

WHITE COLLAR CRIME & GOVERNMENT INVESTIGATION
CLIENT ALERT

The media and various local and federal law enforcement agencies have recently focused a great deal of attention upon so-called “subprime” lenders. In particular, much scrutiny has been focused upon the allegedly high foreclosure rates among certain high interest rate mortgages.

As a result, many banks throughout the United States have received subpoenas requesting mortgage and other banking records. For example, this month one of the nation’s top-10 home builders was accused by the media of wrongdoing in relation to its lending practices. The federal government followed up on these reports by issuing subpoenas to the company as part of a criminal investigation.

Recent banking privacy laws greatly dictate the proper course of action in complying with such requests. In addition, the corporation should receive competent legal advice from our White Collar Crime and Government Investigations practice group before proceeding. Choosing to be “cooperative” without first obtaining legal advice may result in violation of banking privacy laws (which can bring a civil action from the borrower) or, worse, the waiver of rights and privileges with respect to the government's criminal investigation.

If you receive a subpoena for records regarding any such issues, please contact Kevin Napper at 813.229.4312 or knapper@carltonfields.com; Ed Page at 813.229.4308 or epage@carltonfields.com; or Adam Schwartz at 813.229.4336 or aschwartz@carltonfields.com.

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