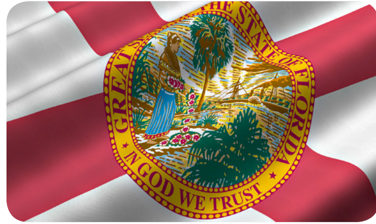
New Obligations Imposed by Florida's 2015 Tenant Protection Act

By Justin S. Swartz



On June 2, 2015, a new Florida law took immediate effect providing residential tenants additional protections and imposing new landlord obligations on foreclosing lenders, real estate investors and lienholders. The bill, HB 779, adds language to the Florida Residential Landlord and Tenant Act entitling tenants who are renting apartments and homes that have been foreclosed to notice and time to vacate the property. Previously, the now expired Federal Protecting Tenants at Foreclosure Act of 2009 had required winning bidders at foreclosure sales to honor the terms of existing leases or alternatively to allow the tenant at least 90 days after the sale to vacate the property. Upon the federal act's expiration on December 31, 2014, Florida consumer advocate groups backed new state legislation which would have closely mirrored the federal act. Eventually the Florida legislature unanimously passed a more lenient version with a shorter timeline. Still, the law prescribes certain duties and procedural obligations on the purchaser prior to taking possession of the property, which should be carefully considered.

Specifically, the new law enacts Florida Statute 83.561, which designates the purchaser taking title to a foreclosed property as a landlord, subject to the rights of any tenant residing on the property. The purchaser is not obligated to honor the terms of an existing lease, but if the purchaser intends to terminate the lease it must notify the tenant in writing and wait 30 days before requesting the clerk of court to issue a writ of possession. Prior to the statute's enactment, purchasers at foreclosure sales were entitled to immediate possession of the property with as short as 24 hours' notice of eviction. The substance and form of the new mandatory notice is delineated in the statute. If the tenant chooses to stay during the 30 days, the tenant must pay rent to the purchaser. The new law applies to residential properties, including condos, and does not apply to commercial properties. The new law also does not apply to a holdover tenant who was the mortgagor of the property in the subject foreclosure, nor does the law apply when the lease was not the result of an arms-length transaction. The purchaser does not assume other various statutory obligations of a landlord for building maintenance and post-tenancy security deposit notices. However, the purchaser is strictly prohibited from terminating utility services furnished to the tenant, preventing reasonable access to the property, and changing locks or removing personal property, and the purchaser may be liable for damages and attorney's fees in the event a violation occurs.

Given that residential leases are typically not recorded in Florida, these new procedural requirements limit a foreclosing party's ability to rely on what can be found in the public records. Consequently, additional due diligence will be needed on the part of foreclosing parties and purchasers to determine if the new law applies. Furthermore, the new law leaves some questions unanswered. It is uncertain whether the new law will also apply to non-mortgage loan foreclosure sales, such as foreclosure of

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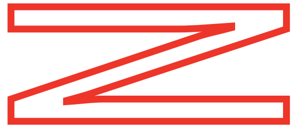
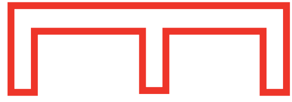
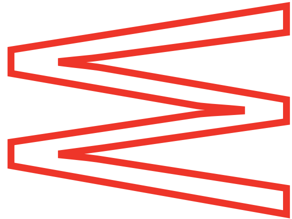

New Obligations Imposed by Florida's 2015 Tenant Protection Act, *continued*

homeowners association liens or county and municipal liens. Also unclear is whether the new law's obligations are imputed from an assignor of a foreclosure sale bid to an assignee. Finally, there may be unintended market consequences of forcing the purchaser into the role of landlord by increasing the time and risk of purchasing a foreclosed property.

A majority of foreclosed properties in Florida are purchased by the foreclosing lender at foreclosure sale. Therefore, lenders, their REO departments and their vendors should be aware of these new obligations, confirm whether foreclosed Florida properties are subject to residential leases and provide tenants with notice and 30 days to vacate as appropriate.

If you have questions or concerns about how this new law may affect your business operations, please contact a Baker Donelson attorney in the Consumer Finance Litigation and Compliance practice group, and we can assist you with your compliance.

