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Faulty finance intended to increase values of homes by [Sli Dell](#)

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An allegation is made by the UK lawsuit that intentionally UK banks turned a blind eye to faulty loans in run-up to credit crunch. Small print in the lawsuit being brought against banks in America by the Federal Housing Finance Agency, the regulator of mortgage giants Fannie Mae and Freddie Mac, alleges that the UK banks, in order to increase values of homes they made fake statements to clients. The UK banks named Royal Bank of Scotland, Barclays and HSBC have been accused of bullying staff and surveyors into inflating valuations of U.S. homes, the mortgages for which were then sold on to federal lenders.

The lawsuit claimed that sometimes the owner occupancy data was materially false, with loans sold on to Fannie Mae and Freddie Mac when borrowers did not live at the property, making default more likely. On legal terms, the Federal Housing Finance Agency claims that the banks misrepresented the quality of billions of dollars of home loans sold to America's state-backed mortgage giants Fannie Mae and Freddie Mac by putting everyone in dark.

The lawsuit also alleged that Royal Bank of Scotland broke its own lending rules in order to write new loans of its own interest. FHMA lawyers said there were cases of borrowers being assessed on their ability to repay loans at a discounted initially two-year rate, and not beyond that. Barclays was also found accused of trading fraudulent subprime mortgages that may have been issued against nonexistent houses. One address turned out to be a cornfield in Indiana. Need cash for you home apply with same day loans no credit check @ <http://www.samedayloansnocreditcheck.me.uk/> and get required cash by you instantly and do the pending jobs of your house.

The value of the investments plummeted when property prices collapsed and borrowers defaulted on their loans. RBS sold £18.5billion of mortgage-related assets, HSBC £3.8billion and Barclays £3billion. The amount of damages being sought is unknown but the FHFA is looking for £555million from UBS after it sold £2.8billion of mortgage-backed investments. However, if that rate is repeated, RBS would have to face a claim of £3.7billion while HSBC would be on the hook for around £750million and Barclays for around £600million. The taxpayers are already sitting on a loss of £23billion in the bank with shares worth less than half what the state paid for them. But when the investment in Lloyds Banking Group is taken into account, the losses hit £34billion.

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