

**Testimony of Darnell Walker  
in favor of S.B. 423**

My name is Darnell Walker. I am a homeowner from the city of Bridgeport. Unfortunately, I am unable to speak in favor of S.B. 423 today. Due to my housing situation, I cannot afford to take the time off from work.

In 2005, I applied to refinance my home through Bridgefield Mortgage Services, in order to buy-out the person I originally bought the home with. After they ran a credit check, they told me that I would get "the best rate going." In fact, when I told them I normally deal with banks directly they assured me I would be getting a ½ % point less than what any bank would offer me.

Their offer was around 6.5%. I agreed to move forward with that rate. A week before the closing, the offer was changed to 7.8%. I felt I could not back out because at the time I had a court agreement that limited the time I had to get a mortgage. In addition, I would have lost my \$20,000 down payment if I went back on the deal. On the day of the closing the rate was changed again from a 7.8% fixed to an adjustable. I was also told I would need \$7,200 in closing costs. That was the first time anyone told me I would need to pay any closing costs. I felt like I had no choice at this point because it was too late to look for another loan or to reschedule the closing. So, I suggested that they work the closing costs into the mortgage. Later, I found out that my loan had a two-year, 5% prepayment penalty--which nobody had told me about.

Since that time I have tried to find a way out of this mortgage. Unfortunately I have been unable to refinance it due to the prepayment penalty.

During the negotiations I was assured that I was going to receive a loan that had a low, fixed rate. Instead, I was given an adjustable rate loan at a high rate along with a prepayment penalty. I could have afforded the loan I was promised but I can barely make the payments on the loan they gave me. As the interest rate goes up I'll have even more trouble.

I believed my mortgage broker when he said he would get me "the best rate going." If the proposed bill had been law when I got my mortgage, I wouldn't be in the position I am in today. The new mortgage broker duties would have required him to act in my best interest. Plus, if there wasn't a prepayment penalty in my loan I could have taken care of the problem once I recognized it. So I urge you to please pass S.B. 423 to keep people like me from having to deal with some of the problems that I am now. Under this proposal, no prepayment penalties would be allowed on loans like mine and the broker would have been required to act as my agent. This seems to me to be a proper step to take in order to keep people like me from being stuck in a loan that isn't good for them. From what I understand there are many other borrowers in a similar situation that would also benefit from this.

I hope that by testifying today you will see fit to pass this legislation proposal and help future homeowners from being trapped in a bad mortgage that could lead to foreclosure.  
Thank you.