

Homeowner vs. Mortgage Company

- Each side will give their response according to the perspective of their assigned team
- Raise your hand if you would like to talk
- If someone is speaking wait till they are done and then opposing team may give feedback
- Keep answers short and to the point

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Which ethics theories are being applied here?

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Universal Ethics

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Conflict of Interest



Question 2

If homeowners made poor financial decisions -- taking too much equity out of their houses or buying at the wrong time -- do the predatory lending practices of the banks and mortgage companies justify walking away from these mortgages?

Summary

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- Mortgage company dealing with many foreclosures
- Houses are worth 30-40% less than what they paid
- They can still afford the mortgage, but is it worth it?
- All Staff meeting to discuss problem
- Senior leaders remind everyone that a mortgage is a legal contract
- Multi-billion dollar bailouts leave people as victims
- Media coverage is negative to banks
- Mortgage holders are unknown
- Foreclosure is backed up

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Question 3

Are homeowners really "throwing good money after bad" in making payments on mortgages for homes that are worth much less than the mortgage?



Question 4

Would you walk away from your mortgage in this situation? How would you justify that decision?



Stuyvesant Town - Peter Cooper Village:  
America's Largest Foreclosure

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# Universal Ethics

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# Conflict of Interest

**Farcus**

by David Waisglass  
Gordon Coulthart







**“What conflict of interest?!  
I work here in my spare time.”**