Periodic Statements to Borrowers Required Even if Mortgage Loans Have Been Accelerated or Are in Litigation

By Sarah Carrier and Sarah-Nell Walsh

A new Truth In Lending Act (TILA) regulation, 12 C.F.R. § 1026.41, enacted pursuant to the Dodd-Frank Wall Street Reform Act requires mortgage servicers to send periodic statements to residential loan consumers. In accordance with TILA's broad purpose of protecting consumers, these statements should be sent even when loans are in litigation or have been accelerated.

According to the regulators, complicated situations such as when loans "have been accelerated, sent to foreclosure, or that are in the bankruptcy process," are "often precisely when a consumer most needs the periodic statement." Also, given 12 C.F.R. § 1026.41 does not implicitly repeal other servicing rules, the Fair Debt Collection Practices Act (FDCPA), the Real Estate Settlement Procedures Act (RESPA), and other applicable regulations should be simultaneously complied with. See Morton v. Mancari, 417 U.S. 535, 550, 94, 94 S. Ct. 2474, 41 L. Ed. 2d 290 (1974); Kelliher v. Target Nat'l Bank, 826 F. Supp. 2d 1324, 1329 (M.D. Fla. 2011).

The only exemptions to this periodic statement requirement are (1) Reverse Mortgages, (2) Time Share Plans, (3) Coupon Books, (4) Small Servicers (generally those servicing 5,000 or fewer mortgage loans), and (5) Consumers in Bankruptcy.

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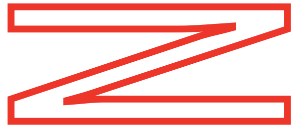
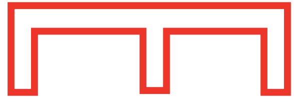
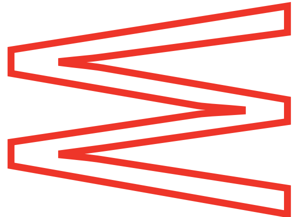
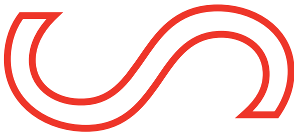

Periodic Statements to Borrowers Required Even if Mortgage Loans Have Been Accelerated or Are in Litigation, *continued*

Practical Considerations

While servicers must provide these statements monthly, they should be careful not to use language that could be misconstrued as intending to enforce liabilities, interfere with pending litigation, or otherwise confuse the consumer. See Hernandez v. Caliber Home Loans, Inc. (In re Hernandez), 2014 (Bankr. S.D. Tex. Nov. 6, 2014) (where ambiguous language was assessed by what a "consumer would likely interpret" as servicer's intention).

The following information must be provided to the consumer, for each billing cycle (or monthly if the loan's billing cycle is shorter than 31 days). The statement must be delivered or mailed within a reasonably prompt time after the payment due date of after any previous billing cycle's courtesy period. Additionally, these disclosures should be made clearly and conspicuously either in writing or electronically if agreed to by consumer. ***Sample forms to be used for formatting are available at: http://www.consumerfinance.gov/eregulations/1026-H/2013-28210#1026-H-1.

Key Provisions

The statements should include:

1. Amount Due
2. Explanation of Amount Due
3. Past Payment Breakdown
4. Transaction Activity
5. Partial Payment Information
6. Contact Information
7. Account Information
8. Delinquency Information

Specific to Accelerated Loans, if servicers will accept less than the entire accelerated balance to reinstate the loan, the "Amount Due" section should include only the amount they will accept to de-accelerate the loan.

Damages for Noncompliance

Plantiffs need not show harm to recover statutory damages for Truth in Lending Act violations. 15 U.S.C.A. § 1640(a)(2)(a). These violations include failure to provide TILA required documents. Adiel v. Chase Federal Savings & Loan, 810 F.2d 1051, 1053 (11th Cir.1987). However, Plantiffs must have relied to their detriment in order to recover actual monetary damages. Turner v. Beneficial Corp., 242 F.3d 1023, 1024 (11th Cir. 2001).

Effective Date

The effective date is currently in flux. The TILA-RESPA Integrated Disclosure Rule, which was set to become effective August 1, 2015, was delayed due to Section 801 of the Congressional Review Act. This Act requires all "major rules" to be ineffective for at least 60 days after (1) Federal Register Publication or (2) Congressional Receipt (whichever is later). This put the effective date at August 15, which the CFPB Director determined would cause problems due to its mid-month implementation.

