Fair Share Housing Center and the New Jersey branch of the NAACP to reallocate \$215 million in federal financial aid for rebuilding the homes of low income Superstorm Sandy victims in New Jersey.

In April 2013, the Latino Action Network, Fair Share Housing Center and the New Jersey branch of the NAACP filed a fair housing complaint with the U.S Department of Housing and Urban Development against the state, alleging that African-Americans and Latinos had been disproportionately rejected for Sandy home reconstruction funds.

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Featured Speaker at 2014 ACI  
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PIB partner [Sanjay Ibrahim](#) will be a featured speaker at several upcoming American Conference Institute ("ACI") events in 2014, including:

- **September 22-23 - Residential Mortgage Litigation & Regulatory Enforcement in TX**
- **October 23-24 - Consumer Financing in CA**

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A settlement was announced on May 30, 2014 in the suit, *Latino Action Network et al v. State of New Jersey and New Jersey Department of Community Affairs* (case nos. 02-13-0048-6 and 02-13-0303-8, before the U.S. Department of Housing and Urban Development).

Under the terms of the settlement agreement, effective immediately, the Department of Community Affairs (DCA) will add a minimum of \$215 million to the existing \$379 million of federal relief funds in the state's Reconstruction and Rehabilitation Elevation and Mitigation (RREM) program to rebuild the homes of low income residents affected by Sandy.

In addition, the DCA will reexamine previously rejected RREM applications to ensure those rejections were valid. The plaintiffs alleged in their suit that the DCA had rejected twice as many African-American applicants as white applicants, and that Latino applicants had been rejected at a rate that was 33% higher than white applicants.

The settlement also allocates \$15 million to help displaced homeowners who are renting while their replacement homes are being constructed. An additional \$10 million has been earmarked for helping special needs victims, and another \$10 million has been set aside for Sandy victims living in manufactured housing.

Another provision in the settlement requires the DCA to respond to public records requests in a timely fashion to ensure that the RREM funds are being distributed equitably.

PIB attorneys [Sanjay Ibrahim](#) and [Michael Schultz](#) represented the State of New Jersey in the settlement. Based in Somerset, NJ, with offices in New York City, Philadelphia, and Chicago, PIB focuses on litigation, arbitration and the full range of enforcement, transactional and regulatory issues confronting businesses and governmental entities nationwide.

business intelligence that senior decision-makers need to respond to challenges both here in the U.S. and abroad. Staffed by industry specialists, lawyers and other professionals, ACI operates as a think tank, monitoring trends and developments in all major industry sectors, the law, and public policy, with a view to providing information on the leading edge.



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CFPB Penalizes Texas

Auto Lender for Reporting Inaccurate Consumer Information to Credit Bureaus

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## CFPB Seeks to Add Extended Complaint Narratives to Bureau's Consumer Complaint Database

The Consumer Financial Protection Bureau ("CFPB") has [proposed a new policy](#) that would allow consumers to add detailed narratives of their complaints against financial institutions to the CFPB's public online Consumer Complaint Database.

The CFPB Consumer Complaint Database accepts complaints from consumers about financial institution

products and services, including bank accounts, mortgages, credit cards, consumer loans, debt collection, credit reporting, money transfers and payday loans. A consumer may provide information to the Bureau on who the consumer is and the nature of the complaint, including a written narrative. The CFPB forwards each complaint to the financial institution identified by the consumer in the complaint for response, and then tracks the response and resolution in the online Consumer Complaint Database.

Currently, the publicly available information posted by the CFPB in the database only includes the complaint ID number, the financial products or services that are the targets of the complaint, an explanation of the issue between two and eight words, the complainant's state and zip code, the name of the financial institution, and the institution's response to the consumer complaint ("Closed", "In progress", "Closed with explanation", "Closed with monetary relief" or "Closed with non-monetary relief").

Under the CFPB's proposed policy, the written narratives provided by consumers in their original complaints would be added to the Consumer Complaint Database. The CFPB said that these first-hand accounts are important for providing context to each complaint and "would greatly enhance the utility of the database, a platform designed to provide consumers with valuable information needed to make better financial choices for themselves and their families."

Noting the importance of protecting the private information of consumers, the CFPB said that it would put a number of important safeguards in place to ensure a "clear, fair and transparent process," including:

- Narratives will be only posted on the Consumer Complaint Database if the consumer opts in, and consent can be withdrawn at any time;
- All personal information -- names, account numbers, phone numbers, Social Security numbers, etc. -- will be removed from the complaint prior to publishing;
- Companies will be allowed to submit a response to the consumer-provided narrative to be published at the same time as the consumer's narrative.

Richard Hunt, president and CEO of the Consumer Bankers Association, said that the CFPB's failure to verify the accuracy of any of the consumer complaints in this statement was "very disappointing":

"Publishing narratives of every unverified complaint will give only the illusion of disclosure. Banks have an obligation to their customers to maintain the confidentiality of their information, making it virtually impossible for a bank to offer a complete response to these narratives. It is the role of the CFPB as the traffic cop to distinguish violations of law from unfounded complaints. Instead, they want to let others figure it out from one-sided and unverified narrative information. This action will ultimately add to consumer confusion, harm industry reputations, and undermine any hope the CFPB may have to be viewed as a fair and honest broker. For an agency which prides itself on being driven by 'accurate' data, this is very disappointing."

Comments on the CFPB's Disclosure of Consumer Complaint Narrative Data (Docket ID # CFPB-2014-0016) are due no later than September 22, 2014, and can be submitted online at [regulations.gov](http://www.regulations.gov).

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## PIB Steps Up to the Plate to Help Kids Go to Camp

[PIB](#) attorneys and employees recently participated in the Greater Newark Fresh Air Fund's 28th annual Battle of the Barristers charity softball tournament, a fundraiser to help inner-city children attend summer camps in rural New Jersey and New York.

PIB was one of eight law firms from Bergen, Morris and Essex counties that participated in the event, which is also the largest fundraiser for the Newark Day Center. Divisional games were held at Brookdale Park with each team assigned two "cheerleaders" from the Newark Day Center program (see photo).

The championship game was held in Yogi Berra Stadium at Montclair State University. And even though we didn't win (it's a rebuilding year), all the children who will be able to go to summer camp and make wonderful memories definitely won.



Battle of the Barristers  
Softball Tournament



Halim Quddus, 13, left, & Zaki  
Thomas, 10, led the cheering for PIB



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