The UCI professor overseeing the national mortgage settlement in California urges changes to lessen families’ risk of losing homes.

Despite recent state and national bans meant to protect consumers, errors persist in the foreclosure process that are piling hurricane after hurricane of losing their homes, said the UC-Irvine law professor who’s overseeing the California portion of a $25 billion national mortgage settlement under big banks.

A report issued this week by professor Katherine Porter proposes several changes in the way banks deal with homeowners in default on loans. Porter was appointed to monitor the process for California Attorney General Kamala Harris.

The $25 billion national mortgage settlement of 2012 was the largest consumer financial-protection settlement in U.S. history. The federal government and 49 states reached an agreement with the nation’s five largest mortgage servicers to address mortgage servicing, foreclosure and bankruptcy abuses.

In an interview, Joseph A. Smith Jr., also issued a separate report this week criticizing the foreclosure process. The national mortgage settlement requires banks to handle foreclosures “on a homeowner when a loan modification application is complete.”

“The path to becoming ‘complete’ of- ten requires dozens of back-and-forth communications between homeowners and banks,” Porter said. “It drags on for months, creating uncertainty and frustra- tion, and putting families at risk of losing their homes.”

Porter said that under the current sys- tem, banks have no incentive to expedite loan-modification requests. In fact, she wrote, mortgage servicing creates incen- 

**Flaws cited in foreclosure process**

**O.C. JOBLESS RATE LOWEST SENSE SINCE 2008**

Employment by the numbers

Orange County’s unemployment rate fell to 5.5 percent in May, down from 7.5 percent in May 2012. Nationally, the unemployment rate ticked up to 6.6 percent. The California jobless rate fell to 6.4 percent.

Unixes dropped for two days after Fed statement.

Federal Reserve Chairman Ben Bernanke’s comments have been cited as a cause for this week’s market lurches.

For the week, the Dow fell 141.24 points, or 0.9 percent, and the Nasdaq lost 1.9 percent.

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Stocks drop the week

Markets are attempting to return to their previous level of price action.

The Dow Jones Industrials Average lost 563.11 points Thursday, for a weekly loss of 5.5 percent.

...to close at 13,796.40. The Standard & Poor’s 500 saw $25 billion national mortgage settlement...

**More inside**

**BATTERY SWAP SYSTEM**

Tesla, the electric car maker run by Elon Musk, this week showed a battery-swapping system for its Model S sedan that’s faster than charging and eliminates the need for a non-emission vehicle credits in California.
Irvine bank to raise $46 million in capital for acquisitions

In a public offering, First PacTrust plans to sell 2.4 million shares.

**Robert Chilton**

**Orange County Register**

First PacTrust Bancorp Inc. announced Thursday that it plans to raise up to $46 million in a public offering of 2.4 million shares.

The Irvine-based parent of First PacTrust Bank and Bank of California will use the proceeds from the sale to fund acquisitions and support future growth.

“We have some strong capital now that we can use for some things like M&A,” said Steven Sugarman, chief executive of First PacTrust. “Our focus tends to be in the Inland Empire, though there are a lot of potential acquisition opportunities.”

The company’s calendar-year bankers have combined assets of about $5 billion and more than a dozen branches across Southern California. Sugarman said that the company’s capital will boost its Tier 1 capital to 8.5 percent of assets in the coming year.

First PacTrust said it intends to use up to $4 million of cash on hand, plus about $8 million in gross proceeds from the issuance of shares to repay existing debt in a preferred stock offering.

First PacTrust also said it has shown a willingness to “acquire. The company listed a number of potential targets.

Job seekers line up to enter the 2013 Anaheim/OC Job Fair and Expo on Wednesday. More than 200 employers talked to job seekers at the event.

California’s unemployment rate remains among the five highest in the U.S.

“The national recovery is starting to fall into place.”

**From 2009 to 2013:**

Starting at 10 percent in February 2009, the state’s unemployment rate has since dropped to 7.6 percent in May.

California’s unemployment rate means that it would take 15.9 months to pay off the state’s $8.6 billion in unemployment debt.

Nationally, the May job-growth rate stood at 7.6 percent year-over-year.

Other high growth areas over the past year were professional and business services (5.8 percent) and education (4.3 percent).

**David Leonard, UCI professor urges banks to improve communication**

**From Page 1:**

The director of the UCI Mortgage Bankers Association has complained that the process of assisting borrowers through mortgage modifications is radiating through the entire mortgage servicing industry.

In his report, national UCI professor Dustin Hobbs urged mortgage workers to improve their communication with homeowners who are sending children to UC.

Echevarria, 54, a former Postal Service worker, said his goal is to grow to about $3 billion in assets in the coming years.

In Irvine, Haddad said, “We have a single point of contact here. We have a single point of contact for everything.”

In his report, national UCI professor Dustin Hobbs urged mortgage workers to improve their communication with homeowners who are sending children to UC.

Echevarria, 54, a former Postal Service worker, said his goal is to grow to about $3 billion in assets in the coming years.

A growing number of homeowners are applying for mortgage modifications.

“I have applied for more than 100 jobs,” he said. “This economy is still very bad.”

In the construction industry, however, “Everyone is scrambling to ramp up to meet demand,” said Rick Fletcher, vice president of sales and marketing for Barlow Building Health, Inc., based in Costa Mesa.

“People are sending children to UC:

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**Contact the Writer:**

mkalfus@ocregister.com

**For more info:**

If you or someone you know is contemplating taking action to modify a mortgage, you can contact us on the hotline to speak with one of our counselors.

For more info, call 1-800-555-1212.

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