



The Due Process Advocate

*"No Person shall be . . . deprived of life, liberty, or property without the due process of law"
- Fifth Amendment of the United States Constitution*

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HUDSON, NH BUSINESSMAN CLAIMS LOCAL BANK IS HOLDING A "FORECLOSURE GUN" TO HIS WIFE'S HEAD TO EXTORT MONEY THAT ISN'T OWED

In March of 2016, People's United Bank, N.A. started a foreclosure action against Mike and Barbara Stringer pursuant to the pay-off of an SBA-guaranteed loan made, originally, by Ocean Bank to JRM Rentals, Inc.; a "Rent-To-Own" business in which Mr. Stringer was a corporate partner.

However, his wife, Barbara, was neither involved in the Rent-To-Own business nor a co-owner of Mike Stringer's property where they have both lived since they married in April of 2001.

In fact, public records at the Hillsborough County Registry of Deeds show that at the time JRM Rentals, Inc. took out the \$492,000 SBA-Guaranteed 7(a) loan in August of 2007 from the People's United Bank predecessor, Ocean Bank; Mr. Stringer gave Ocean Bank a mortgage on his home for additional collateral as a standard requirement for the SBA-Guaranteed loan to JRM Rentals, Inc. Mrs. Stringer waived her homestead rights at the time but was not a "mortgagor" (a property owner with the legal authority to grant a mortgage on the property).

Nevertheless, Merra & Kanakis, P.C., as attorneys for People's United Bank, N.A. successor in interest by merger to Ocean Bank, published a NOTICE OF MORTGAGEE'S SALE beginning with the paragraph: "Pursuant to the power of sale contained in a certain mortgage deed given by Michael Stringer and Barbara Stringer to Ocean Bank dated August 23, 2007 and recorded with the Hillsborough County Registry of Deeds in Book 7891, Page 2705, the undersigned will sell at public auction the Premises hereinafter described."

The auction was originally scheduled for June 23, 2016; but the Stringers successfully enjoined (stopped) the foreclosure by filing a lawsuit against People's United Bank, N.A.

Since then, a host of facts and circumstances have surfaced in this case that call into question whether the SBA-Guaranteed small-business loan programs exist to help small businesses grow and expand - or help the banks churn extra profits at the cost of small businesses.

Consider the following information gathered from court records:

- At the time the Stringers filed suit, People's United Bank, N.A. alleged it was owed approximately \$130,000 out of the original \$492,000; but Mike Stringer alleged that there was only a maximum of \$27,000 remaining to be paid by JRM Rentals, Inc., the borrower.
- Despite being named as a mortgagor in the NOTICE OF MORTGAGEE'S SALE, Barbara Stringer has never been an owner of the property.
- At the time the foreclosure was enjoined with a temporary injunction by the Hillsborough County South Superior Court, and after a subsequent evidentiary hearing, the Court could still not determine the actual amount remaining due on the SBA-Guaranteed loan because there were inconsistencies in the terms and conditions of the loan documents, application of payments, and whether or not the SBA had recently refused to honor its guarantee because of misrepresentations made by Ocean Bank as to the values of collateral at the time the loan was originated in 2007.
- Adding fuel to the controversy is the fact that JRM Rentals, Inc. closed their store in May of 2015 by selling off all their inventory and contracts and giving the funds (approximately \$88,000) to People's United Bank, N.A. with the understanding that the closing of the store would substantially pay off the SBA loan except for an amount between \$25,000 and \$50,000; which the principals of JRM Rentals, Inc. were more than willing to make arrangements to pay.

According to Stringer, the "straw that broke the camel's back" was the declaration by attorneys Kanakis and Merra that "they didn't represent the SBA" in the matter while, at the same time, the information supplied to Stringer as a result of two separate FOIA (Freedom of Information Act) Requests showed, emphatically, that they did.

"Then of course, when they came after my wife, all bets were off" said Mr. Stringer.

"The damage that this bank has caused to my family through their bully tactics is simply not acceptable and I would enjoy talking to other SBA-loan borrowers who have had similar experiences. Please email me at m.stringer@comcast.net."

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