

(The following fact sheet is precisely what Swire sent to Washington Mutual in May 2007, except for this introductory sentence and blurring of the account number and monthly mortgage fee.)

Fact sheet on: Problems of Peter Swire with Washington Mutual for Duplicate Flood Insurance Coverage, Washington Mutual loan number XXXXXXXXXX.

Timeline of duplicate purchase of flood insurance

This timeline shows the main points of contact concerning the purchase of duplicate flood insurance for our house. The actual number of customer service calls is considerably higher than shown, because I did not keep comprehensive notes and because I had to start calls a number of times during the workday but did not get through to customer service or had to terminate the call because my available time during the workday was limited.

2002. Anne and Peter Swire buy the house at 8520 Howell Road, Bethesda, MD. Our county says that our house requires flood insurance (even though the house is over 45 years old and has never had any flood problem). We therefore get flood insurance from State Farm in the amount recommended by the lender and have maintained flood insurance continuously ever since.

January–March 2006: For the first time, we receive letters from WaMu saying that we need to send evidence of flood insurance. I don't have records of the dates of my calls to WaMu customer service but I asked what needed to be sent. I then contacted my State Farm agent, Nancy Goldberg, to explain the need to prove coverage. I confirmed with Nancy that she faxed the proof of coverage. The WaMu letters stopped and I believed that WaMu had received the fax and known not to buy duplicate coverage.

During a phone call with WaMu customer service in 2007, I was told that faxes were only accepted if they had the WaMu loan number on them. I asked if a proof of coverage fax would go into my file if it did not contain the WaMu loan number, and the customer service person said it likely would not. I know that State Farm faxed proof of coverage in early 2006. I therefore have come to the conclusion that WaMu ignored the proof of coverage State Farm sent in 2006, even though the documentation had my name and address and came from a major insurance carrier. Neither State Farm nor I learned that the fax had been refused due to lack of an account number, despite the phone number and fax number being on the fax cover sheet. I learned in 2007 that WaMu has charged us \$2,398 for this duplicate coverage for March 2006–March 2007. I believe it is incorrect for WaMu to keep this \$2,398 when we timely sent proof of coverage by State Farm.

December 2006–May 2007. We have received many collection calls from WaMu, despite the fact that we have paid our mortgage automatically in the first week of each month. In December, January, and February, we received a collections call from WaMu in each month, roughly in the middle of each month. In each instance I asked the date of last payment, and they said it was on time at the

beginning of that month and therefore no late fee was appropriate. By the February call, the representative in the flood insurance office specifically agreed to put in the file that there should be no further collections calls and no late fees—we were working in good faith to determine the correct amount for my monthly payment. Then, in March, collections called again. I asked if the notes were in the file. The representative said that the file said “no calls” and “no fees,” but they had called anyway. On May 3 I received a collections call from an agent identified as “Hazel.” This call appeared to be about the April mortgage payment. I asked Hazel whether the notes said “no calls” and “no fees.” She said they did not. Faced with this new evidence of system problems at WaMu, I decided to write up in detail the history of this dispute.

I am unable to determine whether WaMu has currently charged me any late fees in connection with how the duplicate flood insurance has affected my monthly payment. I dispute any such fees, because we have continuously had flood insurance and have made timely mortgage payments in the first week of each month.

January 2, 2007. I called WaMu customer service. They told me that I had sent the “old” amount for the mortgage/escrow. Their system had seen an incorrect payment and so had put it on “hold.” Their system thus treated us as one month behind in payment, and applied a late charge (I think of \$179.51).

They also told me my monthly escrow amount had changed due to their purchase of flood insurance. This was the first time I learned that WaMu had not accepted our proof of coverage from early 2006. I think it was at this time that I learned that WaMu would only process proof of coverage if the WaMu account number was on the document. I contacted State Farm and they faxed proof of flood insurance coverage to WaMu.

At the end of the customer service call, the representative said that we would have no late charges. (We had timely paid the monthly mortgage and we were working to resolve the flood insurance issue.) I mistakenly thought the problem had been resolved.

Approximately January 15, 2007. I received one or more collection calls but explained that we had sent proof of coverage and so the issue had been resolved.

(My recollection is that State Farm faxed it one time but it did not register in the WaMu system. I then called customer service, learned about the need to have the loan number on the fax, and State Farm faxed it a second time. My written notes do not give details of this but WaMu’s customer service records likely show one or more additional calls.)

January 22, 2007. A letter dated this day says, “Since you have obtained sufficient flood insurance, please be advised that the flood coverage we previously purchased on your behalf has been cancelled effective 01/03/07. You will only be charged premiums for actual time that the coverage that we ordered was in effect and any unearned premiums will be refunded back into your escrow account.”

February 2007. I received another collection call. I was told the collection office could do nothing to stop collection calls and I had to call the flood insurance office. I called the flood insurance office. I learned for the first time that WaMu considered our coverage from State Farm to be too low. Our coverage was the same as at the original mortgage closing, at \$120,000. I therefore instructed State Farm to increase the coverage.