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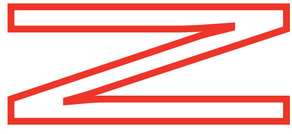
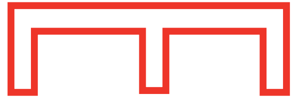
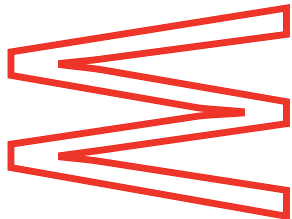
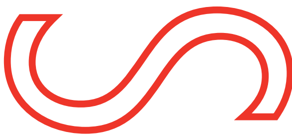

Periodic Statements to Borrowers Required Even if Mortgage Loans Have Been Accelerated or Are in Litigation, *continued*

Thus, the CFPB proposed an October 3, 2015 effective date. Comment for this proposal ended July 7, 2015 but a final ruling is still pending. However, an open-ended grace period was outlined by the CFPB director in a letter to congress. This letter stated that oversight would be sensitive to "good-faith efforts" of compliance. While there is no definite time period, many believe it will extend through the end of 2015. http://www.housingwire.com/articles/34226-cfpb-moves-trid-effective-date-to-oct-1.

Proposal: http://files.consumerfinance.gov/f/201506_cfpb_2013-integrated-mortgage-disclosures-rule-under-the-real-estate-settlement-procedures-act-regulation-x-and-the-truth-in-lending-act-regulation-z-and-amendments-delay-of-effective-date.pdf

Letter to Congress: http://www.housingwire.com/ext/resources/files/Editorial/Trey-Files/20150603-RC-to-Donnelly-and-Scott-et-al-re-TILA-RESPA.pdf

Supreme Court Broadens Scope for Housing Discrimination Claims

By Craig Nazzaro

Beneficial intent will not shield lenders and other financial services companies from discrimination claims under the Fair Housing Act (FHA), according to a recent decision by the United States Supreme Court. Specifically, the Court ruled that it is sufficient to show disparate impact, i.e., that a defendant's practices have a disproportionately adverse effect on minorities. Prior to this decision, each lower court addressing the issue independently held that the FHA should be interpreted to include liability under a disparate impact theory, so the ruling was not one of total surprise, but it is the first time the Supreme Court has addressed the question.

In the case, the Department of Housing and Community Affairs was responsible for the distribution of low income tax credits in Texas. The Inclusive Communities Project, Inc. brought a disparate impact claim under the FHA, claiming the Department was allocating too many tax credits to housing in predominantly African American-populated inner city locations and too few in predominantly Caucasian suburban areas. The ICP contended that the Department's procedures had caused continued segregated housing practices by not equally allocating the tax credits. To prove their claim they simply produced statistical data stating that the Department's rate for approved tax credits was higher in non-Caucasian areas. The district court then looked to the Department to show that "there are no other less discriminatory alternatives to advancing their proffered interests," and ruled that it failed to do so. The Department appealed.

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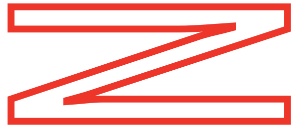
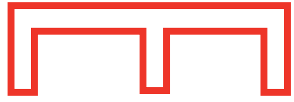
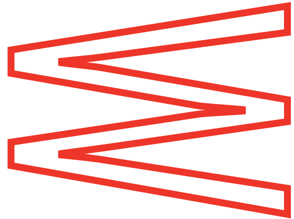
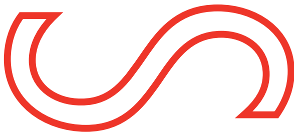

Supreme Court Broadens Scope for Housing Discrimination Claims, *continued*

While the Department's appeal was pending, HUD issued a regulation which stated that the FHA did in fact encompass disparate impact liability. HUD stated that after a plaintiff establishes that a defendant's practice caused or predictably will cause a discriminatory effect, the burden shifts to the defendant to "prove that the challenged practice is necessary to achieve one or more substantial, legitimate, nondiscriminatory interests." If the defendant is successful in doing so the plaintiff may still prevail by proving that "the substantial, legitimate, nondiscriminatory interests supporting the challenged practice could be served by another practice that has a less discriminatory effect."

