

Presentation to the CT State Legislature

Good morning ladies and gentlemen. I'd like to begin by thanking you for allowing me to address the failure in communication between homeowners and lending institutions.

My name is Sandra Gonzalez and I have been employed by the City of Bridgeport for the past eight years.

In February 2006, I purchased my first home in the City of Waterbury with my then boyfriend, who had agreed to share with all expenses related to the home.

Due to our low credit rating I was advised that in order to obtain a mortgage through, First Call Mortgage, I would have to obtain two separate mortgages. One would be at a fixed rate and the other as a variable rate. I was further advised that property taxes and insurance expenses would not be included in either mortgage. Inclusion of these two expenses would have disqualified my efforts at obtaining the needed financing.

Approximately one year after purchasing my house, I learned that both mortgages had been sold to, American Servicing Company.

A year later my boyfriend and I broke-up and I assumed all the expenses related to the home. Due to my single income status I begin to

Page 2

experience difficulty in keeping my payments up-to-date and was informed that my mortgage would be placed in a "special forbearance" payment plan. This stated plan would reduce my payments for three months in which I could bring my account up to date.

In October 2008, I received a letter American Servicing Company, advising that, my special forbearance payment plan had been denied because they had not received my third payment. I called the ASC and informed them that the two remaining payments had been made on time. I then immediately contacted People's Bank and requested a "stop payment" on the two checks. I then requested an additional "forbearance plan" and was advised that it could be issued, but at a higher payment amount . I requested a refinancing of my mortgages at a lower rate but was denied.

In January 2009, I received a letter advising that ASC had initiated foreclosure proceedings of my house. I attempted to obtain assistance with my mortgages through, Ashton Group, an internet company that offered assistance in refinancing mortgages. I made four payments through this company with no relief or issuance of any refinancing.

In March 2009, I went through the Waterbury Superior Court to obtain foreclosure mediation. I was advised by, Maureen Sheehan, of the

Page 3

Waterbury Court Mediation Specialist, that Ashton Group, should not have required up-front payments for modification. I was referred to the Connecticut Banking Commission for the purpose of filing a complaint against Ashton Group for their modification charges.

I also contacted Ashton Group in order to terminate my dealings with them and requested that the payments I had made be refunded. I was advised that they had processed my paperwork and that only one month would be returned to me.

For the next approximate four months I continued to attend mediation meetings during which I was placed on another forbearance plan. In August 2009, I read in the Connecticut Post, that a woman who was going through the same mortgage related problems, had obtained assistance through a program, named Housing Development Fund.

I contacted Housing Development Fund and met Todd Fagan, Foreclosure Intervention Specialist. Mr. Fagan, advised me to prepare a hardship letter, financial worksheet, copies of pay stubs, bank statements, and all mortgage related paperwork. In the hardship letter, I requested a forty year mortgage combining the current two mortgages as well as both property taxes and insurance.

Page 4

In January 2010 I received the first modification which consisted of a 8% variable mortgage as opposed to the original fixed rate of 12.825%. Several days later I received the modification for the primary mortgage which was at a fixed rate of 6.75%, as opposed to the original variable rate of 9.75%. These modified mortgages were scheduled for only thirty years and not the forty years I had requested. My request to include the property taxes was not included.

I was compelled to sign the secondary mortgage by ASC under the understanding that failure to do so would result in initiating foreclosure proceedings again. I did not sign the primary mortgage agreement because I had not received the forty year schedule with the combined property tax.

I've been placed in a temporary forbearance agreement while a review of my primary mortgage is conducted. On February 25, 2010, I received the temporary forbearance agreement, dated February 19th, requesting a \$1900.00 payment by March 15, 2010. In the past I was provided a thirty day window for payment.

It has taken approximately eleven months to get to this point in my

Page 5

efforts to address these mortgage issues. I would like to publicly thank Mr. Todd Fagen for his assistance and guidance in this matter. And I thank you, ladies and gentlemen of this opportunity.