

# Chalmette couple will get \$10,000 from mortgage firm in debt harassment case



By The Associated Press

on November 05, 2010 at 6:44 AM, updated November 05, 2010 at 2:33 PM

CitiMortgage Inc. lost its right to collect from a Chalmette couple who defaulted after **Hurricane Katrina** because it lost their mortgage -- and must pay them \$10,000 for years of harassing phone calls, a state district judge has ruled.

Company phone logs and the testimony of David Michael Cefalu and Rebekah Anna Cantrell Cefalu "clearly establish a pattern of continued, persistent and excessive phone calls" even after they told CitiMortgage to call their lawyer, Judge Robert Buckley wrote.

CitiMortgage's Louisiana attorneys did not immediately return calls for comment. Citigroup Inc. spokesman Mark Rodgers, reached Wednesday afternoon, said he would not be able to provide comment Wednesday.

The Cefalus got the \$66,462 mortgage in August 2000 from Hibernia National Bank, which transferred servicing rights on the loan to CitiMortgage on March 1, 2005, according to a post-trial memorandum filed by CitiMortgage.

Even though the Cefalus acknowledged their debt, CitiMortgage had to prove its case and didn't have the records needed to do that, Buckley wrote.

Its "sloppy recordkeeping ... seemed to eerily presage" recent allegations about lax paperwork and legal procedures nationwide as mortgage lenders foreclosed on millions of homes, the Cefalus' attorney, John Redmann, wrote in an e-mail message.

The couple stopped making mortgage payments after Katrina destroyed the Chalmette house where they had lived for five years. Rebekah Cefalu said Wednesday that they immediately notified CitiMortgage that they couldn't afford the payments and filled out all the company's "workable solution" paperwork, but were unable to work out payments they could afford.

They applied for Road Home assistance. "But that was kind of held up, too, with this lawsuit because they needed to pay off ... the mortgage company. And that was in debate -- what the amount was," she said.

Among other things, that amount kept growing because of interest. The company called daily, she said.

After two years, they got a \$20,870 check from their homeowners' insurance -- they had no flood insurance. "As soon as we got that check, we sent it" to CitiMortgage, Cefalu said.

That was when CitiMortgage stepped up its calls, Buckley wrote.

"They were calling, like, three times a day, calling my husband at work," Cefalu said. And each call, she said, started with the same questions, as if there were no records of what they had said earlier.

They retained Redmann in 2008. He discovered that the company did not have either the mortgage itself or a legal advertisement saying they didn't have it, Cefalu said.

*By Janet McConnaughey. The Associated Press*

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