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## Local News

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Carey woman sues bank over flood insurance

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CAREY -- A Carey woman has filed a lawsuit against Wells Fargo Bank and its affiliates over additional charges for flood insurance beyond what the law requires, according to a Toledo law firm representing her.

The lawsuit, filed in U.S. District Court, Toledo, seeks class action status so others in a similar situation can join the legal action.

Ashley L. Swain, 212 Dow St., Carey, purchased her house for \$48,995 in July 2012 and received a mortgage through First Federal Savings & Loan Association, Lakewood, the lawsuit claims. She purchased \$49,000 in flood insurance to cover the mortgage amount, the suit says.

In September, the suit says, her mortgage was sold to Wells Fargo, based in San Francisco. The bank indicated there would be no changes to her original agreement.

However, the lawsuit alleges that Wells Fargo later demanded that Swain and other Ohio homeowners buy much more flood insurance, "in amounts greater than required by law, greater than required by their mortgage agreements, and greater than Wells Fargo's financial interest in their property, despite any reasonable or lawful basis," according to attorneys David Zoll and Pamela Borgess, with Zoll, Kranz & Borgess, Toledo.

The Toledo law firm said it is working with Squitieri & Fearon, a law firm in New York City.

Swain originally paid \$537 for a one-year flood insurance policy, July 2012 through July 2013, from an escrow account established by First Federal. The amount was expected to be deducted annually.

But after Wells Fargo acquired the mortgage, the bank demanded that Swain triple her insurance coverage, the lawsuit claims.

If Swain did not obtain the extra coverage, the bank said it would secure the additional insurance through one of its affiliates and charge her escrow account, plus a 10 to 20 percent commission, the suit says.

She was required to purchase \$170,000 of flood insurance, according to the lawsuit, and her cost increased to \$1,189 annually. The insurance coverage later increased again to \$1,981 annually, the lawsuit says.

"As a result of (the bank's) fraudulent and deceptive acts, and unfair and unlawful flood insurance requirements, (Swain and others) have incurred unnecessary and excessive expenses for flood insurance," the Toledo law firm asserts.

"In addition, (the bank and its affiliates) have been unfairly, unjustly and unlawfully enriched by the kickbacks, commissions or other compensation that were paid in connection with the lender-placed flood insurance," according to the lawsuit.

The lawsuit seeks to reverse "all unlawful, unfair, or otherwise improper charges for flood insurance coverage."

The suit requests an unspecified amount of damages, plus attorneys' fees and costs.