The Court of Appeals for the Fifth Circuit subsequently affirmed the district court, holding that disparate-impact claims are cognizable under the FHA. The Department then filed a petition for a writ of certiorari, which brings us to the discussion of this ruling.

For lenders, this decision may encourage future claims that a lender's underwriting guidelines, marketing efforts or products themselves can be in violation of the FHA, without a finding or even an allegation of intent. As part of its reasoning, the Court stated, in part, "recognition of disparate-impact liability under the FHA also plays a role in uncovering discriminatory intent: It permits plaintiffs to counteract unconscious prejudices and disguised animus that escape easy classification as disparate treatment." Nevertheless, lenders will be faced with defending disparate impact claims brought under the FHA where they had no prejudice at all, be it overt or unconscious. It can also open the door to plaintiffs second-guessing valid, well intentioned business decisions.

Lenders may take slight comfort in language the Court included, which states, in part, "A disparate impact claim that relies on a statistical disparity must fail if the plaintiff cannot point to a defendant's policy or policies causing that disparity." The court went on to explain that without this causality requirement, race could be used as a quota to safeguard against unintended disparate impact. This does increase a plaintiff's initial threshold, but not by much.

In the long term, the ruling and its application could have a constricting effect on lenders' operations and their appetite to expand, given that an inadvertent disparate impact may not be revealed until after a product or service has been offered to the marketplace. Justice Alito recognized this in his dissent, noting, "Today's decision will have unfortunate consequences for local government, private enterprise, and those living in poverty." Justice Alito is referring to the possible unintended consequence of this ruling where providers of housing or lenders may shy away from certain products or policies which intend to help those very people who the Court's ruling, the FHA and the ALCU aim to protect, simply to avoid a possible disparate impact claim. At the very least it will be interesting for the lending and housing industries to see how this holding is used going forward and what its effects will be on the development of new policies, procedures and products.

CFPB Shifts Focus to Auto Lending Industry

By Sabrina L. Atkins and Montoya M. Ho-Sang

Auto lenders and servicers be advised: the Consumer Financial Protection Bureau (CFPB) turns its lonely eyes to you.

On June 17, 2015, the (CFPB) brought an action in the Southern District of Ohio against Security National Automotive Acceptance Company, LLC, (SNAAC) alleging that SNAAC "engaged in unlawful acts and practices in its collection of consumer debts" relating to borrowers currently active or retired from the United States military.

In particular, the CFPB alleges that SNAAC "threatened to contact delinquent borrowers' commanding officers and has, in fact, contacted commanding officers, disclosing details about borrowers' debt and delinquencies." Moreover, SNAAC allegedly also made misleading statements regarding the impact on borrowers' military status and potential tax liability if they remained delinquent. Notably, one of the more deceptive practices alleged by the CFPB required unsuspecting borrowers to sign an "Addendum to Retail Installment Contract and Security Agreement" which allegedly stated that SNAAC had permission to contact the borrowers' employer/commanding officer to assist in collecting in the event of default. Similar to many prior lawsuits filed by the CFPB, SNAAC also allegedly violated consumer protection laws by making misleading statements regarding its intention to take legal action, when, in fact, the company had not made any decision regarding any potential legal recourse.

To redress the violations, the CFPB is seeking restitution for consumers, as well as a civil penalty and an order prohibiting the company from committing future violations pursuant to the Consumer Financial Protection Act of 2010. CFPB Director Richard Cordray stated during his announcement of the lawsuit that, "[f]or all the security they provide us, service members should not have their financial and career security threatened by false information from an auto loan company."[1]

In a publicly released statement, SNAAC indicated that they were surprised by the suit and that they had been working with the CFPB to understand and resolve their concerns.

This is not the first time the CFPB has been involved with the auto lending industry as it relates to service members. In June 2013, the CFPB ordered U.S. Bank and a nonbank partner company, Dealers' Financial Services, to end alleged deceptive marketing and lending practices targeting active-duty military. The CFPB found that the companies violated the Truth in Lending Act and federal laws that prohibit deceptive marketing and lending practices. It ordered that the parties refund approximately $6.5 million to service members for allegations that the companies failed to properly disclose all fees charged to participants in the companies' Military Installment Loan and Educational Services auto loans program and misrepresented the true cost and coverage of add-on products financed with auto loans.