March 2, 2007. State Farm once again faxed proof of insurance coverage to WaMu.

March 13, 2007. I called WaMu customer service and spoke with Ms. Christina McDurko, phone 877.893.5667. Much of our conversation was trying to determine what the correct monthly mortgage amount was due from us. My wife and I have automatic mortgage payment from our bank to WaMu in the first week of the month but the precise amount due depends on the amount of flood insurance WaMu has been charging for flood insurance. For instance, my notes show that we paid \$XXXX.XX at the beginning of March, and the shortage due to the problem of flood insurance was \$114.09.

Because we have made timely payments every month on the mortgage, and because we were working in good faith to resolve the flood insurance matter, Ms. McDurko specifically said that we would have “no late fees” for the previous months where collectors had already called us. My understanding was that she was putting this in the notes part of our customer file, and that the “no late fees” would continue so long as we made timely payments at the beginning of each month and were moving forward to resolve the flood insurance issue so that we would know the precise amount to pay each month in the future.

March 15, 2007. I called WaMu customer service and spoke with Ms. LaKeisha Williams. She confirmed that she had received the fax on March 5 proving State Farm coverage for 2007–2008. She confirmed that WaMu had not bought excess coverage for 2007–2008.

Specifically, Ms. Williams said that the amount that WaMu had charged me for 2007–2008 was \$2,475. Because I had given proof of coverage, Ms. Williams said this amount had been credited to my escrow account.

April 2, 2007. Much to my surprise, I received another letter saying that I had no flood insurance coverage for 2007–2008. In my next attempt to resolve this matter, I called customer service and asked to speak to a supervisor. I spoke with Ms. Ingrid Boykin, phone 866.310.4237 x63623, fax 843.413.7121. She told me that WaMu had gone ahead and bought (duplicate) flood insurance coverage on March 17. This was two days after the March 15 call, when I was told that I would receive a refund because proof of coverage was in place.

Ms. Boykin told me that the notice of this purchase was mailed to me on March 28, and that was why I received the notice in early April that the duplicate coverage had been purchased.

April 6, 2007. A letter dated this day came from WaMu. It was another “We are a debt collector” letter that showed no acknowledgement of all my previous conversations with WaMu. This letter is an

example of what seems to be automatic generation of letters in one part of WaMu's system, with no linking to what is actually happening with the customer account and customer service department.

The letter says: "You may be able to obtain a refund of unearned premium; however, you will be charged for any time period where your coverage lapsed." Since we have had continuous coverage by State Farm, there was never a lapse in coverage.

April 18, 2007. A letter dated this day came from WaMu. It said that we have now proved we have sufficient flood coverage. "The flood coverage we previously purchased on your behalf has been cancelled effective 05/06/07. You will only be charged premiums for the actual time that the coverage that we ordered was in effect and any unearned premium will be refunded back into your escrow account." This letter means that I was charged premiums (and perhaps fees) from approximately March 10, 2007, to May 6, 2007.

Summary of systems problems at WaMu, incorrect premiums, incorrect fees, etc.

1. In early 2006 State Farm faxed proof of coverage to WaMu. (I triple-checked this at the time due to the number of letters and calls from WaMu.) WaMu ignored the proof of coverage and charged us \$2,398. The WaMu decision not to accept the fax (and not to call us back) appears to be pursuant to a policy of not accepting documentation that lacks the WaMu loan number, even when name, phone number, and address are apparent on the face of the document. That amount has still not been refunded to us.

2. In December 2006 WaMu counted us as one month late in payment because the amount we automatically paid did not exactly match the amount it had altered as due, apparently due to purchase of flood insurance. There was a fee for late payment and WaMu representatives later said the fee would be waived. I do not know if this fee has been refunded.

3. WaMu sent us a letter on January 22, 2007, saying it had confirmed we had flood coverage in place. I do not believe there has ever been a refund to us (or to our escrow account) based on this acknowledgement of coverage.

4. On March 13 Ms. Darko said that she was putting "no calls" and "no late fees" into the notes part of my file. Despite this, we were called by the collections department in March and on May 3. On the first occasion the agent acknowledged that the notes section said "no calls" and the call ended. On May 3 the agent said there were no notes in the file saying "no calls" or "no fees." I don't know if this agent was mistaken or if for some reason the file was altered to delete the "no calls" and "no fees" entries.

5. On March 15 Ms. Williams confirmed that State Farm had supplied satisfactory proof of coverage. She said that a refund of \$2,475 had been credited to my escrow account. Then, WaMu went ahead and purchased a full year's flood insurance on March 17 and didn't let me know until a letter arrived at my house on April 2. Buying this flood insurance two days after confirming the issue was

settled, without calling me, is perhaps the single biggest sign of WaMu's disregard for simple courtesy and basic customer service.

6. The WaMu letter of April 18 says that it will charge us for premiums for (duplicate) coverage for March 10, 2007, to May 6, 2007. I don't know the amount but this charge is directly contrary to what Ms. Williams said to me on the phone on March 15.