

If you're a disgruntled Bank of America ([BAC](#)) mortgage customer and finally reach something called "the Office of the CEO and President," you might be relieved to have reached the top of the command chain.

The only problem, according to an in-depth investigation by Bloomberg, was that the "office" was actually a front given to [contractors tapped with managing complaints](#) about Bank of America's handling of the government's Home Affordable Modification Program, or HAMP.

The Obama administration launched the initiative in 2009, as foreclosures were spreading across the U.S. following the housing crash, to help homeowners get mortgage relief. The program [aims to lower monthly mortgage payments](#) and help homeowners avoid foreclosure. But from the start HAMP has been marred by problems, ranging from reports by homeowners of lenders and loan servicers repeatedly losing their mortgage modification documents to banks proceeding with foreclosures while they were supposed to be assessing borrowers for help under the program.

It's not the first time B of A has faced charges of improper behavior. In a legal case against the bank earlier this year, several people who viewed loan modifications claimed the financial giant [encouraged employees to lose paperwork](#) so that the adjustments could be denied.

The latest charges from Bloomberg aren't likely to improve consumers' view of the bank, which [has landed on lists](#) such as the "most disliked companies in America." Many of the bad feelings relate to mortgage gripes, a legacy of its purchase of mortgage lender Countrywide Financial, which was termed "[the deal from hell](#)" by the Boston Business Journal.

One of B of A's contractors, Urban Lending Solutions, ran a mail-processing center for HAMP paperwork. But as it struggled to meet quotas to resolve complaints, some employees falsified records and improperly dismissed grievances, Bloomberg notes, citing reports from former employees.

Lawmakers and U.S. agency officials, who were seeking to aid borrowers, received inaccurate statements on Office of the CEO and President stationery, but which were actually sent from Urban Lending Solutions, the story adds.

The rigamarole may help explain why 33 percent of B of A borrowers who were also in the HAMP program ended up in foreclosure, as compared with just 22 percent for the industry.

**B of A told Bloomberg that it didn't intend to mislead or delay customers. Urban Lending denied it engaged in any wrongdoing.**

**B of A told CBS MoneyWatch that it had "fully investigated similar allegations and proven them to be false," and added that it has "no incentive" to delay or deny relief to eligible customers. Urban Lending did not immediately respond to a request for comment.**

Additional findings from Bloomberg's investigation:

- Urban Lending, founded in 2002 by former Pittsburgh Steelers' running back Chuck Sanders, boosted sales from \$8 million in 2007 to \$183.5 million in 2012. After winning the Bank of America contract, it moved into a five-story building in Colorado with views of the Rocky Mountains.
- Urban Lending's warehouse had unopened mail piled to the ceiling, with paperwork allegedly scanned in late or incompletely, which triggered loan-modification rejections. One employee called the warehouse a "black hole," according to a lawsuit.
- Urban Lending used a variety of techniques to stall borrowers who had asked for a mortgage modification. The firm is said to have requested new supporting documents every one to two months, even if customers had already sent the information.
- Some borrowers faced thousands of dollars of added fees and interest because of delays. That sometimes disqualified them for HAMP because the ratio of their debt-to-income deteriorated, allege several former Urban Lending employees.
- Frustrated homeowners were given \$25 or \$50 gift cards, which Urban Lending employees joked provided just enough money to buy moving boxes.