[1] Karen Jowers, "Auto Lender Surprised over Consumer Agency Action," AirForce Times, June 19, 2015, http://www.airforcetimes.com/story/military/2015/06/17/military-auto-lender-sued-over-debt-collection-tactics/28876651/

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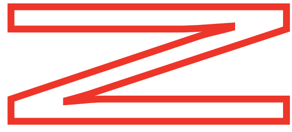
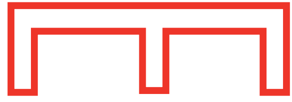
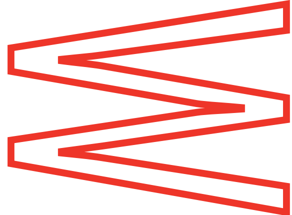

CFPB Shifts Focus to Auto Lending Industry, *continued*

Given the CFPB's move to oversee nonbank auto companies at the federal level, it is important to have an idea of how to prepare for a CFPB examination if the agency knocks at your door. A few best practices include:

- **Maintain Written Compliance Policies** – The top priority for the CFPB seems to be focused on compliance. Therefore, it is imperative that financial institutions have a written policy to address and resolve consumer complaints. Moreover, developing an internal assessment program to ensure compliance with consumer laws is beneficial because it helps to identify any potential weaknesses.

- **Monitor Third Party Vendors** – In April 2012, the CFPB released a bombshell on financial institutions: not only could they be held responsible for any violations of consumer protection laws, but now they could also be held responsible for the actions of the companies they used as vendors. Financial institutions are now required to proactively assess, measure, monitor and control the compliance of third party vendors they work with to provide consumer financial products or services.

- **Provide Thorough Training for Employees** – CFPB examiners have the authority to conduct interviews with employees to determine whether they have been trained adequately regarding CFPB requirements and consumer protection laws. Compliance training must be current, complete, effective and directed to appropriate individuals based on roles, as well as the nature and risks to consumers served by the financial institution.

In the ever-changing world of consumer finance protection laws, it is imperative that financial institutions make sure that they are fully compliant with the regulations. Baker Donelson has the experience to help financial institutions navigate this intricate web of compliance with the multitude of federal and state regulations.

Florida Court Rules Borrowers Who Surrender Property in Bankruptcy Can't Later Take it Back

By Renee Meenach Decker and Jake Adams

Thanks to several recent United States Bankruptcy Court decisions in Florida, mortgage servicers should now expect borrowers who surrender their real property in bankruptcy to not contest foreclosure later. Since the bankruptcy code does not define the meaning of the term "surrender," and since surrendering real property does not transfer title back to the creditor, creditors and borrowers often find themselves wondering about their rights even after the borrower has filed a sworn statement in her bankruptcy case, stating that she no longer intends to keep the property. It is not uncommon for that same borrower to fight foreclosure later, leaving litigants on both side to wonder if "surrender" in bankruptcy means what the English dictionary says it means.

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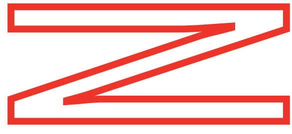
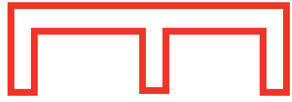
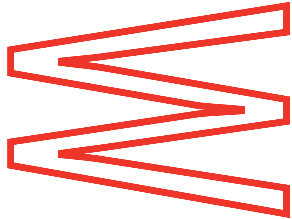

Florida Court Rules Borrowers Who Surrender Property in Bankruptcy Can't Later Take it Back, *continued*

On May 13, 2015, Judge Michael Williamson, writing for the Bankruptcy Courts for the Middle District of Florida, gave clarity to the act of "surrender." In two cases, *In re Meltzer* 8:12-bk-16792-MGW, and *In re Patel* 8:13-bk-09736-MGW, Judge Williamson held that "at a minimum, 'surrender' under the Bankruptcy Code §§ 521 and 1325, means a debtor cannot take an overt act that impedes a secured creditor from foreclosing its interest in secured property." Importantly, *In re Meltzer* was a Chapter 7 case and *In re Patel*, a Chapter 13 case. Drawing on opinions from the First and Fourth Circuits, Judge Williamson concluded that borrowers who elect to surrender property "must relinquish secured property and make it available to the secured creditor by refraining from taking any overt act that impedes a secured creditor's ability to foreclose its interest in secured property."

