

From: Mary Cruz
Subject: HMDA - Notice of Public Hearings

Comments:

August 16, 2010

RE: The Home Mortgage Disclosure Act Hearing, August 5, 2010

Docket No. OP-1388

Federal Reserve Board Members:

After my husband and I attended the August 5th hearing in San Francisco, I have decided to submit a written statement to tell my story behind the loan modification/foreclosure process, and to reiterate to the Board how this story is one in thousands across our Nation.

For nearly two years, my husband and I have been personally involved with three major mortgage lenders, in trying to accomplish a loan modification and three short sales. For the purpose of this statement, I will focus on the loan modification for our primary home.

Wanting to be proactive, I began contacting our mortgage lenders when I was facing my second of two knee surgeries, in a six-month period of time. I knew the second surgery was going to impact my income earning ability, and we were having difficulties keeping responsible tenants in our rentals, so not being able to make our monthly mortgage payment on our primary home was fast approaching. My initial contact with our lender, Washington Mutual at the time, was in September of 2008. I was told our property value had dropped, which meant we didn't have enough equity in our home to refinance, so there was nothing the lender could do for us unless, we were delinquent on a monthly payment. Once we became delinquent then the lender would be able to talk to us about a possible alternative payment option. It was confirmed that it would have a negative impact on our credit scores, but our hope was to save our home, and cause the least amount of damage to our credit, so we decided to stop making our monthly mortgage payment. This was the first time my husband and I had not paid a bill. We have always been financially responsible.

In July of 2009, we were approved for a three-month trial loan modification, which lasted until April of 2010. In May we applied for another work-out option, and on August 7, 2010 we received from the lender signed documents for a permanent Home Affordable Modification Agreement.

During this nearly two-year process, I have documented and maintained records of innumerable phone calls, written correspondence, submission of documents and other requirements from the lender along with, our original lender (WaMu) being taken over by another lender (Chase). Also, we had to learn how to handle the foreclosure system, because our house went into "Notice of Default" then into

foreclosure sale, before our loan modification was finalized. My family has accumulated more debt and stress, during this loan modification/foreclosure process, because of the Bank's lack of assistance and responsibility. Recently, I have become associated with PACT, which has provided support and assistance to my family, and has demonstrated to me the importance of accountability and transparency.

I urge the Federal Reserve Board to require banks to report information on the number of permanent loan modifications they have done, and the terms of these modifications. This information is needed to help serve borrowers in need especially, borrowers in under-served communities.

Mary Cruz