

**STATEMENT OF YVONNE PABÓN
IN SUPPORT OF H.B. 5410**

Members of the Committee, thank you for letting me speak today. My name is Yvonne Pabón. My husband William and I are proud homeowners and residents of Manchester. We have been trying to resolve our mortgage problems with our servicer since last February. I am here to support House Bill 5410 because, right now, homeowners need help in mediation to deal with their servicers.

We purchased our home in 2006, and made all our payments for the first three years. When the economy turned and William's overtime was eliminated in early 2009, we called our servicer and requested a loan modification. Four months later, long after we first submitted our financial documents, we were put into a three-month trial period. Even though we were on this trial period, we were served with foreclosure papers.

We finished the trial period in September but didn't receive an answer on our application until our January mediation session. There we were told that our application was denied because we had submitted our documents in December, and that December was too late. This was completely wrong. But it didn't matter that we showed proof of sending documents in August and October, that the servicer confirmed it had our documents in November, or that its attorney asked for time to review our documents at the December mediation session. It didn't even matter that the servicer had signed a contract with the federal government and taken taxpayer money to participate in the modification program; the servicer would not modify.

We got help from the Connecticut Fair Housing Center, and we're back on track to receive a permanent modification. But the delay cost us. We paid for the servicer's attorney fees for each mediation session. We've learned that we're paying the servicer late fees and other default fees for each month the loan is not modified – even if we continue to make our trial payments on time. We're also continuing to pay the original interest rate rather than a modified interest rate: a difference of about \$500 per month.

Our situation is very common. In court last week we saw homeowners attending their ninth mediation session, and many others who'd been in a costly limbo just like us for several months. Since we began, we've learned that 25% of the homeowners participating in mediation still don't have a resolution. This is wrong. We're participating in good faith. Servicers should, too. And there should be consequences when servicers abuse mediation, like our servicer did.

Thank you for your time today. I ask you to support House Bill 5410 because homeowners need help in mediation, and help to save their homes.