Judge Williamson is not the only judge in Florida to opine on the meaning of the word "surrender." On December 19, 2014, Judge Paul G. Hyman, Jr., Chief Judge of the Bankruptcy Court for the Southern District of Florida in *In re Failla*, Case No. 11-34224-PGH, ordered the borrowers to stop defending or contesting a pending state court foreclosure action. In that case, the borrowers had filed a statement of intentions in their Chapter 7 case electing to surrender their property. Judge Hyman found that by contesting the foreclosure action, the borrowers were resisting the surrender of their property, and refusal on the borrowers' part to refrain from defending against the foreclosure action could result in revocation of the borrowers' discharge. The court reasoned that the borrowers may have committed fraud on the court by stating under oath that they intended to surrender the property and then refused to do so.

On April 13, 2015, Judge Hyman, in *In re Dolan*, 10-36036-PGH, went farther and entered an order to show cause why the borrowers and their counsel should not be sanctioned for their failure to perform their stated intention, filed in their bankruptcy case, of surrendering their property. Finding that the borrowers failed to comply with their sworn statement by defending against the state court foreclosure action, Judge Hyman ordered that both the borrowers and their attorney appear before him and explain why sanctions should not be awarded against them.

While Florida bankruptcy courts have been the most active in interpreting the definition of "surrender" with respect to borrowers' interest in real property, other courts have found that surrendering real property in bankruptcy prevents affirmative acts of defending foreclosure claims.

For example, the First Circuit Court of Appeals has held: "The most sensible connotation of 'surrender' in the Chapter 7 context is that the debtor agreed to make the collateral available to the secured creditor," or, "to cede his possessory rights in the collateral – within 30 days of the filing of the notice of intention to surrender possession of the collateral." *In re Pratt*, 462 F.3d 14, 18-19 (1st Cir. 2006) citing 11 U.S.C. §521(a)(2).

The surrender definition provided by the First Circuit in *Pratt* gives mortgage servicers a compelling defense against borrowers who challenge foreclosure after surrendering the property in the course of bankruptcy. If surrender means to "make the property available to creditors," then servicers have every right to expect borrowers to maintain that position.

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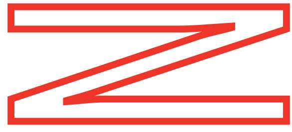
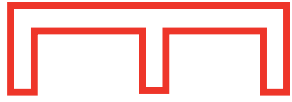
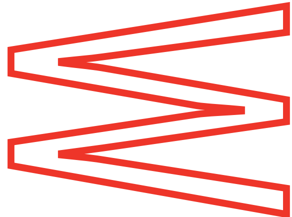
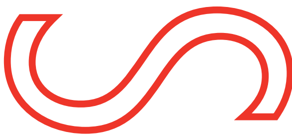

Florida Court Rules Borrowers Who Surrender Property in Bankruptcy Can't Later Take it Back, *continued*

However, if surrendering borrowers later decide to contest foreclosure, then federal courts have supplied creditors with ample ammunition for defending against the duplicitous stance in the form of judicial estoppel. The affirmative defense of judicial estoppel operates to prevent a litigant from taking a litigation position that is inconsistent with a litigation position successfully asserted by him in an earlier phase of the case or in an earlier court proceeding. The United States District Court for the District of Massachusetts held that judicial estoppel prevents a borrower from surrendering property in bankruptcy and then invoking a wrongful foreclosure suit. *Ibanez v. U.S. Bank Nat'l Ass'n*, 856 F. Supp. 2d 273 (D. Mass. 2012). The borrower who surrenders her home in bankruptcy is barred by the doctrine of judicial estoppel from challenging the foreclosure process. *Souza v. Bank of Am.*, 2013 U.S. Dist. LEXIS 94663, *8 (D. Mass. July 8, 2013).

