

**TESTIMONY OF RAY SECO
IN FAVOR OF S.B. 423**

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My name is Ray Seco and I am a homeowner living in Norwalk. I am unable to attend the hearing on Raised Bill 423 today because I have to work in order to keep my home.

In 2005, my wife had just lost her job and our budget was going to be tight until she got back on her feet. So when our mortgage company made a call to our home offering to refinance our mortgage, we did so. About three hours before the closing they called to tell me that there had been some changes made to the terms of my loan. The representative said that the offer was the best they could do for me. He went on to say that I shouldn't go to another company because my credit score would drop. With my wife's job loss on my mind and the prospect of worsening my credit, I decided to continue despite feeling uneasy about the situation.

The closing happened at my house later that day. The proceedings were short and to the point. I was shown where I was to sign on which papers. When I was done signing, it was over. Nobody discussed the terms of the loan with me at all. Later I would learn that I had a negative amortization loan that had a prepayment penalty for the first 3 years. I also was unaware that my income had been falsified on the application. At the time I was making roughly \$50,000 dollars a year. The documents said I made almost \$10,000 a month.

Ever since I became aware of the terms of my loan I have been fighting to get out of it. This process has torn me up. I have attempted to refinance but because of my struggles in making payments, my credit is ruined. In addition, in the last year, housing in my area has lost thousands of dollars in value. As I result, I have been forced to file for bankruptcy. It has been hard for my wife and I but I really worry about my kids. I don't want them to live with the constant threat of being homeless.

During our time of need I thought our mortgage lender was trying to help us. If the bill being proposed today had been law when I received my mortgage I wouldn't be in the position I am today. Under the proposed bill, the lender would be legally obligated to work in my best interest. Also the bill wouldn't allow for prepayment penalties to be added on subprime or non-traditional loans such as mine. If that had been in effect when I first got my mortgage, I might've been able to refinance without paying exorbitant fees. Lastly, the bill requires lenders to verify the borrower's income. If that simple act had been done during this process, whoever falsified my income would never have gotten away with it. I have been told that my ordeal is very similar to that of other homeowners with similar terms on their mortgage.

I hope that my testimony will urge you to pass this legislation and prevent future homeowners from going through what I am many others have. Thank you.