Plaintiffs "should not be allowed to 'play fast and...loose' with the courts in order to avoid foreclosure," the Court wrote in *Richardson v. Citimortgage, Inc.*, 2010 U.S. Dist. LEXIS 123445 *12-13 (E.D. Tex. Nov. 22, 2010). In that case the borrower listed the servicer as a creditor within the bankruptcy only to allege the servicer didn't have standing in defending against foreclosure. "The Bankruptcy Court lifted the automatic stay and permitted CitiMortgage to foreclose on the loan because of the Plaintiff's representations. As a matter of law, the Plaintiffs are judicially estopped from challenging the right of CitiMortgage to foreclose on the loan."

Courts don't appreciate litigants who take contrary positions in separate cases. Given the recent enhancements to the definition of "surrender" in Florida, contesting foreclosure after bankruptcy surrender should be considered a contrary position in courts across the country, and mortgage servicers should expect borrowers who surrender property in bankruptcy to actually mean it.

The Telephone Consumer Protection Act – FCC Approves New Rules

By William A. McBride

John met Susan in a bar. Enamored, he later asked her friend Mary for Susan's telephone number. The next day John called Susan on his iPhone to ask her out on a date. Sadly, John did not get the girl. Instead, he got sued by Susan for a violation of the Telephone Consumer Protection Act (TCPA).

Outlandish? Perhaps. But according to FCC Commissioner Michael O'Reilly, John's actions would indeed constitute a violation of new rules issued by the FCC pursuant to the TCPA.

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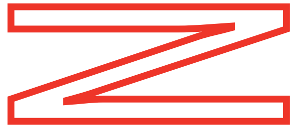
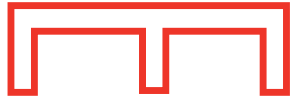
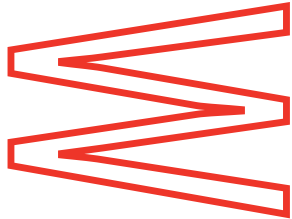
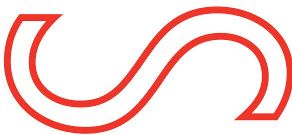

The Telephone Consumer Protection Act – FCC Approves New Rules,

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The TCPA restricts marketing calls and text messages made to residential landlines and cell phones. It generally prohibits employing automated dialing systems, artificial callers and/or prerecorded calls/voices absent a consumer's prior consent. The Act provides for a private right of action and permits a consumer to sue for a statutory penalty of $500 per violation and up to $1,500 for each knowing or willful violation, or to recover one's actual monetary loss, whichever is higher.

On June 18, 2015, in response to 21 pending requests, the FCC approved new rules relating to telephone calls and text messages. The rules, which were approved by a 3-2 vote along partisan lines, promise to greatly expand liability under the TCPA.

Among other things, the new rules:

- Expand the Act's definition of an automated telephone dialing system (ATDS). Under the new rules, an ATDS includes devices with a future capacity "even with some modification, to dial random or sequential numbers," or to dial from a list of numbers loaded into the device. The need for human intervention, such as the need to push a touch screen button, will not defeat an ATDS designation. This led Republican Commissioner Ajit Pai to observe that "each and every smartphone, tablet, VoIP phone, calling app, texting app – pretty much any phone that's not a 'rotary-dial phone' – will be an automatic telephone dialing system." This provision also resulted in Commissioner O'Reilly's ruminations above on Susan and John.

- Make it easier for consumers to revoke consent, providing that a consumer may revoke consent by "any reasonable means at any time." Courts have previously been split as to both the ability to revoke consent and the nature of an effective revocation (e.g., did it need to be in writing?). The effect of this new rule, given the myriad variety of consumer/business interactions, is problematic. As Commissioner Pai observed, "[h]ow could any retail business possibly comply with the requirement that consumers can revoke consent orally at an in-store payment location? Would [the business] have to record and review every single conversation between customers and employees? Would a harried cashier at McDonald's have to be trained in the nuances of customer consent for TCPA purposes? The prospect makes one grimace."

- Provide that a business may not make more than a single call to a number that has been reassigned to a new customer. This is worrisome, as it apparently creates strict liability for a company that obtained the required consent and has no reason to know that the number it is calling has subsequently been reassigned. The rule does not include a requirement that the new subscriber ask that the calls cease or inform the caller that the number has been reassigned, and one of the commissioners offered the hypothetical of an employer who regularly sends text messages to what it believes is still an employee's current phone number. The new subscriber never reveals the reassignment nor requests that the text messages cease, at least not until filing a lawsuit seeking half a million dollars in damages.

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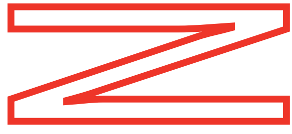
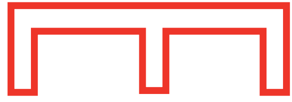
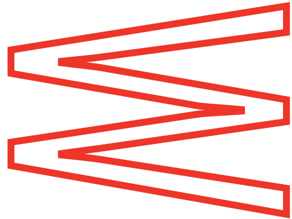

The Telephone Consumer Protection Act – FCC Approves New Rules,

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The new rules are troubling, as they contain no exception or safe harbor for good faith efforts to comply with the TCPA. They appear certain to make it costlier and more difficult for legitimate businesses to communicate with their customers; and they will do nothing to combat scam artists who use spoofed numbers and originate calls from outside of the jurisdiction of the U.S. While it is possible that the courts will recognize the problems presented by these rules and hold that the FCC has overstepped its authority, for now, the only happy constituency appears to be the TCPA plaintiffs' bar. It is therefore imperative that businesses ensure that their telemarketing, text messaging and debt collection practices conform to the TCPA.

Litigation Triple Threat Comes to Atlanta Office

Our Consumer Finance Litigation and Compliance practice group continues to grow to meet the needs of our clients with strategic growth across all our 19 offices. Our most recent additions are in our Atlanta office, and we are proud to announce the addition of three senior attorneys as of counsel, all of whom have years of industry experience. Each of these key team members brings a depth of experience to Baker Donelson, permitting us to provide even better service for our clients.

Teri L. Bailey joined us as of counsel, bringing more than 25 years of experience in real property law and litigation to our Atlanta office. Ms. Bailey guides financial institution clients through almost all aspects of residential and commercial real estate issues, including foreclosures and workouts, title insurance claims, landlord-tenant issues, general banking law, and coverage and recovery. As well as being a courtroom litigator with decades of experience, she is a frequent speaker and author on such topics as foreclosure litigation, covenant enforcement, REO issues and servicing transfers. Ms. Bailey is a certified mediator, and serves as a Special Master in litigation involving title and other real estate issues.

Teah Glen Kirk joined our Atlanta office as of counsel. In a multistate practice, Ms. Kirk defends national financial institutions and wholesale lenders in state and federal litigation involving consumer protection laws, including TILA, FCRA, FDCPA and RESPA, as well as predatory lending, consumer fraud, loan origination, contested foreclosures and unfair or deceptive practices claims. She also represents clients' interests in various title and lien priority disputes, municipal violations and general REO matters. Ms. Kirk provides strategic counseling on compliance with federal privacy and data security laws, including the Federal Trade Commission Act, Gramm-Leach-Bliley Act, and related state privacy and information security laws. She also counsels clients in the preparation and implementation of privacy, security and data protection policies and best practices.

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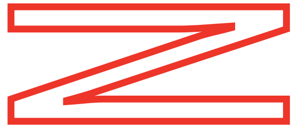

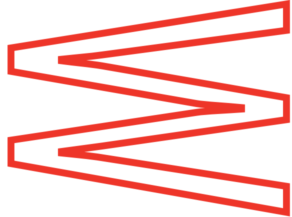

Litigation Triple Threat Comes to Atlanta Office, *continued*

Craig Nazzaro is also of counsel in our Atlanta office. Before joining Baker Donelson, Mr. Nazzaro was a vice president and assistant general counsel with JP Morgan Chase, where he managed and coordinated a team of 22 senior legal officers and attorneys in responding to and resolving consumer lending issues presented by state attorneys general, HUD, CFPB, OCC, state banking departments and congressional inquiries. Mr. Nazzaro also led the implementation and management process for the bank's executive office's compliance with the National Mortgage Settlement with the Department of Justice, as well as servicing changes under the Dodd-Frank Act. He brings an in-house counsel mindset to all his client matters at Baker Donelson, and he approaches each matter from a business perspective. He advises lenders and servicers on all regulatory and compliance issues that impact the mortgage industry, and defends them against charges of liability and any regulatory violations.

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